



PASSION TO DELIVER

ABBOTT INDIA LIMITED | ANNUAL REPORT 2019-20

PASSION TO DELIVER

Fueled by passion, Abbott India Limited has been delivering value across the healthcare ecosystem for over 75 years.

A Passion to Deliver Excellence allows us to face challenging opportunities and explore newer avenues. Our leadership is the outcome of our dedication and staying true to our business ethos.

Our Passion to Deliver Innovation to our wide cross-section of patients and other stakeholders ensures that we maintain our winning form. It helps us achieve a qualitative and quantitative edge over the board.

And Passion to Deliver with Compassion remains the driving force behind each one of us working toward a unified cause - that of helping people live healthier lives.

Continuing on our journey to deliver on our commitment, we are proud to take you through another exciting year of our work.

ABOUT THE REPORT

At Abbott India Limited (Abbott India), we are furthering our commitment to transparent stakeholder communications. In this Annual Report, we have adopted certain elements, principles and concepts of integrated reporting to demonstrate how our strategic priorities are aligned to improve the lives of people we serve and create long-term value for all stakeholders. The Report is guided by the framework issued by the International Integrated Reporting Council (IIRC). In the coming years', we will continue to incorporate more of these elements toward communicating both the financial and non-financial aspects of the business.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Munir Shaikh - Chairman
Anil Joseph - Managing Director
Anisha Motwani - Independent Director
Sudarshan Jain - Independent Director
Shalini Kamath - Independent Director
Ambati Venu - Non-Executive Director
Kaiyomarz Marfatia - Non-Executive Director
Rajiv Sonalker - CFO and Whole-time Director

KEY MANAGEMENT TEAM

Anil Joseph - Managing Director
Rajiv Sonalker - CFO and Whole-time Director
Prakash Maheshwari - Commercial Director
Milind Tendulkar - Commercial Director
T. Ramakrishna Prasad - Commercial Director
Mandar Keskar - Associate Director, Commercial
Keya Phatnani - Director, Human Resources
Sridhar Kadangode - Director, Finance
Dr Srirupa Das - Director, Medical Affairs
Dr Vijay Patil - Associate Director, NPI and TAS

COMPANY SECRETARY

Krupa Anandpara

STATUTORY AUDITORS

S R B C & CO LLP
Chartered Accountants

INTERNAL AUDITORS

M/s KPMG
Chartered Accountants

COST AUDITORS

M/s Kishore Bhatia & Associates
Cost Accountants

SECRETARIAL AUDITOR

Neena Bhatia
Practicing Company Secretary

FORWARD-LOOKING STATEMENT

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

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Bandra (East), Mumbai 400 051
T: +91-22-5046 2000
F: +91-22-5016 2400

FACTORY

L-18/19, Verna Industrial Estate, Goa

REGISTRAR & SHARE TRANSFER AGENT

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Selenium Tower B
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Financial District
Nanakramguda
Hyderabad - 500 032
T: +91-40-6716 2222
F: +91-40-2300 1153

76TH ANNUAL GENERAL MEETING

DATE: SEPTEMBER 7, 2020
DAY: MONDAY
TIME: 9:00 AM

THROUGH VIDEO-CONFERENCING (VC)/OTHER-AUDIO VISUAL MEANS (OAVM)



ABBOTT INDIA, A TRUSTED PARTNER OF CHOICE FOR HEALTHCARE

For over 75 years, Abbott India has been the partner of choice for health providers, enabling the people of India to live their best possible life with our high-quality products and services.

A subsidiary of Abbott Laboratories, Abbott India offers a broad portfolio of products in multiple therapy areas that help treat some of the most persistent health conditions. We tailor our product offerings to meet the specific needs of the people in India.

Our consistent value creation is backed by our continuous efforts and investment in innovating, building on market presence with newer indications,

geographic expansions and improved ways of using our medicines to help shape a new-age healthcare ecosystem. We are motivated by our belief that health is essential to achieving full potential.

Our strong leadership positions in every therapy we serve, ability to achieve continued above-market growth and deliver consistent shareholder returns, truly make us one of India's most valued companies.

KEY THERAPY AREAS



WOMEN'S HEALTH

Products under this therapy enjoy a strong equity and have a high level of credibility and trust, which is essential owing to their sensitive indications, with a high bar on safety (especially in pregnancy).



GASTROENTEROLOGY

The products under this portfolio focus on upper and lower gastrointestinal tract (GI) issues along with hepatic care. Our differentiated offerings beyond pills in this area and strong equity amongst the consumers are behind the sustained growth.



METABOLICS

Products cater to hypothyroidism, hyperthyroidism and also for newer sub-therapies. Increasing patient awareness and reducing reluctance to seek treatment as well as our approach toward continuum of care differentiate us from others in this segment.



MULTI-SPECIALTY

Differentiated products and marketing over conventional preparations for pain management, nutritional supplements, vitamins and insomnia.



CENTRAL NERVOUS SYSTEM

Highly innovative and trusted products under this therapeutic segment to alleviate the suffering of patients with vertigo, epilepsy, migraine and depression, among others.



VACCINES

A highly diverse portfolio catering to the immunology segment with products targeting influenza, typhoid, and diarrhoea.



CONSUMER HEALTH

Consumer-directed products, including all variants of antacids (antiflatulent) tablets, liquids and powders.



ABBOTT LABORATORIES

At Abbott, we are dedicated to helping people live more fully, in everything they do. We are creating the future of healthcare through life-changing technologies and products that make people healthier and stronger, quickly identify when they have a medical need, and treat conditions to help them get back to doing what they love.

We serve people in more than 160 countries with leading medical devices, diagnostics, nutrition products and branded generic medicines. Our 107,000 colleagues are helping millions of people to live better and healthier, every day around the world.

We have market-leading positions in every business such as remote heart-failure monitoring, transcatheter mitral-valve repair, heart pumps (LVADs), stents, continuous glucose monitoring, chronic-pain devices, point-of-care testing, blood and plasma screening, pediatric and adult nutrition and multiple therapies in our medicines portfolio.

To know more about Abbott visit www.abbott.com/

KEY FACTS

US\$ 31.9 Billion
WORLDWIDE SALES (2019)

160+ countries
PRESENCE

130+ years
OF LEADERSHIP

1,07,000
WORKFORCE

OUR KEY BRANDS



16 OF OUR TOP 20 BRANDS RANK # 1 AND # 2 IN THEIR RESPECTIVE PARTICIPATED MARKET*

Colospa Irritable Bowel Syndrome	Creon Exocrine Pancreatic Insufficiency	Cremaffin Constipation	Duphaston Miscarriage and Infertility	Duphalac Constipation
INFLUVAC Prevention of Influenza	Ganaton Gastroesophageal Reflux Disease	Prothiaden Depression and Anxiety	Thyronorm Hypothyroidism	Vertin Vertigo

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

14 OF OUR TOP 20 BRANDS ARE GROWING FASTER THAN THE MARKET*

dwadilán Preterm Labor	DIGENE Antacid	Enteroshield Typhoid V Conjugate Vaccine I.P. Prevention of Typhoid	Librax GI Disorders	Udiliv Chronic Liver Diseases
arachitol NANO Vitamin D Deficiency	Heptral Liver Disease	COMBINORM Bacterial Vaginosis	Estrabet Menopause	Zolfresh Insomnia

*Source: IQVIA: MAT March 2020

STRENGTHS

Backed by Abbott India's 75+ year reputation for quality, a reliable supply chain, and expertise

Highly performance-driven culture and powerful teams committed to our purpose

Market leadership in multiple therapies and niche segments

Approach to lead from the front with our first-to-market healthcare solutions, unique services and execution excellence

A COMMITMENT TO KEEP DOING MORE

In our journey of value creation at Abbott India, we continue to cross milestones, driven by our empathy for the consumer. We derive support from the strength of our relationships with our key stakeholders. Our six capital assets are aimed at helping to improve these relationships in service of our aspiration, which is to improve performance across the continuum of care.

FINANCIAL CAPITAL

Financial Capital is the internal retained earnings generated by the company and is used to grow and support business activities. We judiciously and efficiently deploy the funds to expand our business operations and deliver sustained growth year after year. We consistently enhance fixed assets productivity, working capital turns, and operating margins through robust planning and budgeting process. We ensure that we enhance and add value to the financial resources that our business generates for our stakeholders.

25.4%

INCREASE IN CASH GENERATED FROM OPERATIONS

₹ 4,208 Crore

TOTAL REVENUE

9.3%

TOTAL REVENUE CAGR OVER PAST 5 YEARS

[Read more](#) 18

MANUFACTURED CAPITAL

Manufactured Capital is the company's tangible and intangible infrastructure used for value creation through business activities. We have state-of-the-art manufacturing plant at Goa. The plant is critical for the manufacturing of some of our key products such as Cremaffin, Duphalac and Digene. We undertake a comprehensive review from time to time to improve our manufacturing operations, enhance efficiency and productivity, while reducing cost. We also undertake responsible partnerships with various local manufacturers for manufacturing our products to optimize cost efficiency while ensuring highest quality standards.

> 95%

OF LOCAL MANUFACTURING

9,745 KL

LIQUID PER ANNUM - CAPACITY AT OUR PLANT

2,257 Million

MIO TABLETS/ ANNUM - CAPACITY AT OUR PLANT

[Read more](#) 41

HUMAN CAPITAL

Human Resource is the strongest asset for the Company. Human Capital refers to our employees' competencies, knowledge and experience and their capability to utilize these to meet stakeholder needs. Our employees are the key to our success and our focus remains on attracting, engaging and developing the best set of talented people who share our vision and values and deliver exceptional outcomes for our customers. We are committed to helping our people fully realize their potential, and this is done through providing unique career paths, customized learning experiences, development programs and job-specific training to help employees be successful in their current roles and develop their potential for future career paths.

3,551

PERMANENT EMPLOYEES

75

LEADERSHIP FILLED THROUGH INTERNAL TALENT PIPELINE

1,54,721

MAN-HOURS OF TRAINING

[Read more](#) 44

INTELLECTUAL CAPITAL

Our Intellectual Capital consists of strong heritage brands, highly experienced people, world-class technology, robust processes and systems. We rigorously make investments in new product developments, scientific research, clinical studies, improvised packaging and enhancing our human capabilities to cater to the needs of our customers.

1

INNOVATION & DEVELOPMENT CENTER

21

NEW PRODUCTS LAUNCHED

12

CLINICAL STUDIES

[Read more](#) 30

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital refers to the relationships we establish with our ecosystem of stakeholders, including the communities integral to our work, to create societal value. As a responsible corporate citizen, our sustainability strategy is focused on achieving sustainable growth, delivering innovative solutions and building stronger communities. In addition to our philanthropic programs, we also support the training and education of healthcare providers to improve access to healthcare.

₹ 12 Crore

CSR SPEND

~25,000

HEALTH CLINICS CONDUCTED

3 Successful CSR partnerships

WITH SEWA, MALARIA NO MORE, AMERICARES

[Read more](#) 48

NATURAL CAPITAL

Natural Capital refers to the natural resources we use to create value for our stakeholders and efforts that we undertake to promote natural resource preservation and environmental mitigation. We are committed to safeguarding a healthy environment for all by reducing our environmental impact. This shapes the way that we source our raw materials within India and how we manufacture and distribute our products. Our approach is guided by our internal policies and applicable laws of the land. We have set clear environmental goals and made rapid progress in using energy and water resources more efficiently while minimizing waste.

2,879 KL

WATER SAVED

44,372 KWH

ENERGY SAVED

83%

SCORE AS PER BAROMETER SURVEY CONDUCTED BY NATIONAL SAFETY COUNCIL, USA

[Read more](#) 40





PASSION 
TO DELIVER
EXCELLENCE

At Abbott India, we are passionate about enabling people to enjoy good health and their best possible lives. This drives us to deliver excellence in everything we do. Our market-leading growth is a strong testimony to this endeavor.

A consistent brand focus, changing product-mix, and robust business capabilities are some of the factors that have ensured delivery of sustainable success and value to our stakeholders. We continue to pursue our strategic priorities, focus on our financial commitments and build on our growth momentum.

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NON-EXECUTIVE DIRECTOR

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OPERATING ENVIRONMENT



DELIVERING LONG-TERM SUSTAINABLE VALUE



MUNIR SHAIKH
CHAIRMAN

"To drive better growth, we will continue to incorporate the learnings from our dynamic operating environment and deep industry knowledge of today into tomorrow's business models."

Dear Shareholders,

The start of the new decade has been eventful for everyone.

At Abbott India, our purpose leads us, and we believe that through better health outcomes we will be able to build and sustain a healthier, enriching world. I am happy to inform you that despite volatility and uncertainty, your Company once again delivered a strong performance in FY 2019-20. Through our innovation and agility, we continued to create and deliver long-term sustainable value across the healthcare ecosystem.

Over the last several years, we have continued to adapt to the changing environment. One of our critical success factors has been our agility in adapting to digital transformation that is the norm. Last year, we created several 'first-in-pharma' ecosystems, pioneering initiatives in therapies such as vertigo, liver, thyroid, influenza and others. We have taken a lead in imbibing an innovative culture. We have partnered with health-tech start-ups that endeavour to solve problems in the healthcare space and developed a service plus open ecosystem, a necessity in today's healthcare system. Also, keeping in mind the increasing healthcare needs of our consumers, we have augmented our portfolio and successfully launched 21 new products.

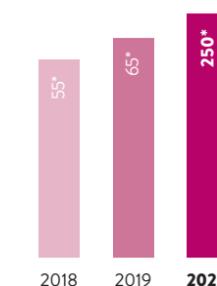
During this challenging time, healthcare companies are relentlessly working alongside the government, to ensure continued manufacturing of medicines with increased efforts on focused research and development, to bring appropriate medical solutions. Your Company is no exception to that, and we have taken extraordinary efforts to remain committed to our customers by ensuring uninterrupted supply of products while keeping the health and safety of our employees a priority. Resilience and adaptability shown by our people during these critical times has been and continues to be, commendable.

I am proud to say that many of our products, patient support programs and differentiated marketing and digital initiatives have received external recognitions. Your Company was also recognized as the Most Innovative MNC of the Year 2019 at the 12th Pharma Leaders Award.

Keeping in mind our 75th year in India and the remarkable performance by the Company, your Board has recommended a final dividend ₹ 107 and special dividend of ₹ 143 per equity share.

Abbott India stands for quality, trust and partnership. We know how to deliver high-quality healthcare, and our heritage is proof that we remain committed for the long-term. As part of our social initiatives, we have enabled access to essential healthcare services and information, with support from qualified healthcare professionals that enhance disease diagnosis.

GROWING DIVIDEND



*includes Special Dividend

₹ 593 Crore
PAT

14.1%
PAT (% OF REVENUE)

The Indian pharmaceutical sector which stands at the cusp of innovation and transformation will be led by the changing healthcare trends. To drive better growth, we will continue to incorporate the learnings from our dynamic operating environment and deep industry knowledge of today into tomorrow's business models. During the year, we laid out our plans to reprioritize resources within key growth areas, streamline operations and redefine our brand strategy.

We are paving the way for greater collaboration amongst our employees and are always open to new ideas to facilitate possible breakthroughs.

As the COVID-19 situation evolves, we will continue to navigate and

provide all necessary support to ensure that products are available for the well-being of our community.

We have had a few changes in our Board this year. Krishna Mohan Sahni retired from the Board at the end of his tenure. Jawed Zia and Mark Murphy also resigned from the Board. We thank them for their valuable contributions. Shalini Kamath was appointed as an Independent Director and we welcome her on the Board.

I would like to recognize Ambati Venu's contributions as Managing Director and congratulate him on his elevation to a senior management position within the Abbott Group effective March 2020. Your Company achieved several milestones under his leadership and are privileged that we will continue to receive his guidance as Non-Executive Director on our Board. I welcome Anil Joseph as Managing Director effective July 1, 2020. Anil has had several years of management experience with Abbott based in Singapore.

On behalf of all Board members, I would like to extend my sincerest gratitude to our employees for their perseverance and commitment, our shareholders for their continued trust in our endeavors and our consumers for their confidence in our products.

Thank you

Munir Shaikh

MEASURING OUR PROGRESS

INDIAN GAAP

IND AS®

(AMOUNTS IN ₹ LAKH, UNLESS OTHERWISE STATED)

	2010 (13 M)	2011*	2012	2014 (15M)	2015	2016	2017	2018	2019	2020
OPERATING RESULTS										
Total Revenue (Inclusive of excise duty/net of GST)	1031,97	1528,07	1696,93	2358,39	2364,56	2696,23	2996,33	3424,11	3791,89	4207,53
Material Cost	647,30	861,21	971,65	1297,41	1311,96	1492,03	1712,06	1904,74	2088,60	2315,65
Employee Benefit Expenses	111,20	167,35	206,20	299,74	305,40	341,09	345,27	393,69	435,58	476,11
Other Expenses	168,03	304,32	294,97	444,68	387,40	448,14	484,04	484,19	549,69	544,94
Depreciation and Amortization	11,25	15,00	19,49	21,93	14,94	14,44	16,43	16,19	16,92	59,61
Finance Cost	4	3	2	8	50	2,52	2,04	3,82	2,25	8,53
Profit Before Tax and Exceptional Items	94,15	180,16	204,60	294,55	344,36	398,01	436,49	621,48	698,85	802,69
Exceptional Items	-	-	10,39	-	-	-	-	-	-	-
Provision for Taxation	33,21	59,77	70,29	96,10	115,40	142,76	159,84	220,26	248,52	209,76
Profit After Tax and Exceptional Items	60,94	120,39	144,70	198,45	228,96	255,25	276,65	401,22	450,33	592,93
Earning Per Share - Basic & Diluted (₹)	44.56	56.66	68.10	93.39	107.75	120.12	130.19	188.81	211.93	279.04
Dividend Per Share (₹)	17.00	17.00	17.00	23.00	31.00	35.00	40.00	50.00	50.00	107.00
Special Dividend Per Share (₹)	-	-	-	-	-	-	-	5.00	15.00	143.00
ASSETS EMPLOYED										
Fixed Assets (Net)	50,57	80,02	109,18	99,52	99,95	111,29	115,88	83,55	105,69	271,47
Other Assets (Net)	254,82	464,12	537,68	688,33	837,58	1084,31	1271,06	1609,21	1902,90	2160,24
Total Assets	305,39	544,14	646,86	787,85	937,53	1195,60	1386,94	1692,76	2008,59	2431,71
FINANCED BY										
Share Capital	13,68	21,25	21,25	21,25	21,25	21,25	21,25	21,25	21,25	21,25
Other Equity	291,71	522,89	625,61	766,60	916,28	1174,35	1365,69	1671,51	1987,34	2410,46
Total Equity	305,39	544,14	646,86	787,85	937,53	1195,60	1386,94	1692,76	2008,59	2431,71
NUMBER OF SHAREHOLDERS	14,461	19,354	20,826	18,270	19,407	21,250	23,004	22,583	27,559	51,442
HEADCOUNT	1,767	2,425	2,667	2,766	2,867	2,956	3,083	3,322	3,485	3,551

* Post Merger with Solvay Pharma India Limited

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

EVOLVED HEALTHCARE SOLUTIONS FOR A CHANGING WORLD



“We are aiming at improving health outcomes across the continuum of care comprising awareness, diagnosis, treatment and compliance.”

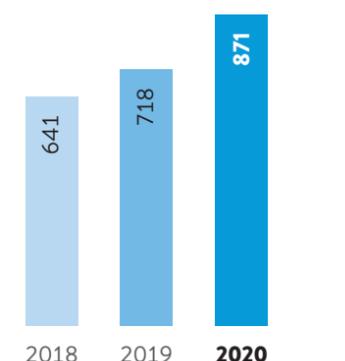
Dear Shareholders,

I am delighted to share that we were able to clock impressive results once again for FY 2019-20. Our Total Revenue stood at ₹ 4,208 Crore, registering a growth of 11.0% over the previous year, while Net Profit grew by 31.7%. Even in the current challenging times, we remain resilient and are able to continue providing products and services to our customers with the same commitment as always.

The year brought a personal change for me as I have now moved to a new role within Abbott Group. The last three-and-a-half years of my work as Managing Director of Abbott India Limited will remain close to my heart. I am grateful for the trust my colleagues had in me during this time, as we continued to build on our achievements. I extend my gratitude to all our shareholders and members of the Board for their faith in my leadership. It has been an honor to serve you all.

AMBATI VENU
NON-EXECUTIVE DIRECTOR
(MANAGING DIRECTOR UNTIL FEBRUARY 29, 2020)

EBITDA ₹ IN CRORE



It is a privilege to welcome Anil Joseph as the new Managing Director. He is an Abbott veteran and I am sure with his diverse experience, he will lead your Company to greater heights.

In my first message to you, I had spoken about how Abbott India as an organization ‘goes the extra mile’ in its steadfast commitment to provide quality, affordable healthcare solutions to people. As I look back, I realize that we are constantly doing so. Not only have we been able to restructure and redesign business as per the need of the hour, but we also continue to pioneer healthcare innovations.

Over the years, we have aligned our priorities closely to our strategic intent. We are aiming at improving health outcomes across the continuum of care comprising awareness, diagnosis, treatment and compliance. We continue to expand our service offerings to reach out to stakeholders beyond the pill. With our pill-plus programs in liver health, gut health, pancreas health, vertigo and thyroid health,

we are working to improve patient experiences across the board.

Consumer needs are driving our core focus on innovation. We added 21 new products to our portfolio during the year. We have led with improvements across the product lifecycle by introducing new packaging solutions, a new range of flavours, simplified dosing and more.

Our future-focused approach has helped us navigate diverse macroeconomic conditions. We undertook several restructuring measures to improve our market opportunities and I am proud of our success – as many as 16 of our top 20 brands continue to dominate the market. We have retained our leadership position in most of the therapy areas we target, including women’s health, gastroenterology, metabolics, pain management, central nervous system and vaccines.

Patients today are more aware and hence, more empowered. They look for more holistic customer experiences. In response to this growing consumerisation, we undertook several robust initiatives. One of our oldest brands, Cremaffin, became the newest entrant into the Over-the-Counter (OTC) category.

This year, we introduced India’s only sub-unit quadrivalent flu vaccine. We have also formed an activation team for the vaccines division so that we can increase our reach in the adult vaccination segment.

We pioneered the launch of a division focusing on menopausal health – the Miliana division.

Our product, Femoston provides us the opportunity to reach out to patients in the pre-and post-menopause phase. We added our global products – Duphalac Bears and Duphalac Chews to our portfolio, catering to a niche audience for their gastrointestinal needs.

All of this has been made possible through an exceptionally positive, productive and focused culture at our workplace. We introduced several new talent management and leadership grooming initiatives such as ‘Accelerate’ and ‘LEAP’ that aim to build strong managerial capabilities. As a part of Women Leaders of Abbott (WLA), we also launched the Wo-Mentoring program to mentor more women leaders at the Head Office, plant and on field. Various wellness initiatives were undertaken to empower employees to face the dynamic environment around us.

Similarly, members of our ecosystem such as healthcare providers, vendors, stockists and service providers play an extremely important role as enablers of our success. I thank them all sincerely for having the same passion to deliver.

I assure you that Abbott India remains ‘at the forefront of change’, determined to grow sustainably and to create lasting value for all our stakeholders.

Sincerely,

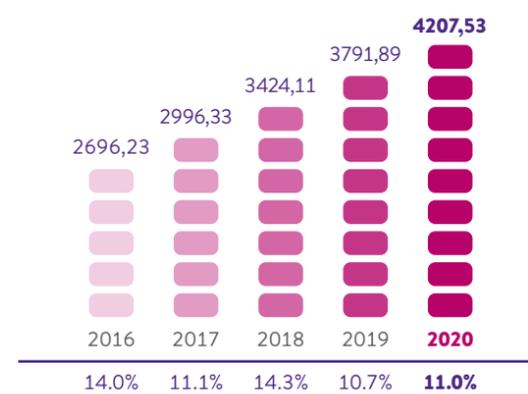
Ambati Venu

* Source : IQVIA MAT March 2020

DELIVERING ON OUR COMMITMENTS

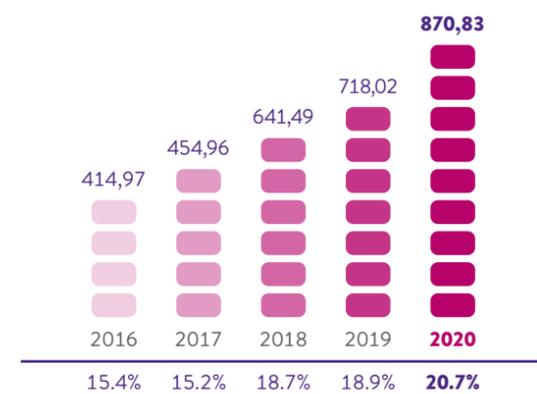
REVENUE GROWTH 11.0%

TOTAL REVENUE (₹ IN LAKH)



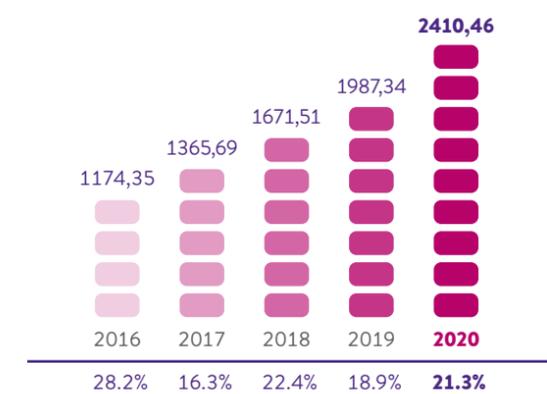
EBITDA MARGIN 20.7%*

EBITDA (₹ IN LAKH)



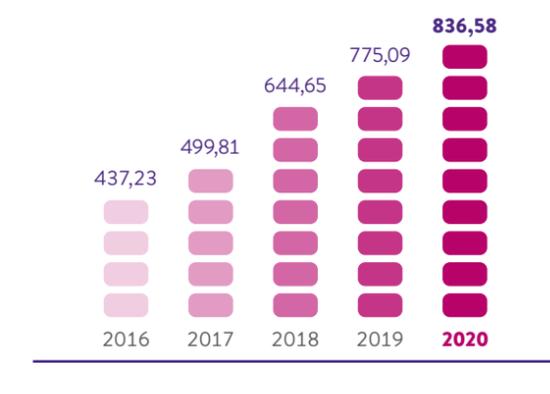
RESERVES AND SURPLUS GROWTH 21.3%

RESERVES AND SURPLUS (₹ IN LAKH)



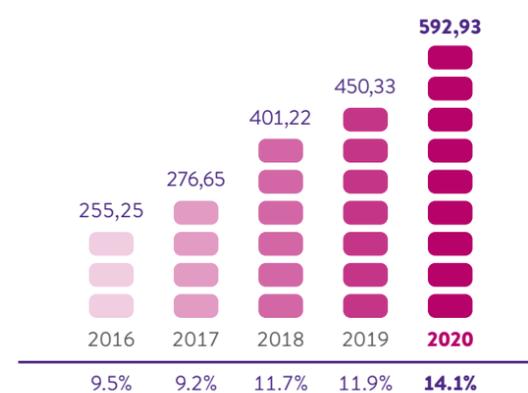
CONTRIBUTION TO EXCHEQUER

(₹ IN LAKH)



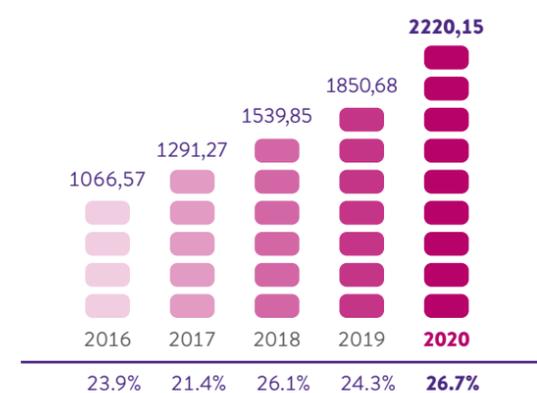
PAT MARGIN 14.1%*

PAT (₹ IN LAKH)



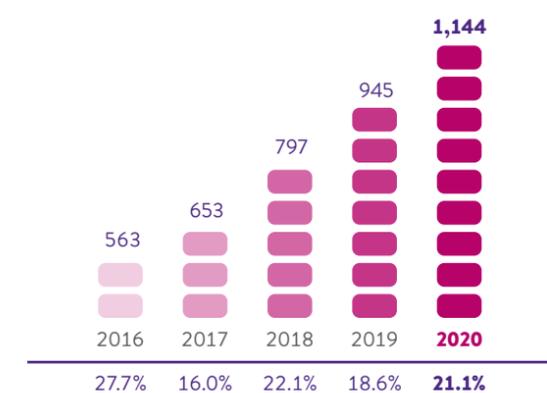
RETURN (PAT) ON AVERAGE CAPITAL EMPLOYED 26.7%

AVERAGE CAPITAL EMPLOYED (₹ IN LAKH)



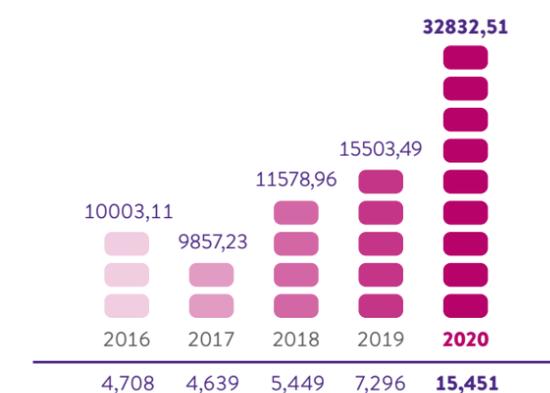
BOOK VALUE GROWTH 21.1%

BOOK VALUE PER SHARE (₹)



SHARE PRICE 15,451

MARKET CAPITALIZATION (₹ IN LAKH)



* Percentage to Total Revenue

BUILDING FOR THE FUTURE



“To remain one of the leading healthcare companies in India, it is imperative for us to depend not only on our leading brands, but also on our differentiated business capability.”

Dear Shareholders,

I am extremely proud to take over the responsibility as the Managing Director of Abbott India Limited. It is wonderful to see the contribution of our colleagues over the years in building such a robust foundation and a sustainable, value-adding business model. I consider it my privilege to take over from my predecessor, Ambati Venu. I am excited to continue the good work and to lead such an accomplished team of people.

We have a legacy to grow here – a legacy of 75 years of helping millions of Indians live healthier, better lives. We have consistently led with innovative medicines and been first-to-market in several key therapies, giving us a distinct edge as a market leader. Today, as we all try to work our way out of a pandemic, expectations from us are even greater. It is an opportunity to do much more.

We are sharpening our focus on making a measurable impact in everything we do. Our talent, our innovation-led approach, our compassionate culture, are going to be key to excellent delivery in future. We will continue to leverage our existing strengths in being able to strike a balance between accessibility and high-quality medicines to create holistic solutions. We will also nurture newer strengths to help us scale even more heights in the new normal that is shaping up. We are driven to expanding our portfolios across our offerings and strengthening our brand equity through contemporary means of engaging with our customers and end-users.

To remain one of the leading healthcare companies in India, it is imperative for us to depend not only on our leading brands, but

also on our differentiated business capability. We are embracing unique ways of doing business through digital means which have been necessitated due to the COVID-19 pandemic. These may lead, in some cases, to rethink the way we operate. This change in approach could come in the form of medium and/or delivery methods, and we will continue to remain competitive and work with speed on these areas as well. Strengthening our digital ecosystem and upgrading our technological capacities will remain key to our processes.

While the post-pandemic world will be a different place, I am confident that we will come out of this situation even stronger. As we embark on our journey of charting the course for the next year, we anticipate another year of good growth and stable operations. However, we need to

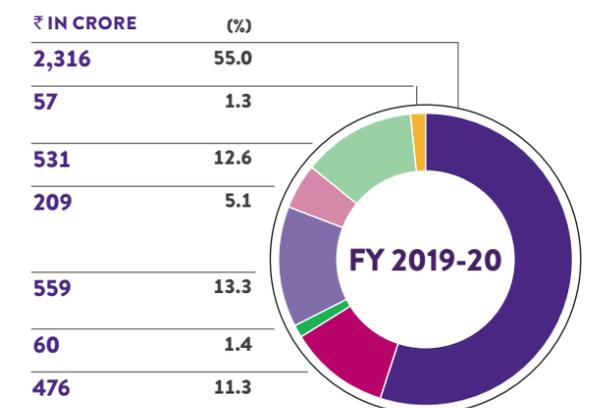
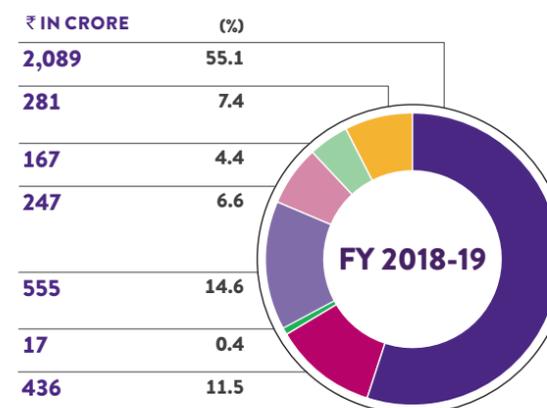
commit ourselves to finding creative solutions to challenges known and unknown. As a team, we are progressing with momentum and agility to surmount these challenges.

We have seen that ultimately, what makes us at Abbott India different is our passion to deliver. With the support of our shareholders and our leadership team, as well the Abbott India family, I am confident that we will continue to stand out.

Warm regards,

Anil Joseph

REVENUE DISTRIBUTION



- MATERIAL COST
- OTHER EXPENSES
- PROPOSED DIVIDEND (INCLUDE CORPORATE DIVIDEND TAX)
- EMPLOYEE COST
- TAX
- RETAINED EARNINGS AND OTHER COMPREHENSIVE INCOME (OCI)
- DEPRECIATION

ANIL JOSEPH,
MANAGING DIRECTOR, EFFECTIVE JULY 1, 2020



GROWING CONSISTENTLY AND WELL

We operate in a highly regulated and competitive industry. Our diversified business model allows us to respond to the many opportunities and challenges we face, while delivering value for all our stakeholders. It enables us to remain agile in responding to evolving market trends, with the belief that everyone deserves a healthy and fulfilling life.

OUR PURPOSE

To help people live better and healthier lives through our products and differentiated offerings.



INPUTS

FINANCIAL

Our focused investments on innovation, research and development, manufacturing and marketing, enable us to expand our product portfolio, services, technical capabilities and operations to stay relevant and ahead of market trends.

PEOPLE

We have a highly skilled, diverse and effective workforce. Through continuous training of our people and by hiring new talent, we secure sustainable future growth.

VALUES

Guided by core values of Pioneering, Achieving, Caring and Enduring at each stage, we are committed to conducting business ethically and strive to achieve the highest quality standards.

RELATIONSHIPS

Strong relationships with regulators and health authorities across all our markets, and successful collaborations with industry partners, enable us to achieve our purpose.

CAPABILITIES

Through our strong supply chain and distribution channels, we increase outreach to untapped urban and rural areas.

PROCESSES

We have clearly defined systems and robust processes focused on internal controls, operational excellence effective risk operating model and governance structure, which are aligned to business objectives.

OUTPUTS



OUR CUSTOMERS

Delivery of high-quality, affordable medicines



OUR INVESTORS

Consistent financial performance and strong returns to shareholders



OUR PEOPLE

Dynamic, safe and rewarding place to work with clear development opportunities, happy and fulfilling career and be 'employer of choice'



OUR PARTNERS

Critical to our business, their expertise supports us in the delivery of medicines to patients in India. We aim to develop collaborative relationships to help them improve their sustainability performance



OUR ENVIRONMENT AND LOCAL COMMUNITIES

Reduction in carbon footprint, offering quality employment opportunities and better access to health outcomes and awareness

OUTCOMES

11.0%

INCREASE IN TOTAL REVENUE OVER FY 2018-19

26.0%

RETURN ON NET WORTH

21

NEW PRODUCTS LAUNCHED

~25,000

HEALTH CLINICS CONDUCTED

1,379 KL

RAINWATER HARVESTED AT GOA PLANT

₹ 1971,92 Lakh

TOTAL VALUE ADDED

DISTRIBUTED AMONG:

EXCHEQUER: ₹ 836,58 Lakh

EMPLOYEES: ₹ 476,11 Lakh

SHAREHOLDERS*: ₹ 531,23 Lakh

SOCIETY (CSR): ₹ 11,64 Lakh

REPLACEMENT AND

EXPANSION#: ₹ 116,36 Lakh

* Proposed dividend

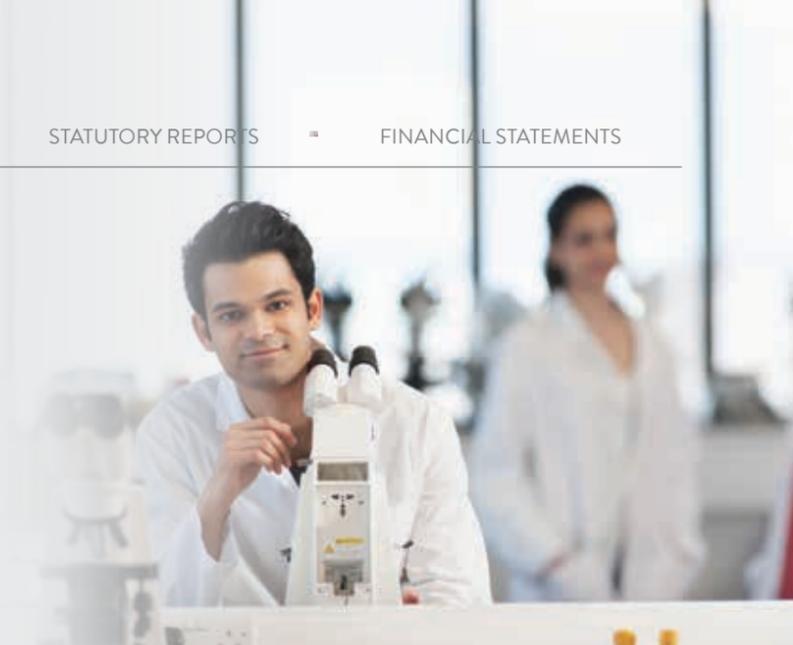
Replacement and expansion is Retained earnings + Depreciation

A COMPREHENSIVE FRAMEWORK THAT CONTINUES TO DELIVER

At Abbott India, we remain guided by a singular belief that every individual deserves to live a healthy life.

United by a common overarching framework, at Abbott India, our strategy ensures that our customers' needs are addressed, and we continue to remain relevant.

Our strategy aims to deliver strong returns to shareholders, best-in-class services to customers and continue being a sustainable business that adds value to the society.



FOCUS AREAS

PIONEERING PATIENT-CENTRIC CARE

STRENGTHENING THE CARE CONTINUUM

OBJECTIVE

Being at the top helps us maximize opportunities, deliver unique solutions for 'now' and 'next' therapies as per the dynamic environment around us.

Driven by a need to drive differentiation for our doctors as well as patients and a commitment to bring high-quality, affordable care across the patient ecosystem, continuum-centered care is essential to our offerings.

OUTLOOK FOR FY 2020-21

Our long-term intent is to cater to the need-gaps across the healthcare ecosystem, and pioneer services that leverage our core strength.

We have a robust pipeline of products for the next few years, which along with our portfolio approach will help us establish our presence across several therapy areas.

Further raise the innovation bar for treatment and services for our key therapies such as Women's Health, Thyroid and Gut Health.

AWARENESS

We will continue to improve awareness among suspects through advanced disease prevention education programmes and on-ground interventions.

DIAGNOSIS

Digital therapeutics (DTx) will help with evidence-based interventions for improving the health outcome of patients across the care continuum; partnering with key providers will remain essential.

TREATMENT

Our clinical science efforts, KOL advocacy groups, and global guidelines and findings will continue to improve and enhance scientific knowledge, and thus treatment, for our patients.

COMPLIANCE

It takes beyond treatment to solve the healthcare challenges. We will continue to increment innovations in our efforts to improve compliance along the care continuum with the help of differentiated packaging and patient support programs.

[Read more](#) 34

[Read more](#) 30

INSPIRE AND BUILD A DIVERSE WORKFORCE

REMAIN SUSTAINABLE

DO GOOD FOR THE SOCIETY

OBJECTIVE

To ensure that the strategic intent is being delivered through a dedicated talent strategy aimed at building Capacity, Capability and Culture.

We operate as a responsible business, focusing on achieving 'zero harm, zero discharge and zero waste' thereby minimising environmental impact.

Developing differentiated solutions to alleviate the burden of Non-Communicable Diseases (NCDs) through community-based and community-led models that demonstrate both sustainability and scale.

OUTLOOK FOR FY 2020-21

Adapting to new ways of working and investment in unique capabilities – e.g. Digital.

Talent development, engagement and retention.

Driving a culture of intrapreneurship, diversity and inclusion.

Move toward a greener way of business; reduce absolute CO₂ emissions, which would help ensure a smaller environment footprint.

Promote circular economy principles increasing recycling and beneficial use of waste.

Address water scarcity by being good water stewards.

Continue adding value to the society.

Committed to disease elimination through Point of Care diagnosis, capacity building for healthcare workers, and improvements in surveillance systems for effective and efficient monitoring.

[Read more](#) 44

[Read more](#) 40

[Read more](#) 48

ADAPTING TO MARKET DYNAMICS

Factoring in key aspects like demographics to patient behavior to technology, the market for pharmaceuticals is evolving rapidly. The core proposition, however, remains delivery of reliable solutions with quality.

GROWING, AGING POPULATION

Global population is expected to reach 9.7 Billion by 2050 and -16% of this will be aged 60 and above by that time. An increasingly aging population means increase in disease burden due to NCDs. Thus, over the long-term, we expect demand for pharmaceutical products as well as for long-term treatments to increase.

9.7 Billion

GLOBAL POPULATION BY 2050

GLOBAL RISE IN MEDICINE USAGE AND SPENDING

Global medicine spending is expected to increase by 2-5% annually and exceed US\$ 1.1 Trillion in 2024, driven by increased medicine usage stemming from lifestyle practices and greater access to healthcare, among others. Medicine spending in India is projected to grow by 9 to 12% over the next five years, which would bring India amongst the top 10 countries in medicine spending.

US\$ 1.1 Trillion

GLOBAL MEDICINE SPENDING BY 2024

R&D INNOVATIONS AND IMPROVEMENTS

R&D comprises the greatest competitive advantage for a pharma company. For a more efficient R&D, it is important to shorten the process by leveraging scientific and technological acumen, helping to bring down clinical trial costs and boost success rates. It also ensures shorter go-to-market times.

Sources

- United Nations
- Global Medicine Spending and Usage Trends Outlook by IQVIA Institute
- India Brand Equity Foundation (IBEF)
- Global Newswire

NEWER WAYS FOR ENGAGEMENT WITH HEALTHCARE PROFESSIONALS THROUGH MULTI CHANNELS

Face-to-face interactions with healthcare providers are declining. At the same time, a greater responsibility is being placed on pharmaceutical representatives to understand and convey complex therapies and their value through various appropriate channels. Companies are driving improved models for dissemination of large volumes of data and scientific information.

Companies are adopting patient-centric strategies across marketing, sales and support for more comprehensive messaging. Impetus is on transforming healthcare personnel relationships with customers and including omni-channel engagement. Such an integrated approach serves to create greater trust, leading to improved adherence to treatment and ultimately, better outcomes.

DIGITIZATION AND TECHNOLOGICAL BREAKTHROUGHS

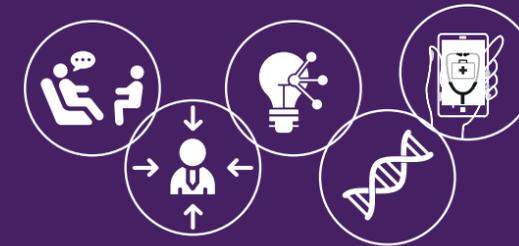
New technologies and scientific innovations are opening new possibilities across the pharmaceutical value chain. Big data is generating new insights into diseases and 'digital' is transforming care delivery.

CONSUMERIZATION

Consumerism in the healthcare industry is a growing trend. The end consumers are more aware today; and are therefore taking an increasingly active role in their healthcare decisions. Factors such as cost of care and quality as well as ease of service are crucial factors in determining the preferred mode of treatment.

THE ABBOTT INDIA APPROACH

To create sustainable value for our stakeholders, we are always prepared to handle the volatile environment around us. Our strategic plans are always aligned to meet the potential risks Volatility, Uncertainty, Complexity and Ambiguity poses to our business both on a short and long-term basis and we continuously evolve with them. Our foresight, agility and trust of our stakeholders help us keep steady in such an environment.



INNOVATION

At Abbott India, we are seeking new ways of doing business in the short and long run. For our stakeholders we work to deliver solutions to help them lead a fuller life. We led pioneering initiatives in therapies such as vertigo, liver, thyroid, influenza and others.



SHAPING THERAPIES

We are developing varied products for different therapies and across dosage forms. While we are increasing the breadth and depth of our presence in various key portfolios, in the long run we also intend to leverage the new regulations and broadened provisions for pharma companies.



ENGAGE WITH HEALTHCARE PROFESSIONALS

We are developing innovative models to engage with healthcare professionals through multiple channels. We are also engaging with patients through industry-first patient programs to provide education, counselling and support services.



CONSUMERIZATION OF HEALTHCARE

It is time to recognize the new expectations of patients and respond with innovative and inclusive healthcare solutions. Use of digital media and outreach in a strategic manner is helping to communicate better with our end-consumers and build trust in our brands.



FOCUS ON DIGITAL

We emphasize using digital innovation to deliver value to patients, people, partners and business. These include shaping the digital healthcare ecosystem, leveraging cutting-edge technology across R&D to achieve scientific excellence, manufacturing backed by Artificial Intelligence (AI)/Machine Learning (ML).



**PASSION
TO DELIVER**
INNOVATION

For improving access and affordability of quality healthcare, we continue to resonate with and respond to the call for breakthroughs. We continued our journey to transform and worked resolutely to be the first-to-market in providing innovative and inclusive healthcare solutions, advanced packaging, unique campaigns and awareness programs to create differentiated value, optimize costs and set benchmarks.

30
THERAPY-SHAPING INITIATIVES

34
TRANSFORMATION ACROSS PRODUCT LIFECYCLE

36
UNIQUE SOLUTIONS



DRIVING INNOVATION AND AWARENESS

Close engagement with consumers is imperative to deliver quality solutions across the care continuum. We undertake unique initiatives to reach out to patients and caregivers, aimed at spreading awareness and building confidence.

REACHING OUT TO STAKEHOLDERS



DIFFERENTIATED ENGAGEMENT

Today, our consumers are more aware than ever before. Moreover, they believe in being actively engaged with brands. At Abbott India, we consider this an opportunity to get to know our consumers better. New-age marketing technology is helping to drive this connect.

MAKING INDIA THYROID AWARE (MITA)

With a continued focus on the metabolic health of women, we partnered with the Indian Thyroid Society (ITS) to launch the MITA campaign, which promotes a holistic understanding of the thyroid condition among doctors, patients and the masses.

We also rolled out an e-signature pledge activity, where for every endorsement from a doctor, we provided one free-of-cost thyroid screening for an underprivileged woman in India.

GUTFIT

The unique patient support program has emerged as one of the largest Lifestyle Management (LSM) programs in the GI space.

As a part of our program, we also developed India's first-ever clinical dietary recommendations, endorsed by Nutritional Society of India (NSI). This year, we also launched "Virtual Gutfit" which is an app-based LSM service. It is the result of a collaboration with GoQii (unique combination of health coaching with smart fitness tracker powered by an integrated mobile app) where among other gratuitous services for patients, virtual diet counselling is also possible.

BALANCE AWARENESS CHALLENGE

The program is aimed at creating awareness on neglected balance disorders such as vertigo and to encourage people to take the balance test and seek early medical intervention.

We engaged with several leading doctors across the country and created an experiential activation activity around the Balance Test. We hosted online videos that showcased a credible and impactful way to drive awareness around vertigo.

D ACTIVE

This campaign is aimed at improving awareness on Vitamin D and providing affordable diagnosis. We organized over 500 such clinics.

We disseminated patient education material and used multi-media channels to share findings from a recent study on the high prevalence of Vitamin D deficiency in hypertensive and diabetic patients.



#WINOVEREPILEPSY

This was our multi-city program aimed at increasing awareness and challenging the social taboo around epilepsy. With doctor driven content, we could reach a substantial population across 47 cities through the program.

PANCRECARE

Launched in 2018, Pancrecare provides comprehensive disease management solution for Chronic Pancreatitis/ Pancreatic Exocrine Insufficiency (PEI) patients. The platform supports healthcare professionals in managing patient needs and enables disease awareness and counselling. This year, there was a 100% increase in patient enrollment and a 80% higher average therapy adherence among patients.

THE EXTENDED ABBOTT INDIA ECOSYSTEM

We are extending our reach to wider cross-section of customers in Nepal and Sri Lanka through focused activities in multiple therapy areas, including Vitamin D, Women's Health, thyroid, IVF, fatty liver, vertigo and more.



BETTER INFORMATION FOR BETTER HEALTH DELIVERY

To help provide the latest science and information, we are connecting with various stakeholders, including medical professionals and other healthcare providers, across a range of platforms. We are working on a number of digital-led solutions to be able to drive our customer engagement and enhance their experience with our brands.



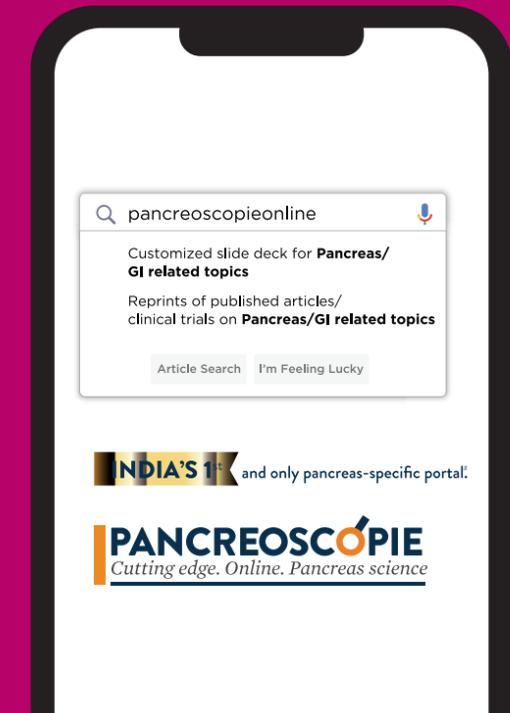
ITS FOGSI METABOLIC WOMEN'S HEALTH WORKSHOP

To help improve diagnosis and treatment of thyroid disorders, bacterial vaginosis and Vitamin D, we collaborated with Indian Thyroid Society (ITS) and Federation of Obstetric and Gynecological Societies of India (FOGSI) to initiate the Metabolic Women's Health workshops. We conducted these workshops in over 20 cities.

CLINILEAD

An innovative academic social skill development program was launched to enhance social and interpersonal skills in association with the Indian Institute of Management (IIM), Ahmedabad.

The program covered aspects such as impact of digitization and social media relevant to the medical fraternity in the modern world.



PANCREOSCOPIE

This is India's only portal dedicated to creating awareness about pancreatic diseases (www.pancreoscoPieonline.com). The on-ground and online (monthly emailers) touchpoints and right selection of articles helped strengthen our reputation as a preferred scientific partner.

IMPROVING PATIENT HEALTH OUTCOMES

Innovation is a core element of our culture at Abbott India. Our approach to product development is holistic, with an ultimate aim to improve consumer experience. We innovate with an aim to drive impactful health outcomes. Our proactive approach to innovation is to understand the patients’ needs and experiences with and through treatments.

R&D EXPERTISE

R&D remains relevant to our business and is instrumental in driving its growth. Our operational R&D and business development teams constantly focus on developing solutions tailored to Indian healthcare requirements.

As a leading player in several therapies, we have access to a wide cross-section of stakeholders and their preferences are integrated into our activities across categories. This continuous exchange allows us to identify unmet needs, lying at the intersection of science and marketing.

We want to create an innovative healthcare ecosystem that improves access and is based on technology and insights, for both ‘now’ and ‘next’ therapies. We are an experienced Company and can comprehend contemporary demands.

THOUGHT LEADERSHIP

Science-led innovation remains at the forefront of our novel endeavors at Abbott India. During the year, our team spearheaded the following initiatives:

12

CLINICAL STUDIES

16

PUBLICATIONS

21

PRODUCT LAUNCHES



INNOVATIVE PACKAGING

We work to deliver solutions that ensure patients face minimal disruption due to packaging and dosing challenges. To enhance and improve patient adherence to therapy, we introduced new packs and designs for some of our key brands this year.



Launched Thyronorm in a new-age innovative flip top pack to offer control on tablet dispensing (dispenses approximately 1 to 2 tablets when bottle is tapped gently in horizontal position) and ease of use. It includes a smart code for patients’ reference. The security label is marked as genuine to reduce spurious drug supply and ease of use.



To ensure correct and efficient dose titration, we introduced Creon SD in a unique form - G’DoCon®. This is the World’s First Granule Dosing Concept for dispensing Pancreatin Mini-microsphere, and correct dosing requirement are achieved with a “push” to dispense.

The granule dosing concept won several packaging awards, internally and externally, for its unique mechanism and design.

HOLISTIC SOLUTIONS FOR HOLISTIC CARE

Our approach to improve product development is holistic, with an ultimate aim to improve consumer experience. We go beyond quality as a fundamental requirement and bring in various aspects to improve compliance to treatment.



WINFLUENZA

We launched the first-ever sub-unit quadrivalent flu vaccine, Influvac Tetra, in India this year, the Drug Controller General of India (DCGI) approved vaccine for children between 6 months and 3 years of age. We also ran a multi-media PR campaign 'Mother against Influenza' across India; this included an influencer-led digital campaign and 'Ek Faisla Alvida Influenza' radio campaign.

LIFESTYLE-INDUCED ACIDITY AND HIGH ANC-DIGENE

The Digene campaign showcased the brand as a scientific solution to lifestyle-related acidity. The campaign reached out to consumers in key markets through TV commercials, print campaigns, and was also amplified on digital media.

CHOOSE CREMAFFIN - DIRECT-TO-CONSUMER CAMPAIGN

Cremaffin launched its first direct to consumer campaign targeting key consumer need gap of assured and gentle relief from constipation. With a new brand ambassador, the campaign reached out to urban consumers via multi-media channels.

ADULT VACCINATION OUTREACH PROGRAM

We launched an Adult Vaccination Program which includes vaccines for flu, typhoid and more, in order to help safeguard people's health. The campaign aims to create awareness regarding adult immunization and better health outcomes as well as educate clinicians on the management of infectious diseases in adult populations.



PRODUCTS LAUNCHED DURING THE YEAR*



Fidonal, VIADEK, UDISTRONG Orange, Udistrong sachet – Cranberry, Evitol, Udisyp, Creon SD, Digene Ultra Fizz, Duphalac Bears 1.6, Duphalac Chews 3.3, Tenfoplus, Cremadiet + 300, Antoxipan sachet



*Includes products under Distribution arrangements



PASSION TO DELIVER WITH COMPASSION

Since inception, Abbott has been driven by a strong sense of compassion to use our knowledge, expertise and execution capabilities to help alleviate suffering and improve patient lives globally. The same purpose courses through Abbott India as well. Our compassion extends to our partners on our journey, which includes the communities among which we operate as well as the environment at large.

40
ENVIRONMENT

44
PEOPLE

48
CORPORATE SOCIAL
RESPONSIBILITY

50
ETHICS AND GOVERNANCE

52
BOARD OF DIRECTORS

54
MANAGEMENT TEAM

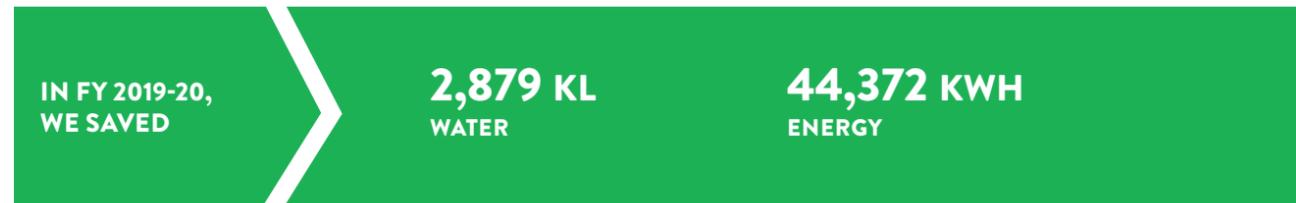
55
REWARDS AND RECOGNITION



PRIORITIZING RESPONSIBLE OPERATIONS

We strive to reduce our environmental impact by conducting our business efficiently and in accordance with environmental laws, regulations and industry standards.

We are committed to making our operations more sustainable. We are increasingly driving measures to utilize resources such as water and energy more judiciously, reduce waste and minimize emissions. We prioritize supply partners who adhere to similar standards of efficiency and environmental performance.



MEASURES TO OPTIMIZE RESOURCES AND FOR CURTAILMENT OF ENVIRONMENTAL IMPACT



PROCESS EFFICIENCY MEASURES

- Improved process cycle at various stages of manufacturing - leading to increase in capacity without any additional capex, Liquids by 14% and Tablets by 25%.
- Modified Brufen manufacturing HVAC with humidity control - helping to utilize idle manufacturing capacity and added flexibility in manufacturing.
- Introduced chilled water to control inlet air humidity for drying operations - reducing drying cycle time.
- Outsourced non-value added activity such as pre-sleeving of bottles for liquids - Digene, Cremaffin and Duphalac - to external vendors, thereby achieving greater operation efficiency by reduction of inventory holding costs, elimination of separate space requirements, QC inspection and material handling.

REDUCTION IN COST (OVER 2017 LEVELS) BY

15%
TABLETS

0.5%
LIQUID

ACHIEVED WITHOUT CAPEX

~25%↑
IN TABLET CAPACITY

~14%↑
IN LIQUID CAPACITY



SAFETY

- The plant continues to register record performance on safety with zero Lost Time Injury (LTI) through eight years.
- Upgraded the entire fire protection system at the manufacturing site, which includes adding sprinklers, a new water tank in addition to the existing one as well as a fire engine.
- Conducted a Safety Barometer survey at the site, as per guidelines established by the National Safety Council (NSC), USA. Results indicated a high score of 83% placing it in the top quartile as compared to the safety culture of around 1,800 organizations world-wide.

83%
SCORE AS PER BAROMETER SURVEY
CONDUCTED BY NATIONAL SAFETY COUNCIL



ENERGY CONSERVATION

- Saving of ~70 KWH energy per day as a result of optimizing air compressor settings.
- Annually saving ~40,000 KWH energy due to use of LED lights in streetlight fixtures.
- Reduced energy consumption by ~12,000 KWH p.a. by installing Variable Frequency Drive (VFD) for surface aerator of Effluent Treatment Plant (ETP).
- Developed new process design by adding new energy efficient blower directly to filter press. As a result, there was reduction of sludge drying per lot from three to two days and savings of 108 KWH per drying cycle.

Zero Lost Time Injury
EIGHT YEARS IN A ROW

108 KWH
SAVINGS PER DRYING
CYCLE OF SLUDGE



Our Plant at Goa



WATER CONSERVATION

- 2 KL/day of water saved by installing new vacuum pump with Hydropack system, which cools and circulates water for vacuum pump operation.
- Free flowing taps fitted with shower orifice reduced the water consumption by 25% used in washrooms.
- Significantly reduced our water consumption through introduction of pre-sleeved bottles in both liquid lines. It has also eliminated the requirement of steam at the rate of -12 KL per day.



QUALITY

- Completed World Health Organization (WHO) evaluation, Food and Drug Administration (FDA) audits and Audit Quality Review (AQR) successfully with zero critical and zero major observations
- No product action during 2019
- No high impact and recurring complaints



EFFICIENCY THROUGH SUPPLY CHAIN AND DISTRIBUTION NETWORK

We improved our speed and agility in servicing institutional orders through the Barwala stamping facility. We are the first in the industry to have a stamping facility that follows Good Manufacturing Practices (GMP), quality and regulatory compliance. Benefits achieved through this facility:

- Substantial speed gain in reducing logistics time from 45 days to 7 days
- Flexibility in servicing small institutional orders
- Significant reduction in logistics cost

Moreover, we also established Online Temperature Monitoring System (OTMS) for all warehouses. Temperature sensors are kept in warehouses at extreme hot and cold spots. Sensors wirelessly update temperature to the online portal every minute. Hooters at the warehouses give an alarm any time there is a temperature excursion.



WASTE REDUCTION

We adhere to the requirements of Plastic Waste Management Rules as laid down by the Central Pollution Control Board.

During the year, we collected around 1,400 MT of post-consumer waste through our Extended Producer Responsibility (EPR) partners. This waste is recycled or disposed of in a scientific manner.

The site continued sending hazardous waste for co-processing.

- Adopted ways to ensure that all the waste generated at site is either recycled, reused for beneficial use, composted, or sent to co-processing for energy recovery.
- Continued to be internally certified as Zero Waste to Landfill site.



VALUING TALENT, REWARDING COMMITMENT AND DEVELOPING LEADERS FOR THE FUTURE

Human capital is our fundamental strength, connected deeply to all our value creation efforts. We value talent, knowhow, confidence and leadership capabilities.

We do our utmost to enable and empower our people with a view to fulfilling our employee value proposition which is to 'grow with the leader'.

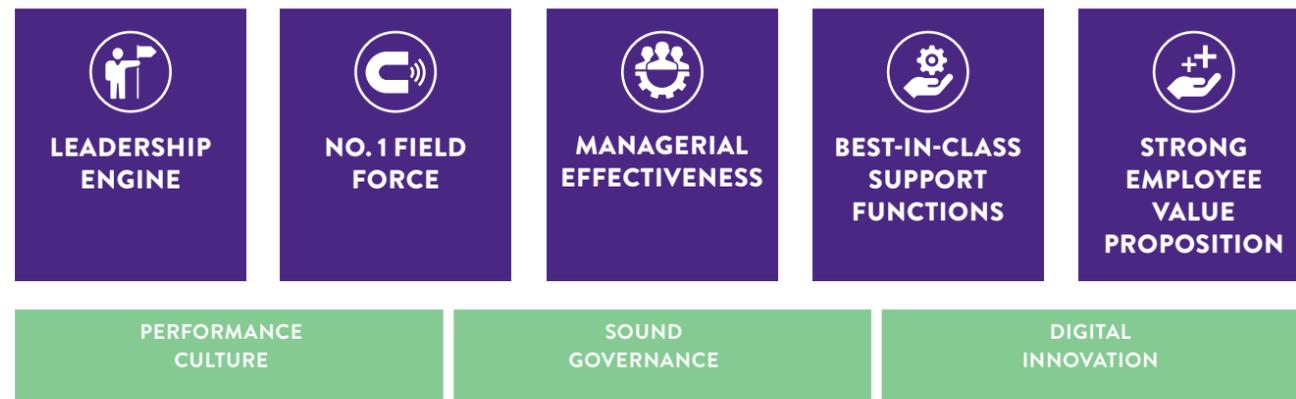
Our Human Resource (HR) team implements integrated talent management practices, which encompass the entire employee lifecycle, including recruitment, career progression and recognitions, among others.

TALENT STRATEGY

Our India Talent Strategy (ITS) aims to attract and retain talent aligned with the organizational vision. We carry out periodic assessments to gauge readiness for first and second line manager roles. We have launched

certification programs and designed clear career paths for field employees; our HR and talent strategy teams meet every month to monitor and maintain oversight.

FIVE PILLARS OF OUR INDIA TALENT STRATEGY

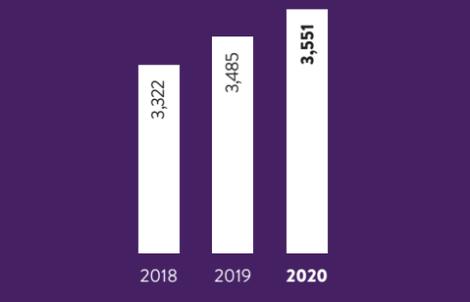


A DIVERSE AND INCLUSIVE WORKPLACE

We believe in equal opportunities and have developed a truly inclusive work environment. Gender diversity is a priority for us and, to this end; we shall make conscious efforts to hire more women in leadership roles and provide strong encouragement to our women leaders through our Women Leaders of Abbott (WLA) employee network.

WLA helps women advance their careers through structured training, development and networking events, supports them through various initiatives and allowances needed at critical life stages, conducts diversity drive that covers five cities and the Head Office to share insights from our WLA activities.

HEADCOUNT (NUMBER)



ABBOTT INDIA SALES TRAINING ACADEMY (ASTA)

To succeed in a digital-first world, our on-ground force has to have digital skills in order to drive meaningful engagement with our customers and consumers alike. ASTA provides them training through a blended learning approach that includes the use of several online tools and platforms.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Balancing work and personal life is imperative for productive performance and a fulfilling career as well as life in general. Our Employee Assistance Program is aimed at enabling our colleagues to deal better with life's challenges equipped as it is with features such as:

- 24X7 availability for employees and their families – via phone, e-mail or live chat
- Calls answered by expert psychologists
- Assistance over personal issues that could affect health
- Counselling to maintain work life balance, stress management, management skills, and family support, including legal and financial information.

MIND STRONG PROGRAM

Dedicated to emotional wellness, the program complements our Employee Assistance Program in our effort to provide holistic support to our employees.

TALENT MANAGEMENT REVIEW (TMR)

Our scheduled in-depth Talent Management Review help identify successors for critical roles within the organization, determine their preparedness to take up these roles and extend accurate and actionable development plans to elevate to identified critical roles.

ACCELERATE

Building the first line managerial capability is the key to the success of any organization. Toward this, we launched the Accelerate program to train participants in managerial capabilities, enhance overall team performance and drive higher employee engagement.

330

AREA BUSINESS MANAGERS UNDERWENT EXTERNAL ASSESSMENT

LEAP 2020

This program was initiated with an objective to assess for and develop managerial capabilities within the organization and encourage talent mobility across businesses.

221

FIELD EMPLOYEES ASSESSED DURING FY 2019-20

LEARNING AND DEVELOPMENT

We conduct a talent management review of our internal leadership pipeline, identify capabilities and execute development plans for high potential employees through acceleration programs such as InStride and FLDP - Future Leaders Development Program.

Our customized global leadership development programs such as Global Citizen Development Program, Emerging Leaders Program and more, emphasize cultivating global leaders from within the organization.

We have created easy opportunities for employees to access newer modes of e-learning:

Skillsoft

120,000 PIECES OF CONTENT, INCLUDING OVER 7,000 COURSES AND 65,000 VIDEOS

Mindsoft

MORE THAN 2,000+ ARTICLES, VIDEOS, QUIZZES, PODCASTS AND WORKBOOKS

accel5

OVER 7,000+ HARVARD BUSINESS REVIEW ARTICLES, EXECUTIVE SUMMARIES OF TOP BUSINESS BOOKS, VIDEOS FROM TOP THOUGHT LEADERS AND MORE

Linkedin Learning

24/7 UNLIMITED ACCESS TO OVER 16,000 EXPERT-LED COURSES COVERING TOPICS SUCH AS BUSINESS, CREATIVE AND TECHNOLOGY.

WO-MENTORING

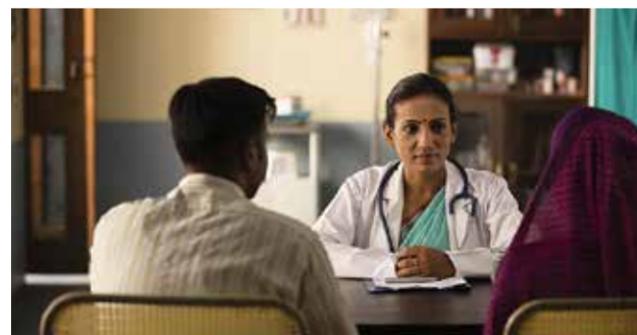
The program is part of the Women Leaders of Abbott (WLA). The initiative includes an on-boarding process of Orientation Sessions to enable the mentoring conversations, identification of development goals coupled with enablers in the form of employee connects and related learning interventions.



CREATING SOCIAL IMPACT

Over the years, our CSR engagements have demonstrated shared impact, with scale and sustainability at every step of the way.

Our strategy lays down the focus and construct of our programs. We support communities with quality infrastructure, training, people, tech platforms and partnerships with healthcare providers. We also help create livelihood opportunities through capacity building, empowerment, and market linkages.



HEALTH CLINICS FOR ENHANCING ACCESS TO HEALTHCARE

We have successfully developed 25,000 health clinics and impacted over 5.5 Million people across 650 locations in India. These clinics have facilitated access to essential healthcare services and information. These are being supported and advanced by qualified doctors and healthcare professionals that help expand disease diagnosis and access to care. The clinic also help raise awareness on and improve care for epilepsy and liver diseases.

CREATING LIVELIHOODS

We support Self-Employed Women's Association (SEWA) and are working to develop novel models to make quality healthcare accessible among low-income populations at affordable prices. These engagements demand community mobilization (20,000 SEWA women and their families involved), sensitization, behavioral change, improvements in surveillance systems, partnerships with healthcare providers and government assistance. With SEWA, we launched two community clinics that provide primary, acute and NCD care. The SEWA health master trainers were trained in making screening and care accessible to

communities. The key objectives of the program are improving health outcomes and creating livelihood opportunities. We are also helping build capacity for livelihood interventions within and beyond the program.

DISEASE ELIMINATION PROGRAM

We are supporting a partnership between the Government Odisha and Malaria No More with technology, expertise and funding to advance efforts to end malaria in the state. We have supplied 1 million of Abbott's Rapid Diagnostic Tests (RDTs) for Malaria and technical expertise to strengthen Odisha's malaria detection and surveillance system, and develop a comprehensive elimination strategy. Through persistent interventions around these and innovative approaches, Odisha achieved an 80 percent reduction in cases in less than one year, and another 50 percent drop in the following year. We now have a model that has proven its efficacy in eliminating malaria and is ready for adoption across other malaria-affected states in the country.

90%

REDUCTION IN THE NUMBER OF MALARIA CASES AND DEATHS IN ODISHA



CSR SPEND		
₹ 9,12 Lakh	₹ 11,28 Lakh	₹ 11,64 Lakh
2018	2019	2020

DOING THINGS THE RIGHT WAY

We are committed to strong corporate governance and ethical behavior across every aspect of the business. Our reputation as an ethical and trustworthy company is our most important asset.

We believe that consistently focusing on good governance and applying the highest ethical practices in all our activities enables us to uphold the trust of our stakeholders. We are firmly committed to sound and effective practices in corporate governance and full and fair disclosure. Our pursuit of new approaches to achieve higher standards sets us apart and leads to greater transparency and integrity in our actions.

ETHICS

Abbott India is committed to the highest standards of ethics and integrity. We have the 'Code of Conduct' with the underlying belief of conducting business in a principled manner. It covers a wide range of principles and requirements that touch upon all aspects of our business activities and operations. We ensure that ethical conduct is embedded across our operations and we expect all our employees, and external partners to do the same. Our policies and procedures comply with and incorporate all relevant laws, regulations and promotional standards in India. Our policies also consider industry best practices, including provisions of global and local codes for pharmaceuticals. The Office of Ethics and Compliance (OEC) has developed a third-party compliance process to identify potential risks when doing business with third parties, and to address such risks where they do exist.

OUR APPROACH

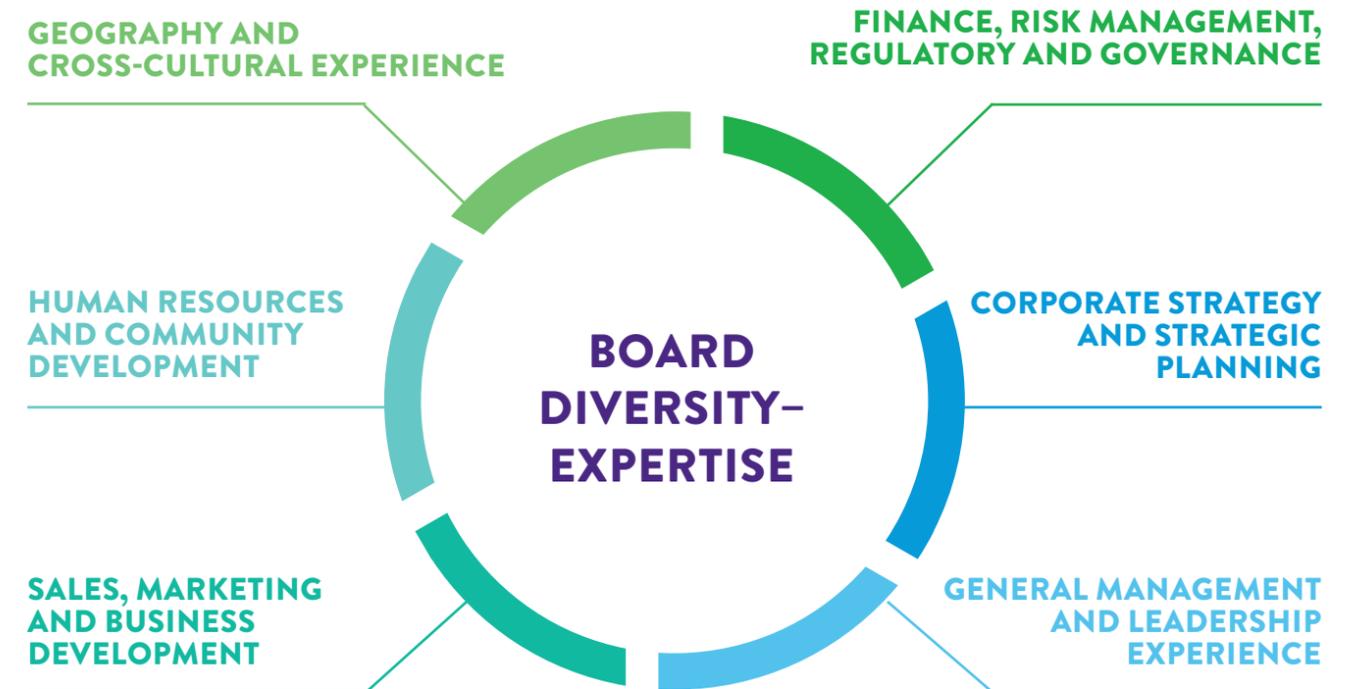
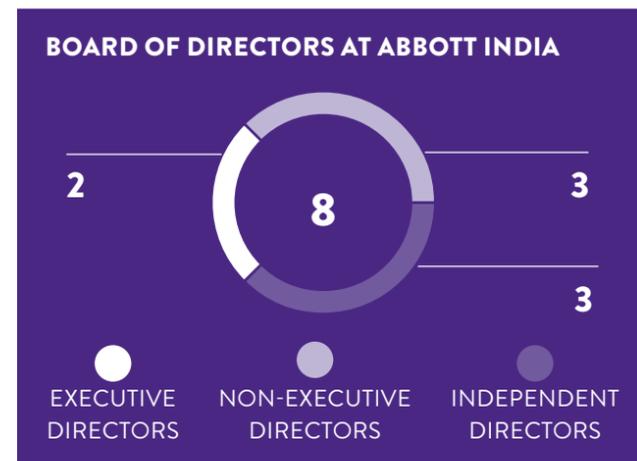
ACTING RESPONSIBLY IS AN INTEGRAL PART OF ABBOTT INDIA CULTURE. WE FOLLOW HIGH STANDARDS OF BUSINESS ETHICS AND INTEGRITY, AS DEMONSTRATED THROUGH OUR BEST-IN-CLASS GOVERNANCE PRACTICES THAT ALIGNS WITH STAKEHOLDERS' INTEREST.

GOVERNANCE STRUCTURE

The Board of Directors clearly understands the business dynamics and environment under which the Company operates, challenges and opportunities associated with the business operations and provides guidance, oversight and strategic direction to our management. Business strategies are presented to the Board on an annual basis. The Board always acts in good faith, with due diligence and care, and in the best interests of the shareholders.

BOARD COMPOSITION

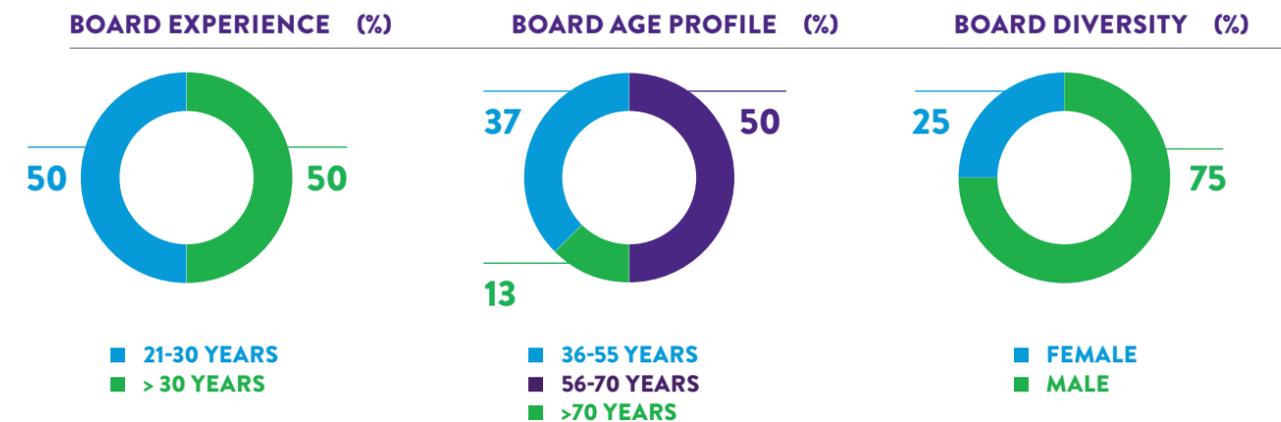
Abbott India's Board is well-balanced and currently consists of two Executive, three Non-Executive and three Independent Directors.



EXPERTISE

Our Board is an ideal mix of analytical, strategic and leadership skills. The Directors are seasoned professionals and are familiar with the organizational and industrial aspects of operations and have adequate competencies to bring value additions to our functions.

The Board represents diverse skill sets and expertise in Accounting, Sales and Development, Information Technology, Public Relations, Digital Marketing, Strategy Development and Implementation, in alignment with our long-term strategic plans.



BACKED BY AN UNMATCHED LEADERSHIP



MUNIR SHAIKH
CHAIRMAN



ANIL JOSEPH
MANAGING DIRECTOR



AMBATI VENU
NON-EXECUTIVE DIRECTOR



SHALINI KAMATH
INDEPENDENT DIRECTOR



SUDARSHAN JAIN
INDEPENDENT DIRECTOR



KAIYOMARZ MARFATIA
NON-EXECUTIVE DIRECTOR



ANISHA MOTWANI
INDEPENDENT DIRECTOR



RAJIV SONALKER
CFO AND WHOLE-TIME DIRECTOR

THE FORCE BEHIND LIFE-CHANGING WORK



ANIL JOSEPH
Managing Director



RAJIV SONALKER
CFO and Whole-Time Director



DR SRIRUPA DAS
Director – Medical Affairs



PRAKASH MAHESHWARI
Commercial Director -
Women's Health,
Gastroenterology



MILIND TENDULKAR
Commercial Director -
GenNext & Vaccines



KEYA PHATNANI
Director –
Business Human Resources



SRIDHAR KADANGODE
Director – Finance



MANDAR KESKAR
Associate Director -
Consumer Care



KRUPA ANANDPARA
Associate Director - Secretarial
and Company Secretary



T RAMAKRISHNA PRASAD
Commercial Director -
Specialty Care



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

VALIDATING OUR EFFORTS



THE MOST INNOVATIVE MNC OF THE YEAR 2019
at the 12th Pharma Leaders Award

BEST FINANCIAL CONTENT FOR THE 75TH ANNUAL REPORT at India Content Leadership Awards

BEST ONLINE COMMERCIAL - for #MomvsFlu at the Drivers of Digital (DOD) Awards

BEST USE OF MOBILE LEARNING from the World HRD Congress, in the 7th Global Training & Development Leadership Award

CREMAFFIN PLUS - BRAND EXCELLENCE AWARD - in Pharmaceutical sector at ABP Brand Excellence Award

CREMAFFIN PLUS - MARKETING CAMPAIGN OF THE YEAR IN PHARMACEUTICAL SECTOR - at ET Now Marketing for Fast Forward campaign

GUTFIT - BEST PATIENT EDUCATION PROJECT AWARD at ZEE Business's - National Healthcare Leadership Awards

GUTFIT - OUTSTANDING PATIENT SUPPORT PROGRAM at ET Now's World Mental Health Congress Awards

UDILIV - BRAND OF THE YEAR - BRONZE at the AWACS Award - Acute category

THYRONORM - BRAND OF THE YEAR - SILVER at the AWACS Award - Chronic/Subchronic Category

BEST PATIENT-CENTRIC DESIGN AT PHARMAPACK EUROPE - G'DoCon® - Granule Dosing Concept of CREON SD

BEST DIGITAL MEDIA CONTENT by a Healthcare Enterprise for Mother Against Influenza (MAI) at the India Content Leadership Awards

BOARD OF DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-sixth Report and the Audited Financial Statements of the Company for the financial year 2019-20.

FINANCIAL HIGHLIGHTS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of Products	4054,47	3640,30
Other Operating Income	38,67	38,30
Other Income	114,39	113,29
Total Income	4207,53	3791,89
Profit Before Tax	802,69	698,85
Profit After Tax	592,93	450,33
Retained Earnings and Other Comprehensive Income (OCI)		
Balance brought forward	1567,49	1305,17
Profit After Tax	592,93	450,33
OCI arising from remeasurement of employee benefits	(4,95)	(2,09)
Dividend - FY 2018-19	(138,12)	--
Dividend - FY 2017-18	--	(116,87)
Dividend Distribution Tax	(28,39)	(24,02)
Transfer to Reserves	(59,29)	(45,03)
Impact of Ind AS 116- Leases (Net of Tax)*	(7,12)	--
Balance carried forward	1922,55	1567,49

*Under modified retrospective method.

DIVIDEND

Your Directors recommend a final dividend of ₹ 107/- and special dividend of ₹ 143/- per share for the year ended March 31, 2020 on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 531,23 Lakhs (Previous year : ₹ 166,51 Lakhs including dividend Tax of ₹ 28,39 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. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the proposed dividend for the year ended March 31, 2020 after deduction of tax at source.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy adopted by the Company in terms of requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the

Company's website at <https://www.abbott.co.in/investor-relations/policies.html> The said Policy lays down various factors which are considered by the Board while recommending dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS ECONOMIC OUTLOOK

India's GDP growth has been the most phenomenal in the past decade regularly achieving an annual growth of 6-7 percent. The rise in GDP is largely credited to factors including urbanization and improvement in the efficiency and productivity of technologies. However, growth in India softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the non-banking financial sector, weighed on demand. The GDP growth for financial year 2019-20 touched 4.2% vis-à-vis 6.1% in financial year 2018-19, the COVID-19 pandemic further aggravating the slowdown from the end of the last quarter. The Government of India and the Reserve Bank of India (RBI) have acted swiftly to help offset the pandemic-induced disruptions.

Growth in 2020 is expected to remain low due to a sharp decline in trade, investments and private consumption owing to the COVID-19 crisis. Fiscal incentives announced by the Government as well as liquidity measures may help the economy to come back on the normal growth trajectory. But the recovery across economies is expected to be gradual, fragile and susceptible to multiple headwinds.

INDUSTRY REVIEW

The healthcare environment has been dynamic and, at times, volatile. As per IQVIA, a leading global provider of information and research services in the medical sector, Indian Pharmaceutical Market (IPM) is estimated at ₹ 149,900 Crore in 2020, its growth up by 2% from 2019. Acute therapies dominate IPM with 64% of the total sales; however, the chronic segment shows faster growth of 10.9% in comparison to 7.9% for acute therapies (3 year CAGR). The domestic pharmaceutical market is highly fragmented with the top 10 companies making up 43% of the share, and the top 150 companies accounting for 96% of share. Local players enjoy a dominant position, occupying 4 of the top 5 positions.

India is often referred to as the "pharmacy to the world", ranking 3rd worldwide in total pharmaceutical production volume and 10th by value. As per National Indian Promotion Agency, it is the largest producer of generic medicines and vaccines, occupying 20% volume share in generics and 62% in vaccines.

The face of the market itself is changing because the informed consumer has brought a shift in demand. Given that customer experience can have a transformational impact on business,



the informed consumer today is kept at the heart of business operations. In the emerging markets, pharma businesses are increasingly leveraging insights and adapting to changing consumer needs – emotional and behavioral, and not merely clinical - to stay relevant and build a sustainable business.

OPPORTUNITIES AND CHALLENGES

There are multiple factors which impact industry growth and profitability. Severe price pressure is expected due to expansion of pricing regulations and increasing regulatory interventions. Influx of first-time patients from the National Health Protection Scheme (NHPS) into the healthcare ecosystem, relaxation of regulations for patented drugs, and increasing spend on preventive healthcare could emerge as major growth drivers over the next few years. In the medium term, successfully navigating the COVID-19 crisis will be on top of the mind for all companies.

Factors which impact industry and Company growth include :

- **Technology and Digitalization** : Technology led revolutionization of the healthcare industry is likely to be expedited in the year 2020 due to the global pandemic. While healthcare professionals will remain the single largest influencers of treatment and medicine choice, changes in the way doctors interact with both patients as well as sales representatives will open up a new array of opportunities for pharmaceutical companies. Remote healthcare, patient empowerment and multichannel engagement are likely to be some of the important emerging trends. Rapid adoption of new working models will be key to success for pharmaceutical companies in 2020 and beyond.
- **National Health Protection Scheme** : NHPS was launched by the Government of India in 2018 with the objective of providing free health coverage at the secondary and tertiary level to the poor and vulnerable sections of the population. NHPS has expected to cover 50 Crore beneficiaries in 10 Crore families. The National Health Agency projects a four-fold increase in the number of patients treated annually in India, rising to 10 Million over the next few years. The pharmaceutical industry stands to be a prime beneficiary from the massive influx of first-time patients in the healthcare system who are prescribed medicines at the primary care level.
- **Specialty medicines** : These will witness increased demand across both developed and pharmerging markets, and are projected to account for more spending than previously.
- **Price controls and regulations** : Downward pressure on drug prices is likely to intensify due to the inclusion of more medicines in the 2020 update of the National List of Essential Medicines (NLEM). Additional downward pressure could come from the government's plans to implement trade margin caps more widely in 2020. Increase in the price of APIs imported from China due to rate hike in 2019 and supply disruption in 2020 is likely to create upward pressure on drug prices. NLEM could be updated more frequently in the future.

The 2019 amendment to the Drug Price Control Order (DPCO) broadens provisions for exemptions from price controls to cover all patented medicines as well as products granted orphan drug status. Together with the new rules governing drug registration and clinical research activity notified in March 2019, this is likely to encourage investment from originators and result in early launches of more innovative, patented drugs.

Frequent and unexpected changes in the domestic pricing policy have created an uncertain environment for investments and innovation. The Government and stakeholders would need to productively engage in order to develop a framework that ensures availability and accessibility of affordable drugs for citizens, while ensuring a workable pricing structure for pharmaceutical companies.
- **OTC drug regulations** : With rising patient empowerment and growing willingness to self-medicate, there is a growing demand for the drafting of a well-defined over-the-counter (OTC) drug policy. Creation of a regulated OTC market coupled with stricter enforcement of prescribing and dispensing regulations will drive growth in the OTC space. The Company is well placed to benefit from such a policy with its dedicated OTC vertical.
- **Uniform Code of Pharmaceuticals Marketing Practices (UCPMP)** : UCPMP, while currently voluntary, could become mandatory shortly. A mandatory code would require ethical marketing practices to be followed by all companies. Given that the Company has a strong compliance process in place, it would be well positioned under a strict enforcement of UCPMP.

REVIEW OF OPERATIONS

The Company has consistently grown in the Indian market, supported by the quality care it offers by way of innovative and trusted products, and backed by expert clinical support. Its position has been further enhanced through strong

customer insights, wider geographical reach, better innovation, differentiated marketing, pill-plus-service approach and commercial expertise.

To continue its leadership position, the Company is strengthening its leading brands and distinctive business capabilities. We are focused on creating innovative products and services for patients, doctors, caregivers and pharmacies across the continuum of care, increasing the breadth and depth of our portfolio and strengthening our urban coverage. A consistent brand focus, changing product mix, and value creation across stakeholder groups are some of the attributes that have ensured delivery of sustainable success.

Financial Performance

Total Revenue : Total Revenue for the year ended March 31, 2020 is ₹ 4207,53 Lakhs in comparison to ₹ 3791,89 Lakhs last year, recording a robust growth of 11.0% over the previous financial year.

Profit Before Tax : Profit Before Tax for the year ended March 31, 2020 at ₹ 802,69 Lakhs grew by 14.9% over the previous year.

Other Income : The Other Income stood at ₹ 114,39 Lakhs, mainly comprising interest income from bank fixed deposits. The Company continues to invest in fixed deposits with banks that have high credit ratings, with a view to safeguarding the principal and maintaining liquidity. Income from bank deposits grew by 27.5%. The investment strategy is reviewed periodically by the Finance Committee. The Company has an investment portfolio of ₹ 2168,68 Lakhs as on March 31, 2020.

Material Cost : The Material Cost increased on account of inflation, but was compensated by improved sales price realisation, resulting in a marginal decrease in Material Cost as a percentage to Sales from 57.4% in financial year 2018-19 to 57.1% in the current year.

Employee Cost : The Company increased its employee strength to 3,551. The Employee Cost as a percentage to Sales shows a marginal decrease at 11.7% in the current year vis-à-vis 12.0% in the financial year 2018-19. The increase in Employee Cost by 9.3% over last year is mainly due to merit increase.

Other Expenses : Other Expenses including Depreciation and Finance Cost increased by 7.8% over the last year. However as a percentage to Sales, it has decreased to 15.1% vis-à-vis 15.6% in the previous year.

Key Financial Ratios :

Particulars	2020	2019	Change
Debtors Turnover (Days)	13.8	13.6	1.5%
Inventory Turnover (Days)	7.2	6.2	16.1%
Interest coverage ratio*	95.1	311.8	(69.5%)
Current Ratio	3.6	3.2	12.5%
Debt Equity Ratio	0.5	0.5	0.0%
Operating profit margin (%)	20.0%	19.0%	5.3%
Net profit margin (%)	14.0%	12.0%	16.7%
Return on Net Worth (%)	26.0%	24.0%	8.3%

*Interest coverage ratio has dropped because of accounting impact of Ind AS 116.

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios except Interest coverage ratio.

Detailed explanation of ratios :

(i) Debtors Turnover (Days)

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers. It is calculated by dividing Revenue from operations by average trade receivables.

(ii) Inventory Turnover (Days)

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing Revenue from operations by average inventory.

(iii) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing Earnings Before Interest and Taxes by finance cost.

(iv) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(v) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.



(vi) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the Earnings Before Interest and Taxes by Revenue from operations.

(vii) Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by Revenue from operations.

(viii) Return on Net Worth (%)

Return on Net Worth is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year.

Business Performance

The Company operates in a single reportable business segment i.e. “Pharmaceuticals”. The Company provides products and solutions across various therapy areas such as Women’s Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty (Pain Management, Insomnia, Nutritional supplements and Vitamins), Vaccines, Consumer Health, etc.

Performance for the year under review in respect of the Company’s various therapeutic segments are highlighted below :

Women’s Health : This portfolio has consistently shown strong growth over the last several years. This year it grew by 21.9% led by Duphaston. Strong brand equity, coverage of gynecologists and high level of trust and credibility owing to sensitive indications with a high premium on safety (especially in pregnancy) are drivers of growth. Introduction of newer indications, addition of new products to expand the portfolio, setting up separate sales and marketing teams to increase focus on In Vitro Fertilisation (IVF) are some of the initiatives undertaken during the year to sustain the growth. Increasing awareness and widening the portfolio to strengthen market presence remain the key focus areas.

During the year, 5 new products viz. Femoston (Hormone replacement therapy or HRT), Femilon (Contraception), Novelon (Contraception), Cetropro (Prevention of premature ovulation) and Parihep (Thromboembolic conditions) were launched.

Gastroenterology : The Company grew by 9.9% in this area during the year, mainly driven by Cremaffin, Udiliv and Duphalac. Our differentiated offerings beyond pills, a strong portfolio - from Gastro to GPs - and strong equity amongst the consumers are behind the sustained growth. A new, robust product introduction process through extensive market research has helped to further enhance the portfolio. The focus remains on the launch of new products in the Gastrointestinal (GI) space.

During the year, 12 new products viz. Evitol (Non alcoholic fatty liver disease or NAFLD), Fidonal (Anal Fissures), Udisyp (Liver Disorders), Tenfoplus (Hepatitis B), Viadek (Pancreatic Exocrine Insufficiency or PEI), Udistrong Orange (Liver Diseases), Creon SD (Pancreatic Exocrine Insufficiency or PEI), Cremadiet + 300 (Constipation), Udistrong sachet – Cranberry (Liver Diseases), Antoxipan sachet, Duphalac Bears 1.6 (Constipation – Pediatrics) and Duphalac Chews 3.3 (Constipation - Pregnancy) were launched.

Metabolics : This portfolio grew by 27.9%, driven mainly by NeoMercazole and Thyronorm, which retains flagship position* in its respective segment. Integration of the thyroid portfolio to optimise spend and increase market share, introduction and improvement of line extensions to facilitate differentiation, and entering bacterial vaginosis with new sub-therapy (pre-probiotics) to leverage equity with Gynecs are some of the major drivers of performance. Increasing awareness remains the key priority for sustained growth.

Central Nervous System : This portfolio showed a growth of 12.6% during the year. Vertin and Prothiaden continue as the market leaders* in their segments. Creation of hybrid structure, marketing resource allocation strategy and reduction of attrition on account of team engagement have helped this portfolio to show good performance during the year. Introducing new sub-therapies and life-cycle management support for older molecules remain key priorities. Also, during the year, Epishield (Micronutrients/Epilepsy) was launched.

Multi-Specialty : Under this segment, the Company offers products for Pain Management, Insomnia, Nutritional supplements and Vitamins. This portfolio showed a growth of 4.4% during the year which was mainly driven by Zolfresh, Arachitol Nano and Brufen. Promotion of specialty brand matrix and creation of the leadership academy for capacity building have helped maintain growth. Introduction of new molecules and expanding the portfolio through scientific research and market studies remain the key priority.

Vaccines : The key brands in the vaccines portfolio are Inluvac, Enteroshield and Rotasure. The portfolio showed strong double-digit growth of 20.4% and contributed 3.9% of Sales for the year. The growth was mainly driven by Inluvac, a number 1* product in its participated market. A separate task force was set up to target the untapped adult vaccination market. Focus is to expand the portfolio beyond the current set of vaccines and target segments. The Company has a licensing arrangement with Bharat Biotech India Limited to market vaccines in the immunology segment.

During the year, Inluvac Tetra (Flu vaccine) was launched and was a big hit in the first three months of its launch.

Consumer Health : The Company offers a few consumer-directed products, including all variants of Digene - tablets, liquids and powders. During the year, this portfolio showed strong growth of 19.5%. Cremaffin was consumerised to revitalise the brand. Good strategy and sustained investment have helped achieve growth. Our focus remains on expanding this portfolio.

During the year, two new products - Brufen Rapid (Analgesics) and Digene Ultra Fizz (Antacid) were launched.

IMPACT OF COVID-19

The novel coronavirus continues to wreak havoc throughout the globe. It has forced millions across the world to remain locked down in their homes and caused businesses to either close down or realign operations. The pharma industry has been energised by the fight against COVID-19 that has given an impetus to research for new drugs or vaccines, but industrial work has been greatly affected by the pandemic, primarily through the disruption of supply chains.

Initially, the lockdown posed certain challenges for the Company. The Goa plant could not operate at optimum capacity, availability of raw materials and finished stock from third party manufacturers, supply chain and the distribution were impacted marginally on account of disruption of transportation. However, sufficient levels of inventory maintained at various points in the distribution chain helped in meeting the market demand. There was no significant impact on the Company's business operations. Manufacturing, supply chain and distribution have substantially resumed to normal levels. The Company, its employees as well as its business partners remain committed and continue to ensure the uninterrupted supply of products to meet the needs of our customers.

MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

Evidence-based medicine is gaining importance in empowering healthcare professionals to ensure better patient care. Research studies undertaken by the Company, ranging from real-world evidence based studies (observational or epidemiological) to registration studies, have been instrumental in defining and driving organizational strategies and creating high-quality scientific evidence, thus aiding the optimisation of healthcare.

During the year, the Company executed 12 new studies, published 16 articles in major indexed journals, along with making four international presentations. The Company conducted registration studies for Inluvac Quadrivalent vaccine, which was approved by the Indian health authorities during the year and the vaccine is now available in the market. This new vaccine boosts protection against influenza by targeting an additional strain. All the studies were conducted in compliance with Good Clinical Practice (GCP) and regulatory requirements.

Capability building of healthcare professionals has remained a high strategic priority for the Company. During the year, more than 2,500 medical education programs were conducted towards achieving this objective. The Company also partnered with over 12 medical associations to drive capability building in various therapy areas. Furthermore, as a continued commitment towards knowledge dissemination, 100 workshops were conducted, training approximately 1,800 medical staff. Over and above these, over 3,000 patient awareness programs were conducted across India.

OUTLOOK

We are positive that our continuous endeavor to help patients in all possible ways, sustained services and culture of trust-building across stakeholders will hold us in good stead through this challenging year. Our values and resilience keep supporting us while we adapt to the new normal. We continue to enjoy the confidence of our consumers, business partners and investors. Additionally, new products and differentiated services offered are contributing to the Company's growth. The Company continues to drive a faster growth rate, beating the market year-after-year.

As a Company we will continue to navigate during these difficult times and accelerate transforming our business. The following are expected to be major enablers as we try to better our service to customers and accelerate growth :

- **Innovative models to engage with healthcare professionals through multiple channels :** Developing presence across the entire customer journey through



innovative multiple channels of engagement, and leveraging data collected from digital channels to augment capabilities of the sales force; enabling them to engage with doctors and healthcare professionals and create product awareness continue to remain a priority.

- **Supporting patients beyond the pill :** As healthcare information becomes more readily available on the internet, we are witnessing a change in consumer behavior, with patients starting to be more involved in making healthcare choices. The Company has been engaging with patients directly through industry-first patient programs to provide education, counselling and support services. As these programs have shown success in ensuring therapy adoption and adherence, we plan to explore targeted partnerships with other industry players and start-ups to expand to additional therapies. The Company has already scaled up the Knowledge Genie platform and also plans to introduce a pregnancy focused patient support programme in 2020.
- **Scaling up pharmacy engagement :** Strengthening our channel management capabilities and resources can be a key differentiator in minimizing prescription substitution. India is rapidly moving towards a uniform quality standard and building capabilities for pharmacists is critical to enable them to play a greater role in the market. The Company's dedicated OTC vertical will continue to expand its coverage in this regard.
- **Shaping therapies to accelerate key brands :** We are prepared to accelerate growth of current brands and plan our future launches with clearly defined strategies developed through in-depth analysis of market trends along with a careful evaluation of our capabilities and strengths. Shaping of key therapies is critical to driving therapy leadership and ensuring that we continue on our path of consistent growth.

RISKS AND CONCERNS

The pharmaceutical Industry in India is strictly regulated by the Government due to implications on health and safety. This control is likely to increase in the future as the industry grows in size and expands its presence in the international markets. While regulators are committed to ensuring a positive business environment for pharmaceutical companies, synergies in policy and implementation will be something to look out for.

Proposed expansion of drugs covered by the National List of Essential Medicines (NLEM) and restrictions on trade margin mark-ups will create uncertainties at market place. Growing awareness about cheaper alternatives to branded generics and more channels providing access to them also impact volume growth.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

This mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented standard operating procedures, policies and process guidelines. Periodic analysis and reviews are conducted by the Senior Management to assess its efficiency. Also, the same is discussed with auditors on a regular basis.

The Internal audit plan is finalized based on current perception of internal control risk and compliance requirement in consultation with the operating divisions. The Internal Auditors, as a part of their audits, review the design of key processes to assess the adequacy of controls.

The Internal audit reports issued by the Internal Auditors are discussed with the Senior Management and presented to the Audit Committee on a quarterly basis. An independent and empowered Audit Committee reviews the significant observations and assesses the adequacy of the actions proposed while monitoring their implementation. The Internal Auditors conduct a quarterly follow up for implementation/remediation of all audit recommendations and the status report is presented to the Audit Committee regularly.

The Company has implemented both preventive and detection controls. Appropriate corrective actions taken to reduce the risks include the following :

- The Abbott Code of Business Conduct requires annual certification by all employees;
- The Compliance Committee is formed with representatives from all the operating groups;
- Senior Management has oversight of the compliance programs;

- The Business Compliance Cell is assigned the responsibility of training, monitoring and ensuring employees' compliance with the Company's policies and procedures;
- The Company has a Whistle Blower mechanism in place;
- Internal investigation reports are presented before the Audit Committee on a quarterly basis;
- Business divisions have periodic meetings with the Director, Office of Ethics and Compliance, to monitor and discuss compliance with various business processes.

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2020 and basis the assessment, believes that the processes are working efficiently and effectively.

The Statutory Auditors have issued unmodified audit report on the adequacy of the internal controls over financial reporting and its operating effectiveness.

HUMAN RESOURCES

At Abbott India, people are our strong and formidable assets. The Company provides holistic capabilities to its employees to boost organizational performance. Their skill, dedication, zeal and agility are helping the business understand and respond to changing healthcare needs so that the Company can live up to its promise of helping people live fuller, healthier lives.

The Company encouraged employees to stay upbeat during the tough situation by conducting Mental Resilience workshops and COVID-19 awareness sessions. All employees were supported with remote working tools viz. Global IT microsite, myHR portal, etc.

During the time, employees were upskilled through the conduct of various ASK workshops, soft skills training programs, sales and product refresher trainings and training on digital tools and new ways of working. The training team delivered over 1600 sessions/topics virtually to engage the field.

Diversity continued to be a big priority last year. We conducted diversity drives across sales offices across India and at the head office. At these events, our Women Leaders at Abbott (WLA) gave an insight of our Diversity initiatives.

The Company's Human Resource team has developed and deployed integrated talent management practices that encompass the entire employee life cycle - recruitment, induction, development, career progression, rewards and recognitions.

Our Talent Management process is well embedded in our system and supports leadership, sales, marketing and support functions. Through our uniform assessments to gauge the

readiness for first and second-line manager roles, we create a common talent pool. Additionally, we have launched certification programs and career paths for field employees.

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

- An in-depth Talent Management Review was conducted with the aim of identifying successors for critical roles within the organization, to determine the readiness of successors and provide them with an accurate actionable development plan to move into identified critical roles.
- The 'Accelerate' programme was launched to develop managerial capability, to increase team performance and drive higher employee engagement. All First-Line Managers (FLMs) i.e. 330 Area Business Managers (ABMs) underwent an external assessment, and on the basis of this assessment result, an individual development plan has been created for every manager.
- LEAP 2020 was a programme launched with the objective to assess and develop managerial capabilities within the organization and encourage talent mobility across businesses. A competency framework was designed to measure managerial behavioral competencies; 221 field employees (Territory Business Managers or TBMs) underwent the assessment and will have customized development plans to increase their readiness to take up FLM roles.
- 'Wo-mentoring' initiative was introduced, which provide a platform to accelerate development for women employees through 'Mentoring'. The programme aims at supporting women employees to 'Build their Career with Confidence'. The initiative includes an on-boarding process of Orientation Sessions to enable the mentoring conversations, identification of development goals coupled with enablers in the form of employee connects and related learning interventions. Mentors share their expertise and guide proteges in their identified development areas. The said programme was extended to the head office, plant and field employees.

Periodic meetings are held between HR Leadership and the Talent Strategy teams to closely monitor progress on the various aspects of talent strategy and take necessary action.

The Company believes in motivating and engaging employees through shared goals, capability-building initiatives, career growth opportunities and provide an environment of



transparency, accountability and positive reinforcement. The Company has 3,551 employees as on March 31, 2020.

Prevention of Sexual Harassment at Workplace

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

Appropriate training is imparted to employees regularly through the online learning portal. In 2019-20, all employees completed the mandatory online training programme on POSH (Prevention of Sexual Harassment). This training also forms a part of the new Employee Orientation programme.

During the year, one complaint was received by the Company/ICC under the aforesaid Act and the same was appropriately closed.

HEALTH, SAFETY AND ENVIRONMENT

Health and Safety :

At Abbott, employees' health and safety are the utmost priority and hence during the COVID-19 pandemic, the Company took key steps to protect and safeguard employees. A crisis action team was formed on Day 1 of the outbreak. Work from home transition for the pan-India sales workforce and HO employees was announced on March 19, 2020. For employees at the plant, local transport was provided, cleaning frequency was increased, and social distancing was ensured at the premises.

We are committed to keeping employees safe by preventing dangerous incidents in and around the workplace. In educating our employees, we also empower them to promote safer and healthier lives in their wider communities. We strive to maintain the highest standards of Environment, Health and Safety (EHS) practices.

The EHS Policy has been implemented through our Global EHS standards based on ISO 14001 and OHSAS 45001, supported by a well-defined EHS organizational structure, EHS Standard Operating Procedures and EHS specific programs that ensure that we meet all the local regulatory requirements.

The Safety Committee, comprising representatives from the workforce and Management, constantly work towards resolving issues impacting plant safety and employee health. Regular self-audits and third-party safety audits are conducted to verify compliance with the regulatory and internal safety requirements. The plant has a record of completing eight years without lost time injury.

Various training programs are conducted at the plant on health and safety issues to build technical capabilities. Employees are also encouraged to attend external training programs on various topics such as regulatory requirements, ergonomics, machine guarding, hot work safety, road safety, industrial hygiene and industrial safety. The employees also attend various training programs/seminars arranged by the Inspectorate of factories and Green Triangle Society.

A cross-functional team for emergency response and firefighting is in place. Mock drills for fire-fighting and rescue operations are conducted in association with the local fire brigade to keep the staff in a state of preparedness for any emergencies.

Special focus is maintained on critical safe work initiatives like contractor safety, hand safety and working on heights. Additionally, several employee engagement programs, such as celebration of National Safety Week, World Environment Day and Abbott EHS Month, were conducted to help build a sustainable EHS culture.

During the year, the following initiatives took place at the Goa plant –

- Installed a new diesel pump and automated sprinkler system to reduce risk of business interruption and meet recommendations provided by Factory Mutual.
- Safety retrieval system for confined space entry was installed for safe entry and retrieval of a person entering the liquid manufacturing tanks, thus minimizing the risk associated during confined space entry.
- 411 employees (including contractual employees) underwent the Global EHS induction module, and 117 employees were trained on various aspects and on the proper use of personal protective equipment, leading to improved PPE compliance. To further improve Behavior Based Safety programs, 20 new observers were trained through Abbott Global resources. Around 111 employees attended training on Lockout Tagout (LOTO) and Slip Trip Falls (STF). A few employees attended various programs, such as effective functioning of safety committee, OSHE legal requirements, sharing best practices on OSHE, beat air pollution, stress management etc.

Various Road Safety programs were conducted for field employees during the year. About 400 sales employees attended the one-day two-wheeler riding safety programme as part of the Behind the Bar training activity. This program was conducted by third-party consultants. 100% of the sales employees completed the online defensive driving refresher training module.

There is continuous improvement on the Behavior Based Safety (BBS) program and a visible improvement in safety culture has been observed. The Stop for Safety initiative is being practiced in order to support the BBS program.

Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavour to minimize the use of renewable resources and cut down on carbon emission. In all our initiatives, we adopt a holistic approach and make efforts to curtail adverse environmental impact, if any. The Goa site continued to implement multiple water conservation and emission reduction projects.

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

Over the period of the last five years, the plant has achieved more than 20% absolute water reduction in usage. The rainwater harvesting project was effectively continued at the plant this year. Total rainwater utilized during financial year 2019-20 was 1,379 kl, which reduced the intake of purchased water.

Major focus during the year was process optimization and yield improvement. Along with increasing productivity, this initiative has helped prevent the discharge of raw materials and solvents into the environment. We are continuously improving our product yields, thus reducing wastages.

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

The plant retains its Zero Waste to Landfill (ZWL) certification in matters of waste disposal. In financial year 2019-20, 60% of the waste was sent for recycling, 38% for co-processing and 2% for composting. The plant continued sending hazardous waste for co-processing. We ensure that energy from the waste is recovered, thus contributing to the reduction of CO₂ emission and global warming. 38% of plant waste was incinerated with energy recovery.

During the year, World Environment Day was celebrated with the participation of all plant employees. Environment awareness sessions were conducted, and tree plantation was undertaken by the employees on this day.

The details of energy conservation measures and water conservation initiatives are provided in Annexure III.

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Central Pollution Control Board. During the year, we have collected around 1400 MT of post-consumer waste through our Extended Producer Responsibility (EPR) partners. This waste is recycled or disposed of in a scientific way. The Company is also working towards several upstream eco-initiatives that will help in plastic waste minimization, which is fundamental to the concept of EPR.

We provide training to our EHS employees on applicable EHS regulations and internal technical standards through both internal and external trainings and conferences. We promote EHS awareness and share best practices across Abbott through a dedicated month highlighting EHS topics, as well as a monthly webinar series by subject matter experts.

DIRECTORS

Mr Krishna Mohan Sahni (DIN : 02103128) retired as Independent Director from the Board effective close of business hours on October 28, 2019 upon completion of his term. Mr Jawed Zia (DIN : 00191276) and Mr Mark Murphy II (DIN : 08385393) resigned as the Non-Executive Directors effective February 29, 2020 and June 30, 2020. The Board places on record its sincere appreciation for the guidance and support received from Mr Sahni, Mr Zia and Mr Murphy II over these years.

Ms Shalini Kamath (DIN : 06993314) has been appointed as Additional and Independent Director of the Company for a period of 3 (three) years effective October 29, 2019. Ms Kamath holds a varied experience and expertise in the area of Human Resources, Business Development and Social & Community Development. In the opinion of the Board, skills, integrity and experience possessed by Ms Kamath will be beneficial to the Company.

Mr Ambati Venu (DIN : 07614849) was elevated to a new role within the Abbott Group and, therefore, resigned as the Managing Director of the Company effective February 29, 2020. The Board places on record its sincere appreciation for the accelerated growth of the Company during his tenure. Upon recommendation of the Nomination and Remuneration Committee, he was appointed as Non-Executive Director, eligible to retire by rotation, effective March 1, 2020.

The Board at its Meeting held on June 8, 2020, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Anil Joseph (DIN : 08753233) as an Additional and Managing Director of the Company for a



period of 5 (five) years with effect from July 1, 2020, subject to approval by the Central Government and Members at the ensuing Annual General Meeting.

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

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of Members is sought through Special Resolution for the re-appointment of Mr Munir Shaikh, who has attained the age of seventy-five years.

Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. All the Independent Directors have registered themselves in the Independent Director's Database as managed by Indian Institute of Corporate Affairs.

Number of Board Meetings

Five Board Meetings were held during the year on May 27, 2019; August 8, 2019, August 22, 2019, November 12, 2019 and February 7, 2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Rules framed thereunder read with the Secretarial Standards on Meetings of the Board of Directors.

Policy on Nomination and Appointment of Directors/ Criteria for appointment of Senior Management and Remuneration Policy

The Company has adopted the Policy on Nomination and Appointment of Directors/Criteria for appointment of Senior Management and Remuneration Policy as per the provisions of Section 178(3) of the Companies Act, 2013 and the Rules framed thereunder. The said Policies are available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>

Nomination Policy acts as a guideline for determining qualifications, positive attributes and independence of Directors and matters related to the appointment and removal of Directors and Senior Management. The Policy lays down –

- i) criteria and terms and conditions with regard to identifying suitable candidates who are qualified to become Directors and Senior Management;

- ii) appointment mechanism for Managing Director/ Executive and Non-Executive Directors/Independent Directors/Key Managerial Personnel and Senior Management;
- iii) tenure of Managing Director/Executive Directors/ Independent Directors;
- iv) their removal process and succession planning.

Remuneration Policy lays down the Company's philosophy and criteria as well as manner of determining the remuneration of Managing Directors, Executive/Non-Executive Directors, Independent Directors, Senior Management, Key Managerial Personnel and other employees.

Performance Evaluation of the Board, Board Committees and Directors

The Company has adopted the Board Evaluation Framework and Policy, which sets a mechanism and criteria for the evaluation of the Board, Board Committees and Directors, including Independent Directors. The same is available at <https://www.abbott.co.in/investor-relations/policies.html>

As per the aforesaid Framework, Board and Board Committees are evaluated by the Board through self-assessment and group discussions. Parameters for evaluation include structure and composition, frequency of meetings, devotion of time for important business, adequate access to information, discussion with management and cohesiveness in the overall working which facilitates open discussion.

Evaluation of the Directors is done by the Board (excluding the director who is being evaluated) basis the suggested set of questions/parameters set out in the aforesaid framework by the Nomination and Remuneration Committee. These criteria comprise Directors' attendance, effective participation at Board/Committee Meetings, their contribution at the Meetings, leveraging on his/her experience to provide the necessary insights/guidance on Board discussions and display of candor in expressing views even when they are in divergence with the rest of the Board, etc. Independent Directors at their separate meeting evaluate the performance of the Board, Non-Independent Directors and the Chairman.

During the year 2019-20, questionnaire along with feedback forms were circulated to the Directors for evaluation of the Board, Committees and Directors. The Board discussed the responses received from each of the Directors on the same. The Board also confirmed that the Independent Directors continue to fulfil criteria prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

and remain independent from the Management. Independent Directors, at their separate meeting, reviewed the performance of Non-Independent Directors, Board and the Chairman, considering the views of the other Executive and Non-Executive Directors.

KEY MANAGERIAL PERSONNEL

Mr Rajiv Sonalker, Chief Financial Officer and Ms Krupa Anandpara, Company Secretary, are the Key Managerial Personnel of the Company as on March 31, 2020. Mr Ambati Venu ceased to be the Key Managerial Personnel effective February 29, 2020. Mr Anil Joseph, Managing Director is appointed as the Key Managerial Personnel effective July 1, 2020.

AUDIT COMMITTEE

The Audit Committee comprises Ms Anisha Motwani (Chairperson), Mr Munir Shaikh, Mr Sudarshan Jain and Ms Shalini Kamath. Role of the Committee is provided in detail in the Corporate Governance Report, forming part of this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited – Procedure for Internal Investigations". It lays down a mechanism for reporting and investigation of all unethical behavior, alleged or potential violations of laws, regulations or Abbott Code of Business Conduct, policies, procedures or other standards.

The said Policy is available on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>

Employees have numerous ways to voice their concerns and are encouraged to report the same internally for resolution. The said Policy provides for adequate safeguards against retaliation and access to the Chairperson of the Audit Committee.

Any concerns/grievances can be communicated through various sources as provided under the said Policy or via toll free number 0008001001058 or online at <https://speakup.abbott.com>

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profits of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts of the Company on a going concern basis;
- e) they have laid down adequate Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

Policy on dealing with Related Party Transactions and Materiality

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

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

Details of Related Party Transactions

The Company enters into the business transactions with various Abbott affiliate companies ("Related Parties") in the normal course of business and on arm's length basis. All the transactions with the Related Parties during the financial year 2019-20 were pre-approved by the Audit Committee. Prior approvals of the shareholders are in place for the Material Related Party transactions. Actual transactions were reviewed by the Audit Committee on a quarterly basis. The details of the same are provided in Note 40 to the Financial Statements.



Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has filed half yearly reports on Related Party Transactions with the BSE Limited.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year, the unpaid dividend and shares were transferred in line with the above, the details of which have been given in the Corporate Government Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Policy

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

CSR initiatives undertaken during the financial year 2019-20

The Company incurred an amount of ₹ 11,64 Lakhs on various CSR programs during the financial year 2019-20. The Annual Report of the CSR activities undertaken by the Company is annexed as “Annexure I” and forms part of this Report.

RISK MANAGEMENT FRAMEWORK

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

- Aligning risk appetite and strategy – The Company considers its risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Risk Management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing and acceptance.

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

These capabilities, inherent in this Framework, enable the Company to achieve the performance and profitability targets and guard against loss of resources. It is also directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity’s reputation and associated consequences. The Company’s operations and its business divisions are included in the scope of the Risk Management Framework.

A comprehensive exercise is done by the Risk Management Core Team comprising of representatives of relevant functional experts on an annual basis who help to identify additional mitigating actions that may be required to ensure risk management keeps pace with the business strategy. The Company’s Chief Financial Officer presents an overall Risk Management update to the Risk Management Committee, Audit Committee and Board once a year.

STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003), were appointed as the Statutory Auditors at the Seventy-fifth Annual General Meeting of the Company held on August 22, 2019 for a period of five years i.e. from financial year 2019-20 to financial year 2023-24, to hold office till the conclusion of the Eightieth Annual General Meeting of the Company.

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

AUDITORS' REPORT

The Auditors' Report for the financial year 2019-20 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/comments by the Board.

COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are appointed as the Cost Auditors of the Company for the financial year 2020-21 at a remuneration of ₹ 7.50 Lakhs plus taxes as applicable and reimbursement of out-of-pocket expenses.

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

COST AUDIT REPORT

As per the provisions of the Section 148(1) of the Companies Act, 2013, the Company has maintained the cost records, as specified by the Central Government.

Cost Audit Report along with the Compliance Report for the financial year 2018-19, issued by M/s Kishore Bhatia & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs on August 27, 2019 (due date of filing was September 27, 2019).

INTERNAL AUDITORS

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

SECRETARIAL AUDITOR

Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) is the Secretarial Auditor of the Company for the financial year 2019-20.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) for the financial year ended March 31, 2020 does not contain any adverse remark, qualifications, reservations or disclaimer except the

observation that the name of the Company is appearing in the breach list displayed at the BSE Limited website for having foreign investment in excess of prescribed sectoral cap. The Company has a view that there is no breach; however, is in the process of taking appropriate action to regularize the same.

The said Report is annexed as "Annexure II" and forms part of this Report.

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

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

ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company at <https://www.abbott.co.in/investor-relations/financials.html>

Extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 and Rules framed thereunder is annexed as "Annexure IV" and forms part of this Report.

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures required in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure V" and forms part of this Report. Statement containing Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing Particulars of Employees, which is available for inspection by the Members up to the date of ensuing Annual General



Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at investorrelations.india@abbott.com

CORPORATE GOVERNANCE REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of Board and its Committees and General Meetings.

DISCLOSURES OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

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

FIXED DEPOSITS

No fixed deposits were accepted during the year.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

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

GENERAL

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

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

AWARDS AND RECOGNITIONS

The Company was awarded with Most Innovative MNC of the Year 2019-12th Pharma Leaders Award. The Company also received various other awards and recognitions for its brands, campaigns, patient awareness programs and digital initiatives.

ACKNOWLEDGEMENT

Your Board expresses gratitude towards all our employees, business partners, institutions, banks and, the Members, for their steadfast trust and support to the Company.

For and on behalf of the Board

Munir Shaikh

Mumbai
August 7, 2020

Chairman
DIN : 00096273

Rajiv Sonalker

CFO and Whole-time Director
DIN : 07900178

ANNEXURE I

Annual Report of CSR Activities for the financial year 2019-20

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

1. Brief outline of the Company's CSR Policy

Policy Statement :

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

Core CSR areas identified by the Company :

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

- Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community;

- Charitable donations and educational grants for serving the underserved sections of society;
- Reaching out to Government to advance sound public policy and expand patient access to healthcare;
- Disease awareness projects/activities that support subsidized screening and treatment;
- Product donations through trusted partners in the context of Abbott's global policies and international standards;
- Extending support to various NGOs through monetary grants for education, healthcare and livelihood of underprivileged children and women;
- Environment protection measures;
- Such other projects that fall within the purview of the activities included in Schedule VII of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

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

2. Composition of CSR Committee :

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

Sr. No.	Name of the Member	Category
1.	Mr Munir Shaikh ¹ Chairman	Non-Executive Director
2.	Mr Ambati Venu	Non-Executive Director
3.	Ms Anisha Motwani	Independent Director
4.	Mr Rajiv Sonalker	Whole-time Director

1. appointed as Chairman effective April 1, 2019.

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

₹ 567,80 Lakhs

*calculated on the basis of Net Profits for the financial years, 2016-17, 2017-18 and 2018-19

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

₹ 11,36 Lakhs

5. Details of CSR spent during the financial year :

- Total amount spent during the financial year :
₹ 11,64 Lakhs
- Amount unspent, if any : Nil

c) Manner in which the amount was spent during the financial year is detailed below :

(₹ in Lakhs)

Sr. No.	CSR Project Name	Schedule VII Category	Location	Amount Outlay (Budget)	Amount spent on the projects or programs 1) Direct 2) Overheads	Cumulative Expenditure	Amount Spent : Direct or through Implementing Agency
1	Improving Access to Healthcare through Health Clinics	Promoting Healthcare	PAN India	4,42	4,42	4,42	Direct Implementation
2	Quality and Affordable Healthcare Delivery Program with SEWA	Promoting Healthcare; Empowering Women	Mehsana, Ahmedabad (Gujarat)	3,51	3,51	3,51	Direct Implementation
3	Malaria Elimination Program with Malaria No More	Promoting Healthcare	Odisha	3,44	3,44	3,44	Direct Implementation
4	Administrative Expenses			27	27	27	
	Total			11,64	11,64	11,64	

The Responsibility Statement of the CSR Committee of the Board of Directors –

“The implementation and monitoring of CSR Policy are in compliance with CSR Objectives and Policy of the Company.”

Munir Shaikh
Chairman, CSR Committee
DIN : 00096273

Anisha Motwani
Member, CSR Committee
DIN : 06943493



ANNEXURE II

Secretarial Audit Report for the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015]

To,
The Members,
Abbott India Limited

I, Neena Bhatia, Company Secretary in Practice (Membership No.: FCS 9492 and CP No.: 2661) appointed as the Secretarial Auditor of the Company by the Board of Directors, have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by Abbott India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of :

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

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, as amended from time to time.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The name of the Company appears in the breach list displayed on the website of the Depositories and Bombay Stock Exchange for having foreign investments in excess of sectoral cap. The Company has taken a view that there is no breach; however, is in a process of taking appropriate action to regularize the same.

I further report that :

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

- a. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945, as amended from time to time;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and
- c. Drugs (Price Control) Order, 2013, as amended from time to time.

I further report that :

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no other events/actions having major bearing on the Company's affairs.

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

Neena Bhatia

Practicing Company Secretary

Membership No. FCS 9492

Certificate of Practice No. 2661

Place : Mumbai

Date : June 8, 2020

UDIN : F009492B000323971

Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2020

To,
The Members
Abbott India Limited

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit. Due to nationwide lock down on account of the continuing Covid-19 pandemic, I was not able to physically examine and verify certain information. However, in such cases, I verified the records based on authenticated soft copies of documents furnished by the Company.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Neena Bhatia

Practicing Company Secretary

Membership No. FCS 9492

Certificate of Practice No. 2661

Place : Mumbai

Date : June 8, 2020



ANNEXURE III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A. Conservation of Energy

i. Energy conservation measures adopted at the plant during the year 2019-20 include :

- Optimization of air compressor efficiency in terms of energy saving of around 70 KWH per day.
- Replacement of all the streetlight fixtures with energy-efficient LED fixture together with variable activation timings for energy saving resulting in annualized savings of approximately 40,000 KWH.
- Installation of Variable Frequency Drives (VFDs) for surface aerators in effluent treatment plants (ETP) for optimum energy usage. This led to reduction in energy consumption by almost 12,000 KWH on annualized basis.
- New process design developed by adding new energy efficient blower directly to filter. As a result, press, sludge drying per lot is reduced from three to two days with saving of 108 KWH per drying cycle.

Water conservation initiatives during the year include :

- Installation of new vacuum pump with Hydro pack system; cools and circulates water for vacuum pump operation; resulting in water saving of 700 kl/year.
- Installation of steam sanitiser for washing of in-process container, resulted in reduced water consumption for container washing.
- Free flowing taps fitted with shower orifice reduced water consumption by 25% in the washrooms.
- Use of treated water from the wastewater treatment plant in the cooling towers for top up.
- The water conservation initiatives helped the plant to save approximately 2,879 kl of water.

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

Nil

iii. The Capital Investment on Energy Conservation Equipment

Nil

B. Technology Absorption

i. The efforts made towards Technology Absorption

- Modification of Brufen Manufacturing HVAC with humidity control areas to utilize idle manufacturing capacity and gave flexibility in manufacturing
- Introduction of chilled water to control in let air humidity for drying operations which resulted in reduced drying cycle time and the subsequent increase in the granulation capacity. This supported the tablet capacity increasing initiative and removed granulation as a bottleneck on manufacturing.

- Improved operational efficiencies in Goa plant by outsourcing pre-sleeving of bottles for liquids Digene, Cremaffin and Duphalac to vendor thereby eliminating non-value added activity, reducing inventory holding costs, elimination of separate space requirements, QC inspection and material handling.

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

- Cost per 1000 tablets has reduced by 15% (2017 vs 2019)
- Cost per 1000 liquid bottles has reduced by 0.5% (2017 vs 2019)
- Tablet capacity increased from 1.8 to 2.2 Billion (Approx. 25% improvement without capex.)

iii. Details of technology imported during last three financial years

- a. the details of technology imported : Nil
- b. the year of import : NA
- c. whether the technology been fully absorbed : NA
- d. if not fully adsorbed, areas where adsorption has not taken place, and the reasons thereof : NA

iv. Expenditure on Research & Development

Sr. No.	Particulars	₹ in Lakhs
(a)	Capital	12
(b)	Recurring	69
(c)	Total	81
(d)	Total R&D expenditure as a Percentage of total turnover	0.02%

C. Foreign Exchange Earnings and Outgo

Particulars	₹ in Lakhs
A. Total Foreign Exchange used	
a. On import of raw materials, finished goods, consumable stores and capital goods	519,52
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	8,60
Total	528,12
B. Total Foreign Exchange earned	
a. Exports of goods	11,77
b. Service Income	6,25
c. Recovery of expenses	2,32
d. Other earnings	12,86
Total	33,20

ANNEXURE IV**Extract of Annual Return as on financial year ended March 31, 2020****FORM NO. MGT 9**

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

I. REGISTRATION AND OTHER DETAILS

CIN	: L24239MH1944PLC007330
Registration Date	: August 22, 1944
Name of the Company	: Abbott India Limited
Category/Sub-Category of the Company	: Company Limited by Shares/Indian Non-Government Company
Address of the Registered Office and Contact Details	: 3, Corporate Park, Sion-Trombay Road, Mumbai – 400071 Telephone No.:+91-22-6797 8888/ +91-22-5046 1000/2000 Fax:+91-22-5016 9400
Whether Listed Company	: Yes
Name, Address and Contact details of Registrar and Share Transfer Agent	: KFin Technologies Private Limited Unit – Abbott India Limited Address – Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Tel No.: +91-40-6716 2222, Fax No.: +91-40-2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
1) Indian									
a) Individual /HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1) :	-	-	-	-	-	-	-	-	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	1197095	50	1197145	5.63	1017845	50	1017895	4.79	-0.84%
b) Banks/FI	30924	308	31232	0.15	72777	308	73085	0.34	0.19%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	140042	-	140042	0.66	35994	-	35994	0.17	-0.49%
g) FIIs	31430	-	31430	0.15	-	-	-	-	0.15%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio – Corp	402692	-	402692	1.90	348692	-	348692	1.64	-0.26%
Sub-total (B)(1) :	1802183	358	1802541	8.48	1475308	358	1475666	6.94	-1.54%
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	136129	2666	138795	0.65	246013	2666	248679	1.17	0.52%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2560115	436241	2996356	14.10	2693042	362913	3055955	14.38	0.28%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	46642	-	46642	0.22	46642	-	46642	0.22	-
c) Others (specify)									
Alternative Investment Fund	118123	-	118123	0.56	163986	-	163986	0.77	0.21%
Trust	202	-	202	-	295	-	295	-	-
NRI(Rep)	23293	1400	24693	0.12	21430	200	21630	0.10	-0.02%
Clearing Member	26471	-	26471	0.12	27450	-	27450	0.13	0.01%
NRI (Non-Rep)	58826	3824	62650	0.29	81862	1130	82992	0.39	0.10%
Foreign Corp Bodies	-	471	471	-	-	471	471	-	-
Investor Education and Protection Fund	66989	-	66989	0.32	96925	-	96925	0.46	0.14%
Unclaimed Suspense Account	23993	-	23993	0.11	4711	-	4711	0.02	-0.09%
NBFC	454	-	454	-	67	-	67	-	-
HUF	-	-	-	-	79430	-	79430	0.37	0.37%
Directors and Directors Relatives	6874	-	6874	0.03	250	-	250	-	-0.03%
Qualified Foreign Investor	-	-	-	-	10105	-	10105	0.05	0.05%
Foreign National/Bodies/OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) :	3068111	444602	3512713	16.53	3472208	367380	3839588	18.07	1.54%
Total Public Shareholding (B)=(B)(1)+(B)(2)	4870294	444960	5315254	25.01	4947516	367738	5315254	25.01	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20804342	444960	21249302	100.00	20881564	367738	21249302	100.00	-

ii. Shareholding of Promoters

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

iii. No change in the Shareholding of the Promoters during the year**iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRS)**

Sr. No.	Name	Shareholding					Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of the year (01/04/2019)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1.	FRANKLIN TEMPLETON MUTUAL FUND	375000	1.76%	01/04/2019	-	-	375000	1.76%
				05/04/2019	25000	Transfer	400000	1.88%
				23/08/2019	-100000	Transfer	300000	1.41%
				30/08/2019	-25000	Transfer	275000	1.29%
				06/09/2019	-7431	Transfer	267569	1.26%
				13/09/2019	-16277	Transfer	251292	1.18%
				20/09/2019	-26292	Transfer	225000	1.06%
				27/09/2019	-25000	Transfer	200000	0.94%
				04/10/2019	-2018	Transfer	197982	0.93%
				11/10/2019	-1267	Transfer	196715	0.93%
				18/10/2019	-7368	Transfer	189347	0.89%
				25/10/2019	-14347	Transfer	175000	0.82%
				01/11/2019	-10000	Transfer	165000	0.78%
				08/11/2019	-184	Transfer	164816	0.78%
				15/11/2019	-4816	Transfer	160000	0.75%
				22/11/2019	-3029	Transfer	156971	0.74%
				29/11/2019	-1487	Transfer	155484	0.73%
06/12/2019	-3045	Transfer	152439	0.72%				
13/12/2019	-152439	Transfer	-	-				
31/03/2020	-	-	-	-				
2.	L & T MUTUAL FUND TRUSTEE LIMITED	313347	1.47%	01/04/2019	-	-	313347	1.47%
				26/04/2019	3380	Transfer	316727	1.49%
				31/05/2019	12020	Transfer	328747	1.55%
				14/06/2019	226	Transfer	328973	1.55%
				21/06/2019	2385	Transfer	331358	1.56%
				28/06/2019	3998	Transfer	335356	1.58%
				12/07/2019	1126	Transfer	336482	1.58%
				26/07/2019	599	Transfer	337081	1.59%
				02/08/2019	4134	Transfer	341215	1.61%
				09/08/2019	1467	Transfer	342682	1.61%
				16/08/2019	4897	Transfer	347579	1.64%
30/08/2019	2525	Transfer	350104	1.65%				
13/09/2019	-2811	Transfer	347293	1.63%				



Sr. No.	Name	Shareholding					Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of the year (01/04/2019)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				20/09/2019	-1838	Transfer	345455	1.63%
				27/09/2019	-20240	Transfer	325215	1.53%
				11/10/2019	-7527	Transfer	317688	1.50%
				18/10/2019	-12721	Transfer	304967	1.44%
				25/10/2019	-17017	Transfer	287950	1.36%
				01/11/2019	-2685	Transfer	285265	1.34%
				13/12/2019	-14265	Transfer	271000	1.28%
				10/01/2020	-7415	Transfer	263585	1.24%
				17/01/2020	-832	Transfer	262753	1.24%
				24/01/2020	-1464	Transfer	261289	1.23%
				31/01/2020	-32	Transfer	261257	1.23%
				21/02/2020	-5000	Transfer	256257	1.21%
				20/03/2020	38200	Transfer	294457	1.39%
				27/03/2020	5863	Transfer	300320	1.41%
				31/03/2020	-	-	300320	1.41%
3.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED	212927	1.00%	01/04/2019	-	-	212927	1.00%
				05/04/2019	-32122	Transfer	180805	0.85%
				31/05/2019	-3346	Transfer	177459	0.84%
				19/07/2019	-2026	Transfer	175433	0.83%
				23/08/2019	316	Transfer	175749	0.83%
				20/09/2019	-10000	Transfer	165749	0.78%
				30/09/2019	1210	Transfer	166959	0.79%
				30/09/2019	-6432	Transfer	160527	0.76%
				04/10/2019	4	Transfer	160531	0.76%
				04/10/2019	-2649	Transfer	157882	0.74%
				11/10/2019	24	Transfer	157906	0.74%
				11/10/2019	-8662	Transfer	149244	0.70%
				18/10/2019	6	Transfer	149250	0.70%
				18/10/2019	-95	Transfer	149155	0.70%
				25/10/2019	-808	Transfer	148347	0.70%
				01/11/2019	9	Transfer	148356	0.70%
				08/11/2019	3	Transfer	148359	0.70%
				08/11/2019	-3844	Transfer	144515	0.68%
				22/11/2019	-1713	Transfer	142802	0.67%
				29/11/2019	-3362	Transfer	139440	0.66%
				06/12/2019	36	Transfer	139476	0.66%
				06/12/2019	-47	Transfer	139429	0.66%
				13/12/2019	-12	Transfer	139417	0.66%
				20/12/2019	3	Transfer	139420	0.66%
				27/12/2019	50	Transfer	139470	0.66%
				31/12/2019	8	Transfer	139478	0.66%
				03/01/2020	30	Transfer	139508	0.66%
				10/01/2020	24	Transfer	139532	0.66%
				17/01/2020	51	Transfer	139583	0.66%
				24/01/2020	46	Transfer	139629	0.66%
				31/01/2020	-33	Transfer	139596	0.66%
				07/02/2020	53	Transfer	139649	0.66%
				14/02/2020	33	Transfer	139682	0.66%
				14/02/2020	-13319	Transfer	126363	0.59%
				21/02/2020	-2237	Transfer	124126	0.58%

Sr. No.	Name	Shareholding					Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of the year (01/04/2019)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				28/02/2020	-14	Transfer	124112	0.58%
				06/03/2020	30	Transfer	124142	0.58%
				06/03/2020	-7200	Transfer	116942	0.55%
				13/03/2020	170	Transfer	117112	0.55%
				13/03/2020	-30515	Transfer	86597	0.41%
				20/03/2020	-55	Transfer	86542	0.41%
				27/03/2020	-7	Transfer	86535	0.41%
				31/03/2020	53	Transfer	86588	0.41%
				31/03/2020	-	-	86588	0.41%
4.	GOLDMAN SACHS INDIA LIMITED	162126	0.76%	01/04/2019	-	-	162126	0.76%
				31/03/2020	-	-	162126	0.76%
5.	CANARA ROBECO MUTUAL FUND	4970	0.02%	01/04/2019	-	-	4970	0.02%
				05/04/2019	685	Transfer	5655	0.03%
				19/04/2019	435	Transfer	6090	0.03%
				05/07/2019	-42	Transfer	6048	0.03%
				12/07/2019	-1000	Transfer	5048	0.02%
				09/08/2019	-176	Transfer	4872	0.02%
				23/08/2019	16000	Transfer	20872	0.10%
				30/08/2019	27000	Transfer	47872	0.23%
				06/09/2019	1200	Transfer	49072	0.23%
				27/09/2019	28000	Transfer	77072	0.36%
				04/10/2019	4500	Transfer	81572	0.38%
				18/10/2019	2600	Transfer	84172	0.40%
				25/10/2019	11550	Transfer	95722	0.45%
				01/11/2019	6500	Transfer	102222	0.48%
				31/01/2020	6500	Transfer	108722	0.51%
				14/02/2020	36325	Transfer	145047	0.68%
				31/03/2020	-2504	Transfer	142543	0.67%
6.	TATA AIA LIFE INSURANCE COMPANY LIMITED	-	-	01/04/2019	-	-	-	0.00%
				02/08/2019	1459	Transfer	1459	0.01%
				09/08/2019	17500	Transfer	18959	0.09%
				16/08/2019	8037	Transfer	26996	0.13%
				23/08/2019	98257	Transfer	125253	0.59%
				31/03/2020	-	-	125253	0.59%
7.	INDIA WHIZDOM FUND	104187	0.49%	01/04/2019	-	-	104187	0.49%
				18/10/2019	-2854	Transfer	101333	0.48%
				31/03/2020	-	-	101333	0.48%
8.	LIFE INSURANCE CORPORATION OF INDIA	100411	0.47%	01/04/2019	-	-	100411	0.47%
				19/07/2019	-912	Transfer	99499	0.47%
				26/07/2019	-15822	Transfer	83677	0.39%
				02/08/2019	-7430	Transfer	76247	0.36%
				09/08/2019	-26500	Transfer	49747	0.23%
				16/08/2019	-10990	Transfer	38757	0.18%
				23/08/2019	-10151	Transfer	28606	0.13%
				30/08/2019	-16258	Transfer	12348	0.06%
				06/09/2019	-12348	Transfer	-	-
				31/03/2020	-	-	-	-



Sr. No.	Name	Shareholding					Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of the year (01/04/2019)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
9.	AXIS MUTUAL FUND TRUSTEE LIMITED	-	-	01/04/2019	-	-	-	-
				10/01/2020	3930	Transfer	3930	0.02%
				14/02/2020	6765	Transfer	10695	0.05%
				21/02/2020	25150	Transfer	35845	0.17%
				28/02/2020	10877	Transfer	46722	0.22%
				06/03/2020	6421	Transfer	53143	0.25%
				13/03/2020	10542	Transfer	63685	0.30%
				20/03/2020	28300	Transfer	91985	0.43%
				27/03/2020	479	Transfer	92464	0.44%
				31/03/2020	-	-	92464	0.44%
10.	SBI MAGNUM GLOBAL FUND	9892	0.05%	01/04/2019	-	-	9892	0.05%
				05/04/2019	24514	Transfer	34406	0.16%
				10/05/2019	5594	Transfer	40000	0.19%
				31/05/2019	916	Transfer	40916	0.19%
				07/06/2019	36845	Transfer	77761	0.37%
				20/03/2020	-4000	Transfer	73761	0.35%
				27/03/2020	3252	Transfer	77013	0.36%
				31/03/2020	-	-	77013	0.36%
11.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS	66989	0.32	01/04/2019	-	-	66989	0.32%
				28/06/2019	31106	Transfer	98095	0.46%
				05/07/2019	6	Transfer	98101	0.46%
				19/07/2019	-160	Transfer	97941	0.46%
				02/08/2019	-12	Transfer	97929	0.46%
				07/02/2020	-1004	Transfer	96925	0.46%
				31/03/2020	-	-	96925	0.46%
12.	GOLDMAN SACHS FUNDS	61790	0.29%	01/04/2019	-	-	61790	0.29%
				31/03/2020	-	-	61790	0.29%
13.	TATA INDIA PHARMA & HEALTHCARE FUND	46701	0.22%	01/04/2019	-	-	46701	0.22%
				05/04/2019	5000	Transfer	51701	0.24%
				19/04/2019	27000	Transfer	78701	0.37%
				19/07/2019	-7000	Transfer	71701	0.34%
				26/07/2019	-1500	Transfer	70201	0.33%
				20/09/2019	-7034	Transfer	63167	0.30%
				27/09/2019	-1701	Transfer	61466	0.29%
				18/10/2019	-5000	Transfer	56466	0.27%
				01/11/2019	-10000	Transfer	46466	0.22%
				06/12/2019	-6466	Transfer	40000	0.19%
				13/12/2019	-2500	Transfer	37500	0.18%
				20/12/2019	-2850	Transfer	34650	0.16%
				27/12/2019	-500	Transfer	34150	0.16%
				10/01/2020	-2000	Transfer	32150	0.15%
				28/02/2020	-500	Transfer	31650	0.15%
				20/03/2020	-3200	Transfer	28450	0.13%
				31/03/2020	-7000	Transfer	21450	0.10%

Sr. No.	Name	Shareholding					Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning of the year (01/04/2019)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
14.	MOTILAL OSWAL NIFTY MIDCAP 150 INDEX FUND	44296	0.21%	01/04/2019	-	-	44296	0.21%
				26/04/2019	101	Transfer	44397	0.21%
				03/05/2019	650	Transfer	45047	0.21%
				10/05/2019	270	Transfer	45317	0.21%
				17/05/2019	3098	Transfer	48415	0.23%
				24/05/2019	86	Transfer	48501	0.23%
				31/05/2019	2231	Transfer	50732	0.24%
				07/06/2019	1983	Transfer	52715	0.25%
				14/06/2019	2028	Transfer	54743	0.26%
				09/08/2019	818	Transfer	55561	0.26%
				27/09/2019	1485	Transfer	57046	0.27%
				30/09/2019	47	Transfer	57093	0.27%
				04/10/2019	83	Transfer	57176	0.27%
				04/10/2019	-1300	Transfer	55876	0.26%
				11/10/2019	27	Transfer	55903	0.26%
				25/10/2019	2	Transfer	55905	0.26%
				08/11/2019	1	Transfer	55906	0.26%
				15/11/2019	3	Transfer	55909	0.26%
				22/11/2019	4	Transfer	55913	0.26%
				29/11/2019	4	Transfer	55917	0.26%
				06/12/2019	7	Transfer	55924	0.26%
				13/12/2019	3	Transfer	55927	0.26%
				20/12/2019	3	Transfer	55930	0.26%
				31/12/2019	2	Transfer	55932	0.26%
				03/01/2020	5	Transfer	55937	0.26%
				10/01/2020	8	Transfer	55945	0.26%
				17/01/2020	19	Transfer	55964	0.26%
				24/01/2020	17	Transfer	55981	0.26%
				31/01/2020	13	Transfer	55994	0.26%
				31/01/2020	-2400	Transfer	53594	0.25%
				07/02/2020	22	Transfer	53616	0.25%
14/02/2020	12	Transfer	53628	0.25%				
28/02/2020	5	Transfer	53633	0.25%				
06/03/2020	2	Transfer	53635	0.25%				
06/03/2020	-1521	Transfer	52114	0.25%				
13/03/2020	15	Transfer	52129	0.25%				
20/03/2020	9	Transfer	52138	0.25%				
27/03/2020	26	Transfer	52164	0.25%				
31/03/2020	-	-	52164	0.25%				

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP (along with relatives)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr Sudarshan Jain (along with relatives)*	250	-	250	-
2.	At the beginning of the year	-	-	-	-
3.	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
3.	At the end of the year	250	-	250	-

*appointed as Independent Director effective April 1, 2019.

None of the other Directors and Key Managerial Personnel except Mr Sudarshan Jain along which his relatives hold shares in the Company.



vi. INDEBTEDNESS

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

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

vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Ambati Venu Managing Director (upto February 29, 2020)	Rajiv Sonalker CFO and Whole- time Director	
1.	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax	3,71	2,36	6,07
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	3,31	83	4,14
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	-others, specify	-	-	-
5.	Others			
	Contribution to Provident Fund	12	11	23
	Contribution to Superannuation Fund	1	-	1
	Total (A)	7,15	3,30	10,45
	Ceiling as per the Act	₹ 81,93 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

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

B. Remuneration to Other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Munir Shaikh	Anisha Motwani	Sudarshan Jain ^s	Shalini Kamath*	Krishna Mohan Sahni ^o	
1.	Independent Directors						
	Fee for attending Board/Committee Meetings	-	13.50	12.00	5.50	9.00	40.00
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	-	13.50	12.00	5.50	9.00	40.00

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Munir Shaikh	Anisha Motwani	Sudarshan Jain*	Shalini Kamath*	Krishna Mohan Sahni#	
2.	Other Non-Executive Directors						
	Fee for attending Board/Committee Meetings	10.50	-	-	-	-	10.50
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	10.50	-	-	-	-	10.50
	Total (B)=(1+2)	10.50	13.50	12.00	5.50	9.00	50.50
	Ceiling as per the Act	₹ 8,19 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

\$ appointed as Independent Director effective April 1, 2019

* appointed as Independent Director effective October 29, 2019

retired as Independent Director effective October 28, 2019

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director and Whole-time Director

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Krupa Anandpara Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	11
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others	-
5	Others	
	Contribution to Provident Fund	3
	Total	77

*The Company does not have any Stock Option Plan for its employees. However, above KMP 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", the perquisite value of which is included above.

VII. Penalties/Punishment/Compounding of Offences

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



ANNEXURE V

Disclosure under Section 197 (12) of the Companies Act, 2013 and other disclosures as per Rule 5 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014 :

- i. (a) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and (b) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20 :

Name of the Director/KMP	% Increase in the remuneration (a)	Ratio of remuneration of each Director/to median remuneration of employees (b)
Mr Munir Shaikh* (Non-Executive Chairman)	-	1.3
Mr Sudarshan Jain ^* (Independent Director)	-	1.5
Ms Anisha Motwani* (Independent Director)	-	1.7
Mr Krishna Mohan Sahni*§ (Independent Director)	-	1.1
Ms Shalini Kamath*% (Independent Director)	-	0.7
Mr Ambati Venu# (Non-Executive Director)	9.8	90.9
Mr Rajiv Sonalker (CFO and Whole-time Director)	8.2	42.0
Ms Krupa Anandpara (Company Secretary)	12.7	NA

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

§ Mr Krishna Mohan Sahni retired as Independent Director upon completion of his term effective close of business hours on October 28, 2019.

Mr Ambati Venu ceased as Managing Director effective close of business hours on February 29, 2020.

^ appointed as Independent Director effective April 1, 2019

% appointed as Independent Director effective October 29, 2019

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

0.6%

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

3,551

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2019-20 is 2.3% vis-a-vis 9.5% in managerial remuneration. This is due to change in employee mix though average merit increase given to employees is in the range of 8% to 11%.

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

BUSINESS RESPONSIBILITY REPORT

At Abbott India, we aim to deliver sustainable, responsible growth that improves lives and creates value in communities around the world.

We continue to focus on areas where opportunities for our business intersect with possibilities of creating a positive social and environmental impact. We strive to bring new and innovative quality products to meet the unmet needs of the people we serve.

We protect the health and well-being of our employees while operating award-winning programmes to help them fulfil their potential. We operate responsibly and ethically, towards promoting and preserving healthy living environments by reducing our environmental impact, mitigating the effects of climate change and safeguarding clean water resources. We work closely with our suppliers to apply the highest standards of environmental and social responsibility throughout our supply chain, including the protection of human rights. Our endeavor remains to foster economic, environmental and social well-being through our operations and in our interaction with our stakeholders.

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

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN)	L24239MH1944PLC007330
2.	Registered address	3, Corporate Park, Sion-Trombay Road, Mumbai-400 071
3.	Website	www.abbott.co.in
4.	E-mail id	investorrelations.india@abbott.com
5.	Financial Year	2019-20
6.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 21002 (Activity : Pharmaceuticals)
7.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Duphaston Thyronorm Udiliv
8.	Total number of locations where business activity is undertaken	
	a) Number of international locations	NIL
	b) Number of national locations	Manufacturing plant at Goa, registered office and corporate office at Mumbai, Sales offices and distribution hubs Pan-India
9.	Markets served by the Company local/state/national/international	Pan-India, Sri Lanka, Nepal, Maldives and Bhutan

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid Up Capital	₹ 21,24,93,020
2.	Total Turnover	₹ 4054,47 Lakhs
3.	Total Profit After Tax	₹ 592,93 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR)	
	a) IN ₹	₹ 11,64 Lakhs
	b) As a percentage of Profit After Tax (%)	2.0%
5.	List of activities in which expenditure in 4 above has been incurred	a. Improving Access to Healthcare through Health Clinics b. Quality and Affordable Healthcare Delivery Programme with SEWA c. Malaria Elimination Programme with Malaria No More



SECTION C : OTHER DETAILS

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

SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

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

Mr Anil Joseph - Managing Director

(b) Details of BR Head :

Particulars	Company Information
Director Identification Number	08753233
Name	Anil Joseph
Designation	Managing Director
Telephone Number	+91-22-5046 1000/2000
E-mail ID	investorrelations.india@abbott.com webmaster@abbott.co.in

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

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

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

a. Details of Compliance (Y/N)

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

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

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



3. Governance related to Business Responsibility (BR)

Information with reference to BRR framework

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

SECTION E : PRINCIPLE-WISE INFORMATION

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

The Company is committed to conducting business in an ethical and legally compliant manner. It aims to meet the highest standards of ethical conduct in everything it does.

As part of a highly regulated industry, we make it a priority to ensure that all employees understand Abbott values, policies and procedures, as well as our wider legal obligations. The Code of Business Conduct (“the Code”) sets forth our commitment to ethics and compliance. It covers a wide range of principles and requirements that touch upon all aspects of our business activities and operations.

Our policies and procedures operate alongside our Code to guide employees as they conduct their day-to-day activities. They encompass all relevant laws, regulations and promotional standards. Our policies also consider industry best practices, including provisions of global and local codes for medical devices and pharmaceuticals. Our Code of Conduct is available on our website. The Company’s Board and leadership teams fully support the Code and the policies, procedures and principles it embodies.

At Abbott India, we are committed to preventing corruption in connection with our business activities and to continue working with third parties that share this commitment. The Office of Ethics and Compliance (OEC) has developed a third-party compliance process to identify potential risks when doing business with third parties, and to address such risks where they do exist. We take alleged violations very seriously, and if they are substantiated, offenders are subject to disciplinary action.

We impart ethics and compliance training to all employees. Training topics cover anti-corruption and anti-commercial bribery laws, corporate policies and the Abbott Code of Business Conduct. Training programmes are delivered face-to-face and through online training platform, and results for the same are documented. In addition, the Office of Ethics and Compliance issues regular, all-employee communications on our ethics and compliance policies.

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

The Company received 33 stakeholder complaints during financial year 2019-20. Of these, 25 complaints were investigated in accordance with the Internal Investigations Policy and Compliance Programme and appropriately resolved; 8 complaints are pending investigation as on March 31, 2020.

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

The Company is committed to consistently delivering products that are safe, effective and high quality.

We strive to enhance the health and well-being of patients and consumers by ensuring the highest standards of quality and safety in our products, in their manufacture and distribution. Consumers trust our products, which help them live fulfilling lives through better health. We continue to embed quality and safety throughout our value chain.

We use the Abbott Global Quality System as a foundation for each of our business units, incorporating effective quality management practices into every aspect of our daily work and complying with all applicable regulations and standards. Protecting the authenticity of our products is another important part of earning people's trust. We proactively take action to ensure that counterfeit, illegally diverted and stolen Company products are kept out of the marketplace. We provide healthcare professionals and institutions the information they need in order to use Company products safely and effectively. We have established a procedure for product actions and recalls, which require completion of a health hazard assessment, medical assessment and a corrective and preventive action plan.

The Company's manufacturing plant at Goa and commercial sites adhere to auditing and reporting requirements, which serve as a baseline for quality, health and safety performance. Each site is regularly evaluated against the following criteria :

- Health and safety policy and programme
- Strategic planning
- Self-assessment/risk assessment
- Business integration
- Training and awareness
- Communication and information
- Performance measures
- Assurance reviews
- 30 Global Environment, Health and Safety standards
- Local regulatory compliance

We are also committed to driving our suppliers to uphold standards that align with our supply chain management and sustainability strategies. Abbott's Supplier Guidelines outline the principles and expectations we set to establish strong business relationships and ensure our sustainability values are upheld in our purchasing process. Similarly, they define the minimum standards our suppliers and their suppliers must maintain when conducting business with the Company, including expectations of ethical behavior, business integrity and fair competition, human rights, privacy, labour rights and worker protection, animal welfare, environmental stewardship, and health and safety practices. By striving for excellence in our supplier relationships, we seek to foster economic opportunity, shared value and sustainable market growth.

Given the current concerns around antibiotics, we assessed a few of our third-party manufacturers and suppliers of antibiotics for EHS performance during the year.

We have long-term targets to reduce employee injuries and incidents. We at Abbott India are aligned to support the science-based environmental targets set by Abbott global for 2030. A major component of these targets is looking at the entire product life cycle and bringing in environmental sustainability in the same, with the focus on recycling and beneficial use of materials.

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

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

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

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

Being a multiproduct facility, product-wise resource consumption is not measured, yet the plant continuously takes measures to reduce energy, water and raw material consumption. The plant has been constantly increasing manufacturing yields in order to reduce the wastage of precious raw materials, packaging materials and solvents.

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

Measuring product-wise reduction of energy and water is not feasible; however environmental footprint reduction is a key goal at the manufacturing site. We continue to run the boilers on Biomass. With focused efforts and with production on an upswing, the site has been able to reduce its absolute environmental footprint. All the waste generated is disposed of responsibly through Government approved agencies, selected after a robust audit process. The current focus is to recycle the waste to the maximum possible extent.



The table below shows water consumption, CO₂ emissions and waste generated during the year 2019-20 at the plant. With a philosophy of more with less, we continue manufacturing efficiently using less natural resources.

Sr. No.	Parameter	Unit	Quantity
1.	Total water used	KL	36,304
2.	Waste generated	MT	265
3.	Total CO ₂ equivalent emissions from purchased electricity	MT	4,153

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

Yes, the Company has been working on increasing the sourcing of local packaging materials, thereby reducing the need for transportation and the resultant vehicular emissions. For example, the bottles for liquid products are now pre-sleeved and procured locally from a vendor close to the plant. We are increasingly localising the supply chain through the alternative vendor development process.

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

The Company does procure goods and services from local and small producers, particularly, those located near its manufacturing plant at Goa, in accordance with the established procedures and requirements. We have also identified new local sources for supplying voluminous raw material that is used in the production process. Now most of the bottles used for liquid filling are procured from a supplier based in the local area. Services like housekeeping and gardening are provided by local contractors.

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

Yes, wherever feasible, the wastes are recycled. There is a continuous focus on the 3Rs—namely reduce, recycle and re-use. Being pharmaceuticals, the products are not recycled. Hazardous waste and sludge are dispatched

to cement factories which utilize these as fuel for manufacturing cement, thereby recovering the energy. All non-hazardous waste like paper, glass, metals, etc. are sent to approved vendors for recycling.

Our Goa plant retains its certification of Zero Waste to Landfill (ZWL) in purview of waste disposal. In 2019-20, 60% of the total waste was sent for recycling and for beneficial use, 2% was composted on site, 38% of the waste, which was hazardous, was co-processed with energy recovery.

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

The Company cares for and is concerned about the health and well-being of its employees. Its success is directly dependent upon the skill, dedication and productivity of its employees. It addresses their diverse needs, reward their efforts and help them build their best career at Abbott.

Our promise to each of these employees is to provide a workplace environment that :

- Promotes diversity and inclusion
- Offers extensive professional development, mentoring and training programmes
- Encourages and supports work-life harmony
- Offers competitive compensation and benefits
- Provides means to listen to employees
- Commits to employee health and safety and offers wellness programmes

A Diverse and Inclusive Workplace

We foster gender partnership and collaboration to promote a truly inclusive work environment.

We work to build increasing inclusivity for all, regardless of race, gender, age, sexual orientation, disability or nationality, across the Company. Our Human Resource team works closely with the leadership and line managers to create an understanding and buy-in for improving gender diversity in the organization. There are special efforts taken at the hiring stage to increase diversity right at the base of the organization's pyramid. To ensure we are on top of these efforts, we continue to benchmark ourselves with industry best practices.

The Women Leaders of Abbott (WLA) employee network is designed to help female employees further their careers, empower themselves, and they receive encouragement to take on leadership roles at the Company through structured

training, development and networking events tailored to their specific needs. Initiatives and allowances are provided by Abbott to give our women employees adequate support at critical life stages.

The Unconscious Bias training programme helps in building awareness so that all employees are able to make better, more inclusive, decisions at work. Through this programme the participants explore ways to take right actions and make the Company a place where everyone can do their best and feel a sense of inclusion. These workshops are designed to enable employees to have open dialogue and recognize any potential barriers for selecting and leading the very best talent.

Employee Development, Training and Talent Management

We are committed to helping our people fully realise their potential. We make that possible by leveraging the scale and diversity of our businesses to support their career development. We provide unique career paths, customised learning experiences, career development programmes, job-specific training and learning opportunities to help employees be successful in their current roles and to develop their potential for future career paths. All employees, from those working in commercial and operations to those in research and development, have access to these training and development opportunities.

Our Learning and Development strategy is focused on attracting and retaining the very best talent. In addition to job-specific training and development available to every employee worldwide, we offer several area-specific programmes in India. Our development journeys are also tailored to specific functional requirements and involve specific functional curriculum targeted to bridge functional capability gaps. Our key training programmes include the professional development programme, development programmes and certification of managers, and capability-building programmes for Sales Managers. Abbott Sales Training Academy provides structured training programmes based on intensive customer research.

Our robust talent management review is an ongoing process to evaluate our internal leadership pipeline, identify the critical capabilities for success and execute development plans for high potential employees.

The Key Acceleration Programmes (In-Stride and FLDP-Future Leaders Development Program), customized, act as a catalyst for development of one's career in the organization.

The development journey is designed and executed by creating critical experiences to bridge the journey for readiness to one's aspired future roles. These programmes are a blend of distinct learning approaches like instructor led training, digital learning, on-the-job training reinforced by tie-ups with top class academic institutions.

Our customised global leadership development programmes such as Global Citizen Development Programme, Emerging Leaders Programme, etc. emphasize on building global leaders from within the organization and accelerating their development journey through holistic best-in-class interventions.

All the employees have complimentary access to the platforms like Career Connect and global training sites which offer personalized tools and resources to help our employees manage their careers and create a high-impact development plan. The experience involves access to online learning resources on LinkedIn learning/Skillssoft/Mindtools, on-the-job development and building global connections through exploring role profiles and connecting with role advisors.

We firmly believe that the biggest source of our competitive advantage is our people. From talent acquisition to onboarding, nurturing and development, our efforts are geared to lending greater power to our employee value proposition- 'Grow with the Leader'.

"Project Respect" focuses on building managerial capability and creating a safe, conducive and performance-oriented work environment.

Work-Life Harmony

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

Compensation and Benefits

Total Rewards

Abbott believes in "Total Rewards" philosophy that encompasses compensation as well as benefits programmes. It is a holistic approach that aims towards health, welfare and financial well-being of our employees. Our compensation and benefits packages compare favorably with the pay programmes of other leading healthcare companies, as well as other high performing companies outside the healthcare arena. Our employees have a convenient and complete view of



their compensation and benefits through their personalized Total Rewards statement. Employees also have the flexibility of making changes to their salary structure and opting for additional retirement benefits through the Flexible Compensation Plan.

Listening to Employees

At Abbott India, it is our constant endeavor to improve employee experience and this depends on multiple factors, such as influence of the immediate manager, organizational policies and procedures etc. Regular surveys are conducted to gather employee feedback about working at the Company to understand our employees' level of engagement with our business strategy. This is an opportunity to learn where we can make meaningful improvements. Beside surveys, there are a variety of formal and informal channels to gather feedback from employees.

To help us focus on the right levers and to listen to our employees, the organization had rolled out an "Employee Survey" in to seek feedback and experience on identified factors.

Basis the survey results, there are certain clear areas of strength that the organization will sustain and certain areas of opportunities that will collectively be worked upon to help build high performing and fully engaged teams.

Health and Well-being

Health and Well-being are important for the organization and to achieve this objective Abbott offers a Flexible Benefit programme which is over and above our core benefit offering and is a platform created for employees to choose the benefits that matter to them. Through this programme, we offer a wide selection of benefits related to insurance, lifestyles and personal development that work for employees at any stage of life. We believe in giving our employees the freedom of choice and the security that they need with the help of this programme.

Wellness

Abbott's aim is to make it easy for employees to live a healthy lifestyle and achieve optimal health. Thus, we focus on all Wellness across the four core areas of –

- **Physical Wellness** : Health check-ups, on-site doctor, vaccination drives and exercise challenges are programmes that are provided for employees to focus on the physical health. The Abbott Shop is an online portal that gives employees access to the Company's medicines and nutrition products in one online location.

The products are offered to employees at a discounted rate, and employees can get them delivered to a desired location. The Abbott Shop makes the Company products available, accessible and more affordable to all employees in the country.

- **Emotional Wellness** : Wellness of the mind is as significant and essential as our overall wellness. Abbott aims to support its employees on this journey by offering avenues where employees can learn from and leverage the knowledge of experts through a host of programmes addressing various aspects of emotional well-being. Mind Strong Programme is a dedicated programme that covers areas on Emotional Wellness. The Company is very cognizant of the fact that work and personal life can bring pressures to all. Thus, we have an Employee Assistance Programme which is a 24x7 independent counselling and resource service sponsored by Abbott for its employees. Its features include counselling for work life balance, stress management, management skills, and family support, including legal and financial information.
- **Financial Wellness** : The Company arranges sessions with experts to educate employees on financial planning under financial wellness to enable them to understand the basics of retirement planning or planning for financial uncertainties/debt management.
- **Social Wellness** : The Company believes in inculcating a culture where employees understand the broader sense of purpose. There are various initiatives that are run throughout the year that drive a sense of community and align employees towards our corporate social responsibility agenda.

We are committed to keeping employees safe by preventing dangerous incidents in and around the workplace. In educating our employees, we also empower them to promote safer and healthier lives in their wider communities. We strive to maintain the highest standards of Environment, Health and Safety (EHS) practices.

The Company has clear, consistent global policies and standards regarding how we manage employee health, safety and productivity while also protecting the environment.

The Company's manufacturing plant and commercial sites adhere to auditing and reporting requirements, which serve as a baseline for health and safety performance worldwide.

1. **Please indicate the total number of employees?**
3,551
2. **Please indicate the total number of employees hired on temporary/hired on contractual/casual basis?**
During the year 7 Contractual employees were hired. As on March 31, 2020, 84 employees were contractual employees.
3. **Please indicate the number of permanent women employees?**
160
4. **Please indicate the number of permanent employees with disabilities?**
The Company does not maintain any separate information pertaining to employees with disabilities.
5. **Do you have an employee association that is recognised by the management?**
Yes
6. **What percentage of your permanent employees are members of this recognised employee association?**
6%
7. **Please indicate the number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year are pending, as on the end of the financial year?**
1 complaint was received during the year under the Prevention of Sexual Harassment Act and was appropriately closed.
8. **What percentage of your above-mentioned employees were given safety and skill upgradation training in the last year?**
All new joiners are imparted training as a part of their induction programme.

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

The Company is committed to supporting the disadvantaged, marginalized and vulnerable populations, and in developing solutions to social challenges facing them that are both sustainable and scalable. While doing this, our fundamental goal is to empower communities for the highest order of

ownership and efficacy. We also collaborate with governments, international healthcare organizations, community-focused NGOs, consumers and our own employees to leverage the best resources available to us.

This partnership-based approach to improving access to healthcare helps expand the geographical reach of healthcare products, advance understanding of emerging products and treatments, and empowers people through education, information, and inspiration.

1. **Has the Company mapped its internal and external stakeholders?**
Yes
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**
Yes. The Company has identified and given a special focus to disadvantaged, vulnerable and marginalized stakeholders through various initiatives.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? - If so, provide details thereof.**

The Company has implemented several initiatives to engage disadvantaged, vulnerable, and marginalized stakeholders. One such initiative is the Company's Malaria Elimination Programme, through which the Company is supporting 'Malaria No More', a malaria elimination programme in the State of Odisha which is aligned with the Prime Minister's goal of malaria-free India by the year 2030. With one million Rapid Diagnostic Tests (RDTs), technical expertise, and a cash grant, the Company has helped strengthen Odisha's malaria detection and surveillance system by effective data collection and monitoring methods. Survey results show that the Malaria No More programme has enabled the state to achieve a 90% reduction in cases in the last five years. We have now set up a multi-sectoral Malaria Action Coalition, which will help take the successful Odisha model to other affected states in the country.

The Company has partnered with SEWA (Self-Employed Women's Association), the world's largest and oldest trade union of women working in the informal sector. Through this engagement, Abbott has launched a comprehensive, community-based healthcare



programme by establishing two clinics in Ahmedabad and Mehsana districts of Gujarat, which are focused on bringing quality and affordable primary, acute and Non-Communicable Diseases (NCDs) care to low income populations. The programme also drives a proactive community outreach through Master Health Trainers, who help build community awareness around the programme and NCDs, and facilitate access to screening and consultation.

The Company strives to improve healthcare, build awareness and improve access to diagnostics through education and health clinics. These health clinics address the need for prevention, early detection, and management of diseases as part of the Company's commitment to doing business responsibly and sustainably.

The Company works relentlessly towards health education, reaching out to the public at large through various channels. These initiatives are part of the Company's unflinching dedication to reaching millions of patients who have little awareness and information.

Principle 5 : Businesses should respect and promote human rights

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

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

- Encouraging open communication between the management and employees.

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

The Company has policies on Ethics and Compliance and on Prohibition of Harassment at Workplace.

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

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

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

During the year, one complaint was received under the Sexual Harassment and the same was disposed off.

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

We are committed to safeguarding the environment for everyone by reducing the environmental impacts of our business. This commitment shapes the way we source, manufacture, design and distribute our products. A sustainable environment is essential for better health, stronger communities and more fulfilling lives.

Our long-term Environment, Health and Safety (EHS) strategy aims to protect our people, our planet and our values. We achieve this by delivering across a number of core areas to reduce and mitigate environmental risks; deliver cost efficiency and ensure business continuity.

We have set clear environmental goals and made rapid progress in using energy and water resources more efficiently while minimizing waste. We support projects that generate energy from renewable sources at work and in our communities. We seek ways to reduce the environmental impact of our operations, such as through waste reduction, recycling and other activities to mitigate environmental

risks. We adhere to the environmental laws and regulations applicable to our operations. Our Goa plant has implemented innovative initiatives to reduce emissions, water use and waste and to make product packaging more sustainable.

The Goa site received the internal prestigious Abbott Global EHS Excellence Award for its waste reduction initiatives.

We continuously educate, create awareness and monitor the EHS performance of our warehousing partners. During the year, eight warehouse partners were assessed for EHS performance and the learnings were shared with all the other locations for improvement and safety.

As a commitment under the Plastic Waste Management Rules, we have collected approximately 1400 MT of post-consumer waste through our partners under extended producer responsibility. This waste is recycled or disposed of in a scientific way.

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

The EHS policy covers the Company and extended to the Contractors.

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

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

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

The Company is already working on defining the 2030 science-based environmental targets, with a focus on improving the environmental aspects in the communities we operate.

As we grow our business, the measures that we take to reduce our environmental impact in this country will play a vital role in helping us achieve these world-wide goals.

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

Yes, there are internal standards based on ISO 14001/OHSAS 45001. Environmental risk assessments are updated and reviewed regularly. There is a process for internal risk management audit and CAPA (Corrective And Prevention Actions) which also cover the potential environmental risks. We have tied up with external agencies to provide EHS regulatory intelligence. The Corporate EHS team conducts independent on-site reviews and potential environmental risks are shared with the top management for attention. No major environmental risks were identified during the year by the Internal Risk Management audits which happened at our plant, warehousing partners and selected third party manufacturing partners.

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

No projects are undertaken specifically under Clean Development Mechanism. However, there is emphasis on usage of clean energy (like Biomass at Goa plant). CO₂ emission reduction opportunities are formally assessed, and emission reduction is part of annual site targets and key performance indicators. During the year, the Goa plant over achieved its target of environmental footprint reduction.

5. Has the Company undertaken any other initiative on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for webpage etc.

Yes. The Company is committed to environmental protection. Vermicomposting and rainwater harvesting are being practiced. The Goa site is Zero Waste to Landfill (ZWL) certified with more than 98% of the waste either being recycled or co-processed off-site for energy recovery. During the year, the plant achieved environment footprint of 40,722 MT, a reduction of 15% vis-a-vis the targets. The energy efficiency initiatives include optimization of air compressor efficiency for energy saving, replacement of all the street light fixtures with energy efficient LED fixtures along with variable activation timings for energy saving, installation of Variable Frequency Drives (VFD) for surface aerator in



Effluent Treatment Plants (ETP) for optimum energy usage and new process design developed by adding new energy efficient blower directly to filter press, as a result of which sludge drying per lot is reduced from three to two days, thus saving 108 KWH per drying cycle.

Water conservation initiatives include installation of new vacuum pump with Hydropack system, which cools and circulates water for vacuum pump operation, resulting in water saving of 2 kl/day. Installation of steam sanitizer for the washing of in-process container to reduce water consumption for container washing, free flowing taps fitted with shower orifice that reduced water consumption by 25% in the washrooms and use of treated water from waste water treatment plant in cooling towers for top up. As much as 1,379 kl of rainwater was harvested at our plant.

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

All the emissions/waste generated by the Company is within the permissible limits given by the Central Pollution Control Board/State Pollution Control Board for the financial year being reported. The sampling is carried out and samples tested by independent government-approved laboratories on a regular basis as defined in the 'Consent to operate'.

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

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

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

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

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

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

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

Yes. The Company is a member of Federation of Indian Chambers of Commerce & Industries (FICCI).

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

Yes. Broad areas are : Pricing implementation issues; OTC Guidelines, Taxation policies and Drug Regulatory matters.

Principle 8 : Businesses should support inclusive growth and equitable development

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

We focus our philanthropic investments in areas where we can :

- contribute with our business and our core capabilities
- leverage our employees' time and skills, and
- bring on partners that can help us build sustainable and scalable solutions

We always start by listening to the needs of the people and to the challenges facing sustainable solutions. We have worked with this approach to identify several different focus areas for our philanthropic programmes. In each of these areas, we partner with organizations that have the skills, knowledge, and resources to complement our efforts. We are committed to measuring the impact of our programmes so that we can drive change sustainably and demonstrate scale.

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

Health Clinics

Access to essential healthcare services and information is an ever-increasing challenge for many in India. The Company has several programmes to address this. Through one such effort, the Company supports qualified doctors and healthcare professionals to expand

disease diagnosis and access to care. This includes programmes to raise awareness and improve care for epilepsy and liver diseases.

Quality and Affordable Healthcare Delivery Programme with SEWA

In partnership with SEWA (Self-Employed Women’s Association), the Company is working on improving access to quality and affordable healthcare among low income populations by creating resilient systems and processes for prevention, diagnosis and treatment of Non-Communicable Diseases (NCDs). This programme not only helps meet the health needs of low-income populations, but also creates employment and entrepreneurship opportunities for SEWA members. In 2019-20, we launched two community-based clinics that provide primary, acute and NCD care services across two districts in Gujarat. The clinics are supported by a proactive community outreach led by Master Health trainers who have been trained on various facets of NCD prevention, diagnosis and treatment. These Master Health trainers engage SEWA families and create awareness on programme services and their benefits, with a special focus on its NCD component. The Company is strengthening the programme through partnerships with reliable healthcare service providers that support the programme across the continuum of care.

Malaria No More

With a population of nearly 42 Million people, Odisha accounted for about 40% of India’s malaria burden and one-third of South-east Asia’s malaria burden in 2016. In support of India’s 2015 commitment to be malaria-free by 2030, the government of Odisha had prioritized malaria control and elimination. The Company has supported the partnership between the government of Odisha and Malaria No More by providing technology, expertise, and funding support to advance efforts to end malaria in the state.

In support of this collaboration the Company has supplied one million Rapid Diagnostic Tests (RDTs) and technical expertise to strengthen Odisha’s malaria detection and surveillance system. In addition to these, the Company has provided cash grants to Malaria No More to back its work with the Odisha government towards a comprehensive state malaria elimination strategy that has seen a sustained decline in the number of malaria cases in Odisha in the last few years.

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

Health Clinics - Programmes to expand Awareness and Access to Healthcare	Direct Implementation
SEWA - Creating a Sustainable Healthcare Delivery Model	Direct Implementation
Malaria Elimination Programme with Malaria No More	Direct Implementation

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

We are committed to measuring the impact of our programmes so that we can drive change sustainably and apply the lessons in helping other communities as well.

All our initiatives have a needs assessment, a mid-line review and an end-line evaluation. As all the three programmes are currently running, we are conducting reviews to ensure meeting of timely milestones. Impact assessments will be conducted at the end of the programmes.

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

Community Development Projects	Contribution (₹ in Lakhs)
Improving Access to Healthcare through Health Clinics	4,42
Quality and Affordable Healthcare Delivery Programme with SEWA	3,51
Malaria Elimination Programme with Malaria No More	3,44

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

For all the above projects, we have aimed at embedding sustainability at the core of our engagement with beneficiaries. By engaging with the community members upfront on planning and implementation and then handholding them through continuous training, and



monitoring of the various interventions, we are ensuring that communities not only adopt our initiatives but also embrace the benefits that they experience as a result.

List of activities in which expenditure in CSR has been incurred :	- Improving access to healthcare through Health Clinics
	- Quality and Affordable Healthcare Delivery Programme with SEWA
	- Malaria Elimination Programme with Malaria No More

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

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

Our statements about our products, in all materials and communications, are balanced and truthful and consistent with the approved label.

In promoting our products, we provide information that is consistent with scientific evidence, leading medical practice, and the approved product labelling requirement.

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

615 complaints (medical + non-medical) were received by the Company and responded to as per Company policies/procedures until March 31, 2020.

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

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

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

A complaint was filed against the Company for the claims made under its TV commercial with the Advertising Standards Council of India (“ASCI”), a voluntary self-regulation council. The Company submitted its response along with detailed explanations and technical data. In review, however, ASCI upheld its original order.

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

Yes

For and on behalf of the Board

	Munir Shaikh	Rajiv Sonalker
Mumbai	Chairman	CFO and Whole-time Director
August 7, 2020	DIN : 00096273	DIN : 07900178

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

- a) As on the date of this Report, the Board comprises 8 Directors including 2 Executive and 6 Non-Executive Directors, of which 3 are Independent.
- b) The composition of the Board of Directors, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies, as on the date of this Report are given in the table below :

Name of the Director	Category of Directorship	Total Board Meetings held in 2019-20	Attendance at		Number of Directorships in other companies ¹	Number of Committee positions held in other companies ²
			Board Meetings held in 2019-20	Annual General Meeting (August 22, 2019)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	5	5 [#]	Yes	2	NIL
Mr Anil Joseph (appointed as Managing Director effective July 1, 2020)	Managing Director	NA	NA	NA	NIL	NIL
Ms Anisha Motwani	Non-Executive, Independent Director	5	5	Yes	8	6 ²
Mr Sudarshan Jain (appointed effective April 1, 2019)	Non-Executive, Independent Director	5	5	Yes	2	NIL
Ms Shalini Kamath (appointed effective October 29, 2019)	Non-Executive, Independent Director	5	2	NA	3	1 ²
Mr Ambati Venu (resigned as Managing Director effective February 29, 2020 and appointed as Non-Executive, Director effective March 1, 2020)	Non-Executive Director	5	5	Yes	NIL	NIL
Mr Kaiyomarz Marfatia	Non-Executive Director	5	5	Yes	NIL	NIL
Mr Rajiv Sonalker Whole-time Director	Executive Director	5	5	Yes	NIL	NIL
Mr Mark Murphy II (resigned effective June 30, 2020)	Non-Executive Director	5	1	No	NIL	NIL
Mr Krishna Mohan Sahnii (retired effective October 28, 2019)	Non-Executive, Independent Director	5	3	Yes	NA	NA
Mr Jawed Zia (resigned effective February 29, 2020)	Non-Executive Director	5	3	Yes	NA	NA

[#] Including 1 Meeting attended via video-conferencing.

- Includes directorships in private and foreign companies and alternate directorship. However, it does not include directorships in companies registered under Section 8 of the Companies Act, 2013.
- Includes Memberships of Audit Committee and Stakeholders Relationship Committee, the details of which are given below :
 - Ms Anisha Motwani holds the Membership of Audit Committee in Prataap Snacks Limited, Somany Home Innovation Limited, India Shelter Finance Corporation Limited and Star Health and Allied Insurance Company Limited; Membership of Stakeholders Relationship Committee in Prataap Snacks Limited and Angel Broking Limited.
 - Ms Shalini Kamath holds the Membership of Audit Committee in Borosil Renewables Limited.



- c) During the year under review, 5 Board Meetings were held on the following dates :
- May 27, 2019; August 8, 2019; August 22, 2019; November 12, 2019 and February 7, 2020.
- The option for attending Board/Committee Meetings via audio-visual means except for the items which are specifically excluded for the same is provided to the Directors.
- d) Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to the Notice convening the Annual General Meeting, which forms part of the Annual Report.
- e) There is no inter-se relationship between any of the Directors.
- f) Mr Sudarshan Jain along with his relatives, holds 250 shares in the Company as on March 31, 2020.
- g) As required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, from time to time, notified the BSE Limited regarding all appointments/re-appointments/cessations of Directors during the year under review.
- h) None of the Independent Directors of the Company serve as Independent Director in more than seven listed companies or as whole-time director in any listed company.
- i) All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub Regulation 7 of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- j) In the opinion of the Board and Nomination and Remuneration Committee, the Independent Directors fulfill the criteria of Independence as specified in the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the Management.

BOARD COMPETENCIES/EXPERTISE

The Board has different sets of skills and expertise, ideal mix of analytical, strategic and leadership skills that is required for its oversight role, meet the governance and strategic needs. The Board constantly focuses on raising of the governance standards of the Company. The Directors have a broad-based business knowledge, relationships, prominence and excellent reputations in their primary fields of endeavor and are competent to bring value additions and different perspectives.

Board Competencies/Expertise

Name	Skills/Competencies/Expertise/ Other Directorships
Mr Munir Shaikh Chairman	Mr Shaikh has held several management and leadership positions in different geographies across various businesses. He possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair. He has an extensive leadership and industry experience, including a deep knowledge and understanding of the Company's business operations, strategies and the business environment in which the Company operates. He has strong expertise in the areas of Finance, Marketing and Business Development. He is Director in Abbott Laboratories (Pakistan) Limited and Sunshine Holdings PLC, Sri Lanka.
Mr Anil Joseph Managing Director (effective July 1, 2020)	Mr Joseph has diversified experience mainly in driving revenue and income growth; business turnaround and managing emerging markets. He has exposure in Sales & Marketing and General Management. Besides, having managed both Developed and Emerging Markets, he holds exposure in/ different countries and market types. He holds expertise in Sales & Marketing and Strategy Development in managing growth and sustaining success.

Board Competencies/Expertise

Name	Skills/Competencies/Expertise/ Other Directorships
Ms Anisha Motwani	<p>Ms Motwani is a Brand and Innovation expert with varied experience in marketing across diverse industries. As a marketer and creator of multiple consumer-oriented strategies, she takes a very strong interest in the topic of the Indian consumer – buying behavior, connect points, impact of the digital revolution, new segments and sub-segments etc.</p> <p>She has been in forefront of behavior change projects such as Swachh Bharat and Clean Ganga mission. She is an active contributor to various corporate and industry boards/association.</p> <p>She has immense knowledge and expertise on digital marketing and brand building, corporate communications, consumer research & analytics and creative excellence. She provides thought leadership on emerging digital business models and technologies to shape the digital future of the enterprise.</p> <p>She is Independent Director on the Boards of Welspun India Limited; Prataap Snacks Limited and Somany Home Innovation Limited and Director on the Boards of Angel Broking Limited; India Shelter Finance Corporation Limited; L&T Investment Management Limited; Star Health and Allied Insurance Company Limited and Dvara Kshetriya Gramin Financial Services Private Limited.</p>
Mr Sudarshan Jain	<p>Mr Jain is a veteran in the healthcare business. He has rich business experience in strategic management, corporate affairs brand building and overall business operations in healthcare companies. His experience covers Pharmaceutical, OTC, Hospital, Diagnostic and Nutrition businesses.</p> <p>He has played active role in shaping the healthcare policy and improving access to healthcare in India and has wide industry knowledge and extensive expertise in building market leading brands.</p> <p>He is a Director on the Boards of ZCL Chemicals Limited and Healthium Medtech Private Limited.</p>
Ms Shalini Kamath	<p>Ms Kamath holds expertise in three distinct fields - Human Resources, Business Development and Social & Community Development and across two continents - India and Africa.</p> <p>She also has extensive experience in building strong corporate brands, both externally and internally and has handled tripartite partnership projects related to community-oriented income generation programs.</p> <p>She is also a certified and practicing “CEO & Leadership Coach”.</p> <p>She is Independent Director on the Boards of Graphite India Limited; Borosil Renewables Limited and Ambit Finvest Private Limited.</p>
Mr Ambati Venu	<p>Mr Ambati holds extensive experience in consumer goods, OTC and pharmaceutical businesses. Having worked in various regions, one of the strongest assets is his ability to excel within diverse socio-cultural environments.</p> <p>He holds strong business acumen, strategic leadership, the ability honed in both developed and emerging markets.</p>
Mr Kaiyomarz Marfatia	<p>Mr Marfatia holds strong legal acumen and immense experience in corporate compliance functions, litigation, industrial licensing, foreign collaborations, technology transfer arrangements, distribution arrangements and IPR matters, among others, in Pharmaceutical/Healthcare and Engineering industries.</p> <p>He has played a vital role in the acquisition of various brands and businesses and handled cross functional projects such as manufacturing reconfiguration/optimization and corporate restructuring.</p>
Mr Rajiv Sonalker	<p>Mr Sonalker has extensive financial experience in the Pharmaceutical, FMCG and Engineering industries in India & Europe.</p> <p>Besides in-depth knowledge about the Company, he has strong technical & analytical skills, and expertise for leading the Corporate Finance function, including Risk & Internal Control. He has played a crucial role in several projects such as the merger, acquisitions, integration & corporate restructuring. He was instrumental in driving many automation & digitization projects critical for the Company.</p>



FAMILIARISATION PROGRAMS FOR INDEPENDENT DIRECTORS

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

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

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

Details of the programs conducted by the Company for the financial year 2019-20 are available on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of the Companies Act, 2013, Rules framed thereunder and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 2 meetings of Independent Directors were held on May 27, 2019 and August 8, 2019 during the financial year 2019-20. The said Meetings were attended by all the Independent Directors.

AUDIT COMMITTEE

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

Composition :

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2019-20	
			Held	Attended
1.	Ms Anisha Motwani Chairperson	Independent Director	4	4
2.	Mr Munir Shaikh	Non-Executive Director	4	4 (attended 1 meeting via video conferencing)
3.	Mr Sudarshan Jain	Independent Director	4	4
4.	Ms Shalini Kamath ¹	Independent Director	4	2
5.	Mr Krishna Mohan Sahni ²	Independent Director	4	2

1. appointed as Member effective October 29, 2019.
2. ceased to be Member effective close of business hours on October 28, 2019.

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

Role :

The role of the Committee includes :

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by them;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
 - matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;

- c. major accounting entries involving estimates based on the exercise of judgment by management;
- d. significant adjustments made in the financial statements arising out of audit findings;
- e. compliance with listing and other legal requirements relating to the financial statements;
- f. disclosure of any related party transactions;
- g. modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;

- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc, of the candidate;
- reviewing the functioning of the Vigil Mechanism/ Whistle Blower Mechanism;
- carrying out any other functions as may be prescribed under the Companies Act, 2013, Rules framed thereunder and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or as may be delegated by the Board, from time to time.

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

Meetings :

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

May 27, 2019; August 8, 2019; November 12, 2019 and February 7, 2020.

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

Ms Anisha Motwani, Chairperson of the Audit Committee attended the Annual General Meeting held on August 22, 2019 in compliance with the requirements of Regulation 18(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOMINATION AND REMUNERATION COMMITTEE

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition :

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



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

Sr. No.	Name of the Member	Category	Number of Meetings 2019-20	
			Held	Attended
1.	Mr Sudarshan Jain Chairman	Independent Director	2	1
2.	Mr Munir Shaikh	Non-Executive Director	2	2 (attended 1 meeting via video conferencing)
3.	Ms Anisha Motwani	Independent Director	2	2
4.	Mr Ambati Venu ¹	Non-Executive Director	2	NA
5.	Mr Jawed Zia ²	Non-Executive Director	2	2

1. appointed as Member effective April 27, 2020.

2. ceased to be Member effective close of business hours on February 29, 2020.

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

Role :

The role of the Committee in relation to Nomination matters include :

- formulating criteria for identifying suitable candidates for Directors and Senior Management;
- identify persons who are qualified to become Directors and appointed as the Senior Management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- formulating the criteria for determining the qualifications, positive attributes and independence of a Director;
- devising policy on the diversity of the Board;
- ensuring that there is an appropriate induction programme in place for new Directors and reviewing its effectiveness;
- formulating the criteria for evaluation of performance of Board, its Committees and individual Directors and review its implementation and compliance and whether to extend or continue the term of appointment of the Independent Director on the basis of such assessment;

- to consider any other matters as may be delegated by the Board.

The role of the Committee in relation to Remuneration matters include :

- recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Committee shall, while formulating the policy ensure that :
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality, required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
- to consider any other matters as may be delegated by the Board.

Meetings :

During the year under review, the Committee met 2 times on the following dates :

May 27, 2019 and October 22, 2019.

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

Performance Evaluation Criteria for Independent Directors :

Performance Evaluation of Independent Directors is done by the entire Board of Directors (except the Director whose evaluation is being done). The Board also evaluates if the Independent Directors fulfill the criteria of independence as laid down in the Companies Act, 2013, Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Detailed mechanism and various criteria adopted for evaluation of the Directors are provided in the Directors Report. Please refer to disclosures on page no. 65.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Composition :

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2019-20	
			Held	Attended
1.	Mr Kaiyomarz Marfatia Chairman	Non-Executive Director	4	4
2.	Mr Ambati Venu	Non-Executive Director	4	4
3.	Ms Shalini Kamath ¹	Independent Director	4	2
4.	Mr Krishna Mohan Sahni ²	Independent Director	4	2

1. appointed as Member effective October 29, 2019.
2. ceased to be a Member effective close of business hours on October 28, 2019.

Ms Krupa Anandpara, Company Secretary, is the Secretary of the Committee. She also acts as the Compliance and Nodal Officer of the Company.

Role :

The role of the Committee includes :

- resolving the grievances of the shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings :

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

May 27, 2019; August 8, 2019; November 12, 2019 and February 7, 2020.

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

Particulars	Number
Pending at the beginning of the year	1 [#]
Received during the year	4 [#]
Resolved during the year	5
Pending at the end of the year	0

[#] pertains to letters received from the Securities and Exchange Board of India (SCORES).

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition :

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

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



Sr. No.	Name of the Member	Category	Number of Meetings 2019-20	
			Held	Attended
1.	Mr Munir Shaikh ¹ Chairman	Non-Executive Director	3	1
2.	Mr Ambati Venu	Non-Executive Director	3	3
3.	Ms Anisha Motwani	Independent Director	3	3
4.	Mr Rajiv Sonalker	Whole-time Director	3	3
5.	Mr Krishna Mohan Sahni ²	Independent Director	3	2

1. appointed as Chairman and Member effective October 29, 2019.
2. ceased to be Chairman and Member effective October 28, 2019.

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

Role :

The role of the Committee includes :

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

Meetings :

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

May 27, 2019; August 22, 2019 and November 12, 2019.

RISK MANAGEMENT COMMITTEE

The composition, role, terms of reference as well as powers of Risk Management Committee of the Company are in compliance with the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition :

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2019-20	
			Held	Attended
1.	Mr Ambati Venu Chairman	Non-Executive Director	1	1
2.	Mr Sudarshan Jain ¹	Independent Director	1	1
3.	Ms Shalini Kamath ¹	Independent Director	1	1
4.	Mr Kaiyomarz Marfatia	Non-Executive Director	1	1
5.	Mr Rajiv Sonalker	Whole-time Director	1	1
6.	Mr Krishna Mohan Sahni ²	Independent Director	1	NA

1. appointed as Member effective October 29, 2019.
2. ceased to be Member effective October 28, 2019.

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

Role :

The role of the Committee includes :

- monitoring and implementing Risk Management Plans;
- ensure that the adequacy of the Company’s Risk Management Framework is being assessed and that action is taken if it is inadequate;
- reporting Risk Management activities and information, including top risks and mitigation, to the Audit Committee and Board;

- understand the significant or high risks affecting Company and ensuring that processes to mitigate them are effective;
- reviewing and amending Risk Management Framework from time to time;
- review of the Risk Management Plan by the Committee and such other functions as it may deem fit and shall specifically cover cyber security;
- other functions as may be delegated by the Board from time to time.

Meetings :

During the year under review, the Committee met once on February 7, 2020.

REMUNERATION OF DIRECTORS**Non-Executive Directors**

Criteria of payment of sitting fees to Non-Executive Directors are set out in the Remuneration Policy which is available on the website of the Company.

During the year under review, Mr Munir Shaikh, Ms Anisha Motwani, Mr Sudarshan Jain, Ms Shalini Kamath and Mr Krishna Mohan Sahni were paid sitting fees amounting to ₹ 10.50 Lakhs, ₹ 13.50 Lakhs, ₹ 12.00 Lakhs, ₹ 5.50 Lakhs and ₹ 9.00 Lakhs respectively, for attending Board and various Committee Meetings.

None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company. During the year, the Company availed professional services from M/s Storm the Norm, in which Ms Anisha Motwani is a proprietor and remitted ₹ 2.16 Lakhs towards the same. Considering the turnover of the Company as well as of M/s Storm the Norm, this is not a material transaction.

Executive Directors

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

Details of remuneration paid to the Executive Directors for the financial year 2019-20 are as follows :

(₹ in Lakhs)

Terms of Agreement	Mr Ambati Venu (resigned as Managing Director effective February 29, 2020)	Mr Rajiv Sonalker CFO and Whole-time Director
Period of appointment	5 years	2 years
Date of appointment	September 29, 2016	August 8, 2017
Salary and Other Allowances	2,78	1,85
Perquisites	3,31	83
Contribution to Provident Fund	12	11
Contribution to Superannuation Fund	1	-
Performance Linked Incentive	93	51
Notice Period	Three Months	Three Months
Severance Fees	There is no separate provision for payment of severance fees.	
Stock Option*	NIL	

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

The amount of performance bonus/commission payable to the Managing Director/Whole-time Director is calculated basis the performance of the Company in general and the individual's performance for the relevant financial year measured against specific key result areas, which are aligned to the Company's objectives and policies. The same is determined by the Board based on the recommendation of the Nomination and Remuneration Committee in alignment with the Company policy.

The Company has entered into Agreements with Mr Ambati Venu (ceased as Managing Director on February 29, 2020), Mr Rajiv Sonalker, Whole-time Director for a period from August 8, 2019 to June 30, 2021 and Mr Anil Joseph, Managing Director for a period of 5 years from July 1, 2020 to June 30, 2025.



GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	Number of Special Resolutions
2018-19	August 22, 2019	3.30 p.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021	-
2017-18	July 18, 2018	3.30 p.m.	RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai – 400 020	1 (Re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of Seventy-five years, as Director, liable to retire by rotation)
2016-17	July 18, 2017	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai – 400 020	-

All the resolutions set out in the Notices of the Meetings, as aforesaid, were duly passed with requisite majority by the Members.

During the year, no special resolution was passed through postal ballot.

On April 27, 2020, the Company proposed a Special Resolution, through Postal Ballot, seeking approval of the shareholders to advance loan(s) to any of the Company's group entities in India in which any Director of the Company is or shall be deemed to be interested, upto an aggregate limit of ₹ 300 Crores, in one or more tranches as per provisions of the Section 185 of the Companies Act, 2013. The Resolution was approved with requisite majority on June 6, 2020.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place the Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited – Procedure for Internal Investigations" in terms of the requirements of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adequate safeguards are provided against victimization of director(s) or employee(s) or any other person who raises concerns using such mechanism. No employee has been denied access to the Audit Committee.

During the year, the said Policy was amended in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("the Insider Trading Regulations"), enabling employees to report any violations under the Insider Trading Regulations

and leak of Unpublished Price Sensitive Information. The amended Policy is available on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>

MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual results are published in English daily newspaper (Business Standard-Pan India) and Marathi newspaper (Loksatta) published from Mumbai. The quarterly results/shareholding pattern/notice of Board Meetings/official news releases are made available on the website of the Company at www.abbott.co.in and on the website of the BSE Limited.
- During the year under review, the Company has, upon request, had one-on-one/group meetings with a few institutional investors. Prior intimations about these meetings were made to the BSE Limited. No presentations were made in any such meetings.

GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Monday, September 7, 2020 through Video-Conferencing (VC)/Other Audio-Visual Means (OVAM)

ii) Financial year

April 1, 2019 to March 31, 2020

iii) Book Closure

Tuesday, September 1, 2020 to
Monday, September 7, 2020 (both days inclusive)

iv) E-Voting Period

From 9.00 a.m. (IST) on Friday, September 4, 2020
Upto 5.00 p.m. (IST) on Sunday, September 6, 2020

v) Dividend Payment Date

On and from September 14, 2020

vi) Listing on Stock Exchange

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

vii) The annual listing fees for the financial year 2019-20 was paid to the BSE Limited as per Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

viii) International Securities Identification Number (ISIN)

INE358A01014

ix) Stock Code (BSE)

500488

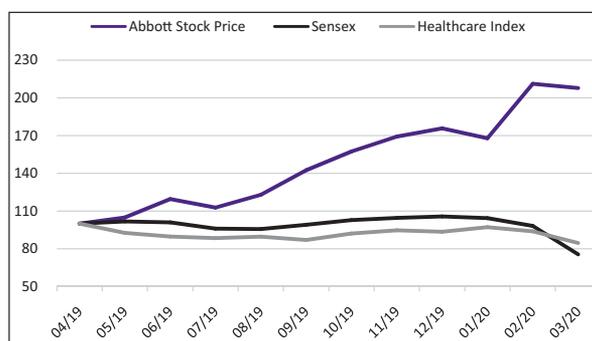
x) Market Price Data (High/Low) on BSE

(₹)

Month	High	Low
April, 2019	8,067.50	7,230.00
May, 2019	8,087.40	7,150.00
June, 2019	8,975.00	7,728.15
July, 2019	8,998.95	8,299.80
August, 2019	9,400.00	8,317.50
September, 2019	11,000.00	9,180.05
October, 2019	12,150.00	10,350.00
November, 2019	13,200.00	11,369.30
December, 2019	13,450.05	12,350.00
January, 2020	13,428.25	12,405.75
February, 2020	16,661.25	12,218.10
March, 2020	16,869.00	12,500.00

xi) Performance in comparison to broad based indices

April 1, 2019 to March 31, 2020 Normalised (100)

**xii) Registrar and Share Transfer Agent**

KFin Technologies Private Limited
Unit : Abbott India Limited

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No. : +91-40-6716 2222; Fax No. : +91-40-2300 1153	B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No. : +91-22-6623 5412
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Email : einward.ris@kfintech.com
Website : www.kfintech.com

Details of various centers of KFin are available on www.kfintech.com

xiii) Share Transfer System

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

All the requests received as specified above, are normally processed as per the prescribed timelines upon receipt of complete set of documents.

xiv) Distribution of Shareholding as on March 31, 2020

Distribution	Number of Shareholders	% to Total	Number of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	50,065	97.32	16,49,759	7.76
501 to 1000	725	1.41	5,25,595	2.47
1001 to 2000	357	0.70	5,10,609	2.40
2001 to 3000	109	0.21	2,66,772	1.26
3001 to 4000	57	0.11	2,00,305	0.94
4001 to 5000	39	0.08	1,75,243	0.83
5001 to 10000	36	0.07	2,57,097	1.21
ABOVE 10000	54	0.10	1,76,63,922	83.13
TOTAL	51,442	100.00	2,12,49,302	100.00



xv) Shareholding Pattern as on March 31, 2020

Category of Shareholders	Number of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	4,889	0.02
Financial Institutions	68,196	0.32
Foreign Portfolio Corporation	3,48,692	1.64
Insurance Companies	35,994	0.17
Mutual Funds	10,17,895	4.79
Domestic Companies	2,48,679	1.17
Non-Domestic Companies	471	0.00
Non-Resident Indians	1,04,622	0.49
Directors and Relatives	250	0.00
Unclaimed Suspense Account	4,711	0.02
Investor Education and Protection Fund (IEPF) Authority	96,925	0.46
Others	33,83,930	15.93
TOTAL	2,12,49,302	100.00

- xvi)** In terms of requirements of Regulation 39(4) and Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares which remained unclaimed in the custody of the Company are required to be transferred to the Suspense Account opened by the Company.

Accordingly, details of the unclaimed shares lying in the Company's Unclaimed Suspense Account are as follows :

Particulars	Number of Shareholders	Number of Shares
Aggregate number as at April 1, 2019	187	23,993
Number of shares claimed and transferred from the Unclaimed Suspense Accounts during the year	1	165
Number of shares transferred to Investor Education and Protection Fund	148	19,117
Aggregate number as at March 31, 2020	38	4,711

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of seven years. Thereafter, the said shares including all benefits

accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such Equity Shares.

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

During the year, the Company has transferred 31,212 Equity Shares held by 239 Members to the IEPF Authority in July 2019. The details of shares so transferred is available on the Company's website under the Investor Section at <https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

The Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Member can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

During the year, 7 claims were received from shareholders, details of which are as follows :

Particulars	Number of Shareholders	Number of Shares
Aggregate number as at April 1, 2019	396	66,989
Transferred to IEPF Authority during the year	239	31,212
Claims brought forward	3	812
Claims received from Shareholders during the year	7	1,305
Claims processed by IEPF Authority	5	1,276
Claims pending with IEPF Authority	5	841
Aggregate number as at March 31, 2020	630	96,925

xviii) Dematerialisation of Shares as on March 31, 2020 and liquidity

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

2,08,81,564 Equity Shares representing 98.3% of the Company's total paid-up share capital were held in dematerialized mode, as on March 31, 2020.

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

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

xxi) Plant Location

L-18/19, Verna Industrial Estate, Goa

xxii) Address for correspondence

Abbott India Limited
CIN : L24239MH1944PLC00730

Registered office :	Corporate Office :
3, Corporate Park, Sion-Trombay Road, Mumbai – 400 071 Tel No. : +91-22-6797 8888	<u>Shares Department</u> 16th Floor, Godrej BKC, Plot C – 68, “G” Block, Bandra Kurla Complex, Near MCA Club, Bandra (East), Mumbai – 400 051 Tel No. : +91-22-50461000/2000 Fax : +91-22-5016 9400

Email : investorrelations.india@abbott.com
Website : www.abbott.co.in

KFin Technologies Private Limited
Unit : Abbott India Limited

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No. : +91-40-6716 2222 Fax : +91-40-2344 0674	B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No. : +91-22-6623 5412
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Email : einward.ris@kfintech.com
Website : www.kfintech.com

OTHER DISCLOSURES

- There were no Related Party Transactions entered into by the Company during the year that had potential conflict with the interests of the Company at large.
- Policies on Dealing with Related Party Transactions and Materiality and on Determination of Materiality of Event or Information for Disclosure are disclosed on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html> The details of transactions entered into with Related Parties is disclosed in Note No. 40 of the Financial Statements.
- In the preparation of Financial Statements, no differential treatment from that prescribed in the Accounting Standards has been followed.
- Pursuant to the disclosures made by the Senior Management to the Board, there were no material financial and commercial transactions entered into by them where they have personal interest and which could have potential conflict with the interest of the Company at large.
- The Company has obtained a certificate from Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661), confirming that none of the Directors on the Board is debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India or any statutory authority on any matters related to the capital markets during the last three years.
- In terms of requirement of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chief Financial Officer (CFO) has made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.
- Code of Business Conduct for Board of Directors and Senior Management (“Code”) lays down various principles of ethics and compliance. The Code has been posted on the Company's website <https://www.abbott.co.in/investor-relations/policies.html> The confirmations to the Code have been received from all the Directors and



Senior Management. The Certificate issued by Mr Rajiv Sonalker, Whole-time Director and CFO to this effect forms part of this report.

- i) The Company has complied with all the Corporate Governance requirements specified in Regulations 17 to 23 and 25 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company does not have any subsidiary and therefore Regulation 24 is not applicable to the Company.
- j) There has been no instance of any non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- k) The Company does not deal in commodity(ies) and hence disclosure relating to commodity price risks and commodity hedging activities does not apply to the Company.
- l) The Company has not raised any funds through preferential allotment or Qualified Institutional Placement during the financial year ended March 31, 2020.
- m) The Company has not obtained any Credit Ratings during the year.
- n) The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- o) During the financial year, there was no instance where the Board has not accepted any recommendation of any Committee of the Board.
- p) Total fees paid to the Statutory Auditors and all the entities in their network firm/network entities for all services rendered by them during the financial year 2019-20 is ₹ 1,99 Lakhs including all the taxes, as may be applicable.
- q) During the year, one complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same was appropriately disposed off.

Compliance with discretionary requirements :

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

For and on behalf of the Board

	Munir Shaikh	Rajiv Sonalker
Mumbai	Chairman	CFO and Whole-time Director
August 7, 2020	DIN : 00096273	DIN : 07900178

DECLARATION UNDER SCHEDULE V (D) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Rajiv Sonalker – Whole-time Director and CFO of Abbott India Limited, do hereby affirm that, all the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the Abbott India Code of Conduct for the year ended March 31, 2020.

March 31, 2020
Mumbai

Rajiv Sonalker
CFO and Whole-time Director
DIN : 07900178

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

To,

The Members,
Abbott India Limited
Unit No. 3, Corporate Park,
Sion Trombay Road,
Chembur, Mumbai 400071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Abbott India Limited having CIN : L24239MH1944PLC007330 and having their registered office at Unit No. 3, Corporate Park, Sion Trombay Road, Mumbai 400071 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Munir Shaikh	00096273	02/03/2001
2.	Anisha Motwani	06943493	25/04/2018
3.	Sudarshan Jain	00927487	01/04/2019
4.	Shalini Kamath	06993314	29/10/2019
5.	Ambati Venu	07614849	01/03/2020
6.	Kaiyomarz Marfatia	03449627	01/03/2011
7.	Rajiv Sonalker	07900178	08/08/2017
8.	Mark Murphy II	08385393	01/04/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs.

Neena Bhatia

Practicing Company Secretary

Membership No. FCS 9492

Certificate of Practice No. 2661

Place : Mumbai

Date : June 8, 2020

UDIN : F009492B000323993

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

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

- The Corporate Governance Report prepared by Abbott India Limited (hereinafter the “Company”), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchange.

Management’s Responsibility

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



Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include :
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the Minutes of the following Committee Meetings/other Meetings held from April 1, 2019 to March 31, 2020 :
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting;
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Independent Directors Meeting;
 - (g) Corporate Social Responsibility Committee;
 - (h) Risk Management Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.

- vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the Minutes of the Audit Committee Meeting where in such related party transactions have been pre-approved prior by the Audit Committee.
- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

Opinion

8. Based on the procedures performed by us, as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number : 49365

UDIN : 20049365AAAACG1110

Place of Signature : Mumbai

Date : August 7, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Abbott India Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' Section of our report. We are independent of

the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter

(a) Provision for non-saleable returns (as described in note 23 of the Ind AS financial statements)

The Company makes sales to stockists who further sells products in the market. Stockist have a right of return in case goods expiring, while in supply chain till end consumers. Return of these expired goods, result in deductions to gross amounts invoiced in arriving at revenue and creation of obligations for the Company to give credit for sales returns.

The amounts pertaining to such sales return are estimated at the time of sale and deducted from gross sales and recorded as provisions for sales returns. These estimates are based on analysis of historical trends of sales return and shelf life of the products.

How our audit addressed the key audit matter

Our audit procedures included, amongst others,

- Obtained an understanding of management process for making provision for non-saleable returns including related controls.
- Tested the Company's key controls relating to the deductions made to gross sales for sales returns, including those controls over booking of sales and sales return process.
- We obtained management's calculations for provisions, recalculated the amounts and validated the assumptions used by reference to historical sales returns levels and current trends.



Key audit matter

The management has determined provision for sales returns amounting to ₹ 144,21.36 Lakhs which have been recorded at March 31, 2020 (including reimbursable sales return amounting to ₹ 57,56.81 Lakhs).

We focused on this area because establishing an appropriate year-end position requires significant judgement and estimation by the management. The assumptions required for estimating provisions for sales returns are complex in nature, the estimates may not be appropriate and, as a result, provisions and revenue may be incorrectly recorded.

How our audit addressed the key audit matter

- We considered the management's estimates by comparing historical accrued provisions and revenue deductions recorded to the actual amounts.
- We tested the working of discounting of non-current provisions for sales return prepared by the management.
- We understood and assessed the Company's revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to sales returns and related disclosures.

(b) Evaluation of uncertain tax positions (as described in note 38 of the Ind AS financial statements)

The Company has litigations involving question of law and certain disallowances made by authorities in assessment orders that the Company has appealed against before the relevant appellate authorities.

The Company has disclosed ₹ 73,43.74 Lakhs as Contingent liability (including uncertain tax positions for open assessment orders) in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, based on management's assessment in consultation with professional advice from the external legal counsel.

The eventual outcome of the legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and Balance Sheet position.

Key judgments are also made by the management in estimating the amount of contingent liabilities related to aforementioned litigations.

Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal counsel, this matter has been identified as a key audit matter for the current year audit.

- We obtained an understanding of the management's process for :
 - identification of tax matters initiated against the Company,
 - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and for measurement of amounts involved.
- We evaluated the design and tested the operating effectiveness of controls around the above process.
- We obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year with the management.
- We focused on the key developments in the tax litigation during the year, which could have materially impacted the amounts recorded as provisions or disclosed as contingent liability in the financial statements. We reviewed the demand notices, assessment orders received during the year for all such cases and obtained grounds of appeal submitted by the management in consultation with their external legal counsel.
- We assessed the appropriateness of methods used and the reliability of underlying data for quantifying the amounts involved. We also tested the arithmetical accuracy of such calculations.
- We reviewed external legal counsel's response to ensure that the conclusions reached are supported by sufficient legal rationale.
- We also tested the independence, objectivity and competence of such external legal counsel involved.
- We have obtained direct confirmation for litigation cases from the external legal counsel, to support the decisions and rationale for disclosure of contingent liabilities in respect of the litigation cases.
- We engaged internal tax specialists to evaluate management assessment of the outcome of such litigation cases. The tax specialists considered legal precedence and other rulings in evaluating management's position on such litigation cases.
- We have evaluated the adequacy of disclosures made by the Company in the financial statements in view of the requirements as specified in the Indian Accounting Standards.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the Other information. The Other information comprises the Director's Report, Management Discussion and Analysis, Corporate Governance Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the Other information identified as above and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with

Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number : 49365

UDIN : 20049365AAAAABG3251

Place of Signature : Mumbai

Date : June 8, 2020

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

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

Sr. No.	Asset Category	Gross Block at March 31, 2020 (₹ in Lakhs)	Net Block at March 31, 2020 (₹ in Lakhs)	Remarks
1	Buildings	6,41.98	5,39.52	The title deeds are in the erstwhile name of the Company.
2	Buildings	30,50.61	27,01.88	The title deeds are in the name of the entities that was merged with the Company.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, related to the manufacture of pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it with appropriate authorities, though there have been delays in few cases for payment of professional tax and provident fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except as below :

Name of the Statute	Nature of Dues	Amount in ₹ Lakhs	Period to which the amount relates	Due date	Date of payment
The Jharkhand tax on Professions, Trades, Callings and Employment Act, 2011	Profession tax	0.17	April 2019-June 2019	July 15, 2019	May 29, 2020



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

Name of Statute	Nature of Dues	Amount disputed in ₹ Lakhs (net of payments)	Forum where dispute is pending	Period to which the amount relates
Income Tax Act, 1961	Income Tax	2,77.10	ITAT	A.Y. 2006-07 and A.Y. 2011-12
Income Tax Act, 1961	Income Tax	33,38.71	CIT(A)	A.Y. 2004-05, A.Y. 2016-17 and A.Y. 2017-18
Central Excise Act, 1944	Excise Duty	3.20	Commissioner (Appeals)	1991-1992
		3.56	Commissioner	1994 - 1995
		2.51	Assistant Commissioner	1994 and 1997 to 2002
		26.72	CESTAT	2005 to 2006
Customs Act, 1962	Custom Duty	4.43	Commissioner (Appeals)	1996
		75.00	CESTAT	2011 to 2013
The Bombay Sales Tax Act, 1959	Sales Tax	39.87	Deputy Commissioner of Sales Tax	1999-2000
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	1.50	Additional Commissioner Appeal Grade- 2, Commercial Tax	2008-09 and 2009-10
The Assam Central Sales Tax Act, 1956	Sales Tax	10.23	Commissioner of Commercial Tax	2012-13
Kerala General Sales Tax Act, 1963	Sales Tax	13.05	Sales Tax Appellate Tribunal, Additional Bench	2002-03
Goa Value Added Tax Act, 2005	Value Added Tax	2.07	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006-07
Central Sales Tax, 1956 (Goa)	Sales Tax	6,33.91	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006-07 and 2007-08
		16.67	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009-10
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	5.33	The Joint Commissioner of Taxes, Gujarat	2015-16 and 2016-17
The West Bengal - Value Added Tax Rules, 2005	Value Added Tax	33.77	Additional Commissioner of Sales Tax, West Bengal	2016-17
The Central Sales Tax (West Bengal) Rules, 1958	Sales Tax	2.70	Additional Commissioner of Sales Tax, West Bengal	2016-17
Maharashtra Value Added Tax Act, 2002	Value Added Tax	27,67.18	Deputy Commissioner of Sales Tax (Appeals)	2011-12

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number : 49365

UDIN : 20049365AAAABG3251

Place of Signature : Mumbai

Date : June 8, 2020



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Abbott India Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number : 49365

UDIN : 20049365AAAABG3251

Place of Signature : Mumbai

Date : June 8, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
Property, plant and equipment	3	100,21.57	103,10.89
Capital work-in-progress	3	1,64.21	73.14
Intangible assets	4	89.87	1,85.08
Right-of-use assets	41	168,71.31	-
Financial assets			
Loans	5	16,78.21	16,10.70
Other financial assets	6	36,26.30	36,65.80
Deferred tax assets (net)	18	14,44.21	13,07.39
Other non-current assets	7	3,25.19	8,39.71
Total Non-current Assets		342,20.87	179,92.71
Current Assets			
Inventories	8	527,16.51	606,78.83
Financial assets			
Trade receivables	9	317,91.49	276,11.43
Cash and cash equivalents	10	145,13.79	137,00.61
Bank balances other than cash and cash equivalents	11	2052,23.67	1542,27.71
Loans	12	6,14.13	7,30.24
Other financial assets	13	72,37.56	73,34.39
Current tax assets (net)		26,87.31	6,97.10
Other current assets	14	56,79.53	106,18.14
Total Current Assets		3204,63.99	2760,98.45
TOTAL ASSETS		3546,84.86	2940,91.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	21,24.93	21,24.93
Other equity	16	2410,45.80	1987,33.59
Total Equity		2431,70.73	2008,58.52
Non-current Liabilities			
Financial liabilities			
Lease liabilities	41	139,20.32	-
Provisions	17	84,83.75	75,43.30
Total Non-current Liabilities		224,04.07	75,43.30
Current Liabilities			
Financial liabilities			
Lease liabilities	41	35,68.45	-
Trade payables	19		
Due to micro and small enterprises		18,32.15	12,06.78
Due to others		639,45.03	651,44.79
Other financial liabilities	20	50,76.93	51,98.49
Other current liabilities	21	31,78.43	37,43.16
Provisions	22	107,44.94	95,33.36
Current tax liabilities (net)		7,64.13	8,62.76
Total Current Liabilities		891,10.06	856,89.34
TOTAL EQUITY AND LIABILITIES		3546,84.86	2940,91.16
Significant accounting policies	2		

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

For and on behalf of the Board of Directors

As per our report of even date

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**

Partner

Membership No. 49365

Place : Mumbai

Date : June 8, 2020

SUDARSHAN JAIN

Director

DIN : 00927487

RAJIV SONALKER

CFO and Whole-time Director

DIN : 07900178

Place : Mumbai

Date : June 8, 2020

AMBATI VENU

Director

DIN : 07614849

KRUPA ANANDPARA

Company Secretary

Membership No. ACS 16536



STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	24	4093,14.41	3678,60.30
Other income	25	114,38.58	113,28.60
TOTAL INCOME		4207,52.99	3791,88.90
EXPENSES			
Cost of materials consumed	26	451,75.97	40,640.20
Purchases of stock-in-trade	27	1802,64.23	168,437.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	61,24.98	(2,18.48)
Employee benefits expense	29	476,10.69	435,58.24
Finance costs	30	8,53.23	2,24.84
Depreciation and amortisation expense	31	59,60.91	16,92.13
Other expenses	32	544,93.83	549,68.71
TOTAL EXPENSES		3404,83.84	3093,03.49
PROFIT BEFORE TAX		802,69.15	698,85.41
TAX EXPENSES			
Current tax expense	18	208,03.56	248,45.92
Tax adjustment for earlier years	18	24.65	(2,58.43)
Deferred tax - charge/(credit)	18	1,47.68	2,64.74
TOTAL TAX EXPENSES		209,75.89	248,52.23
PROFIT FOR THE YEAR		592,93.26	450,33.18
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss :			
Remeasurement gains/(losses) of defined benefit plan	33	(5,40.62)	(3,20.99)
Income tax on above	18	45.27	1,12.17
Total Other Comprehensive Income, net of tax		(4,95.35)	(2,08.82)
Total Comprehensive Income for the year, net of tax		587,97.91	448,24.36
EARNINGS PER EQUITY SHARE			
Basic and Diluted - ₹ (Face value of ₹ 10 each)	34	279.04	211.93
Significant accounting policies	2		

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

For and on behalf of the Board of Directors

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

SUDARSHAN JAIN
Director
DIN : 00927487

AMBATI VENU
Director
DIN : 07614849

per **RAVI BANSAL**
Partner
Membership No. 49365
Place : Mumbai
Date : June 8, 2020

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178
Place : Mumbai
Date : June 8, 2020

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL :

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
As at April 1, 2018	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
As at March 31, 2019	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
As at March 31, 2020	2,12,49,302	21,24.93

B. OTHER EQUITY :

	Reserves and Surplus (Refer Note 16)						Items of Other Comprehensive Income (Refer Note 16) Remeasurement of defined benefit plan	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserves	General Reserve	Retained Earnings		
Balances as at April 1, 2018	37.82	5,22.62	2,52.48	20,95.22	337,25.95	1309,12.39	(3,95.36)	1671,51.12
Profit for the year ended March 31, 2019	-	-	-	-	-	450,33.18	-	450,33.18
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(2,08.82)	(2,08.82)
Total Comprehensive Income for the year	-	-	-	-	-	45,033.18	(2,08.82)	44,824.36
Transfer from Profit and Loss to General Reserve	-	-	-	-	45,03.32	(45,03.32)	-	-
Dividend for the year ended March 31, 2018 (Refer Note 15)	-	-	-	-	-	(116,87.12)	-	(116,87.12)
Dividend distribution tax (Refer Note 15)	-	-	-	-	-	(24,02.32)	-	(24,02.32)
Share based compensation to employees (Refer Note 29)	-	-	-	8,47.55	-	-	-	8,47.55
Transfer from Share Based Compensation Reserve to General Reserve	-	-	-	(1,68.13)	1,68.13	-	-	-
Balances as at March 31, 2019	37.82	5,22.62	2,52.48	27,74.64	383,97.40	1573,52.81	(6,04.18)	1987,33.59
Profit for the year ended March 31, 2020	-	-	-	-	-	592,93.26	-	592,93.26
Remeasurement of post employment benefits (net of tax)	-	-	-	-	-	-	(4,95.35)	(4,95.35)
Total Comprehensive Income for the year	-	-	-	-	-	592,93.26	(4,95.35)	587,97.91
Transfer from Profit and loss to General reserve	-	-	-	-	59,29.33	(59,29.33)	-	-
Dividend for the year ended March 31, 2019 (Refer Note 15)	-	-	-	-	-	(138,12.05)	-	(138,12.05)
Dividend distribution tax (Refer Note 15)	-	-	-	-	-	(28,39.11)	-	(28,39.11)
Share based compensation to employees (Refer Note 29)	-	-	-	8,76.75	-	-	-	8,76.75
Transfer from Share based compensation reserve to General Reserve	-	-	-	(75.83)	75.83	-	-	-
Impact due to adoption of Ind AS 116 Leases under modified retrospective approach (Refer Note 41)	-	-	-	-	-	(9,50.52)	-	(9,50.52)
Deferred tax impact due to adoption of Ind AS 116 Leases under modified retrospective approach (Refer Note 41)	-	-	-	-	-	2,39.23	-	2,39.23
Balances as at March 31, 2020	37.82	5,22.62	2,52.48	35,75.56	444,02.56	1933,54.29	(10,99.53)	2410,45.80

Significant accounting policies (Refer Note 2)

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

For and on behalf of the Board of Directors

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**

Partner

Membership No. 49365

Place : Mumbai

Date : June 8, 2020

SUDARSHAN JAIN

Director

DIN : 00927487

RAJIV SONALKER

CFO and Whole-time Director

DIN : 07900178

Place : Mumbai

Date : June 8, 2020

AMBATI VENU

Director

DIN : 07614849

KRUPA ANANDPARA

Company Secretary

Membership No. ACS 16536



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	802,69.15	698,85.41
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	59,60.91	16,92.13
Unrealised exchange (gain)/loss (net)	2,32.92	(3,05.09)
Loss on sale/write off of Property, plant and equipment (net)	55.67	14.21
Gain on sale of property classified as 'held for sale'	-	(9,78.36)
Gain on early termination of leases	(4.18)	-
Interest income	(113,15.20)	(101,44.74)
Finance costs	8,53.23	2,24.84
Amortisation of deferred lease rentals	-	1,44.04
Allowance for credit impaired debts	38.70	49.69
Allowance/(write back) for credit impaired advances and deposits	62.03	(48.44)
Provision for likely sales returns, date expiry and damaged products (net)	15,15.72	7,58.20
Share based compensation expense	8,76.75	8,47.55
Operating Profit before working capital changes	785,45.70	621,39.44
Working capital changes :		
(Increase)/ Decrease in Trade receivables	(41,96.32)	(13,10.00)
(Increase)/ Decrease in Inventories	79,62.32	(21,46.11)
(Increase)/ Decrease in other current and non-current assets	46,36.38	(26,61.32)
Increase/ (Decrease) in Trade payables	(8,51.02)	185,99.88
Increase/ (Decrease) in current and non-current liabilities and provisions	(5,69.10)	9,58.58
Cash generated from operations	855,27.96	755,80.47
Income tax paid (net of refunds)	(229,17.05)	(256,67.40)
Net cash flows from operating activities (A)	626,10.91	499,13.07
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(15,73.10)	(12,31.35)
Purchase of intangible assets	-	(17.59)
Proceeds from sale of property classified as 'held for sale'	-	15,59.32
Proceeds from sale of Property, plant and equipment	17.17	1,35.93
Investment in fixed deposits maturing beyond 3 months (net)	(505,96.52)	(554,09.34)
Loan repaid by a related party	-	200,00.00
Interest received on deposits (interest income)	120,33.38	92,62.55
Net cash flows used in investing activities (B)	(401,19.07)	(257,00.48)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(138,12.05)	(116,87.12)
Dividend distribution tax paid	(28,39.11)	(24,02.32)
Payment of lease liabilities	(50,04.90)	-
Interest paid, other than on lease liabilities	(22.60)	(1,90.25)
Net cash flows used in financing activities (C)	(216,78.66)	(142,79.69)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
Cash and cash equivalents at the beginning of the year	137,00.61	37,67.71
Cash and cash equivalents at the end of the year (Refer Note 10)	145,13.79	137,00.61

Significant accounting policies (Refer Note 2)

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

Notes :

- Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.
- As per Ind AS 7 - Statement of Cash Flow requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. There is no item for which any disclosure is required to be made.

As per our report of even date
For **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**
Partner
Membership No. 49365
Place : Mumbai
Date : June 8, 2020

For and on behalf of the Board of Directors

SUDARSHAN JAIN
Director
DIN : 00927487

AMBATI VENU
Director
DIN : 07614849

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178
Place : Mumbai
Date : June 8, 2020

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

1. COMPANY INFORMATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of division II of Schedule III of the Companies Act, 2013.

2.2 Basis of preparation

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

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs (₹ 000,00) upto two decimal, except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on June 8, 2020.

2.3 Summary of significant accounting policies

a) Current and non-current classification

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

purpose of current/non-current classification of assets and liabilities. An asset is treated as current when it is :

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

All other assets are classified as non-current.

A liability is current when :

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

All other liabilities are classified as non-current.

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

b) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary

items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in the Statement on Profit and loss in the period.

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

c) Fair value measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair

value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

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

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

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

d) Property, plant and equipment

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or

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

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised on the cost of assets (other than Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and based on technical parameters/assessments. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter.

The estimated useful lives are as follows :

Type of assets	Useful life in years
Leasehold Land	Over lease period i.e. 95 years
Buildings	
Factory Building*	29 years 11 months
Residential Buildings	50 years
Plant and Equipment*	
Anaesthetic Equipment	5 years
Others	5 to 20 years
Furniture and Fixtures	10 years
Office Equipment	
Computers*	2 to 5 years
Others	5 to 10 years
Vehicles*	5 years

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

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

The cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

e) **Intangible assets**

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use. Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any.

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

The estimated useful lives are as follows :

Type of assets	Useful life in years
Software	5 years
Trade Marks	5 years

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from derecognition of such intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

f) Financial instruments

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

Financial assets**Recognition and measurement**

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

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

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

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

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

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received recognised in Statement of Profit and Loss if such gain or loss.

Financial liabilities**Recognition and measurement**

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not recorded at 'Fair value through

profit or loss', transaction costs that are attributable to the acquisition of the financial liabilities. Financial liabilities are classified, at initial recognition, as either 'Financial liabilities at fair value through profit or loss' or 'Other financial liabilities'.

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

- (a) Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in Statement of Profit and Loss.
- (b) Other financial liabilities are subsequently measured at amortised cost, are determined based on the Effective Interest Rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

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

g) Impairment

Financial assets

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

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

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- b) Other financial assets which are measured at amortised cost

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Non-financial assets

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there

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

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

h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises Right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Right-of-

use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows :

- Buildings : 2 to 9 years
- Furniture & Fixtures : 3 to 6 years
- Motor vehicles : 2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3 (g) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from

a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Financial Liabilities (Refer Note 41).

iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

i) Inventories

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

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

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

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



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

j) **Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

k) **Provisions and contingencies**

Provisions

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

Provision for sales return and date expiry

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

Contingencies

A contingent liability is :

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

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

l) **Revenue**

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risks.

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

Sale of products

Revenue from sale of products (including sale of products under co-marketing agreement) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration (if any).

Revenue from sale of products is stated exclusive of Goods and Services Tax (GST). Revenues are net of sales returns, discounts, provision for anticipated returns on expiry, made on the basis of management expectations.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Rendering of services

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

Contract balances**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Also refer to the accounting policies Note 2.3 (f) financial instruments - financial assets - recognition and measurement.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or

an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received from customer or due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

Income from assignment of trademarks

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

m) Employee benefits**Short-term employment benefits**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits, sick leave, casual leave etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligation within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave benefit is provided at undiscounted amount during the accounting period based on the service rendered by employees.

Defined contribution plan

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an



expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

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

Defined benefit plan

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

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

The current service cost of the defined benefit plan, recognised in the Statement of Profit and Loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past service costs are recognised in Statement of Profit and Loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

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

Other employee benefits

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

n) Income Tax

Current income tax

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

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

evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

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

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

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

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

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

o) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

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

p) Earnings per equity share

The Company presents basic and diluted earnings per share ('EPS') data for its equity shares.

Basic EPS is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.



q) Share based compensation

Abbott Laboratories, USA, being the Ultimate Holding Company, has given restricted stock option plan to the employees of the Company.

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

r) Dividend distribution to equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity in the year of approval.

2.4 Summary of significant accounting policies

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments apply for the first time from April 1, 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a

Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases) (Refer Note 41).

Appendix C to Ind AS 12 Uncertainty over Income Tax treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considers any uncertain tax position on receiving assessment order from the taxation authorities. Further, the Company considers the same principle of tax treatment for all open assessment years (Refer Note 38).

(All amounts in ₹ Lakhs, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Leasehold Improvements	Buildings (Refer Note (b) and (e))	Plant and Equipment (Refer Note (a))	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross carrying value								
As at April 1, 2018	37.55	84.38	19,99.34	75,90.42	4,51.84	15,73.67	54.67	117,91.87
Additions (Refer Note (c) below)	-	-	58.62	8,11.59	51.96	4,07.52	-	13,29.69
Other adjustments (Refer Note (d) below)	-	-	30,34.11	-	-	-	-	30,34.11
Disposals	-	(22.10)	(0.16)	(2,39.69)	(12.56)	(42.50)	(37.67)	(3,54.68)
As at March 31, 2019	37.55	62.28	50,91.91	81,62.32	4,91.24	19,38.69	17.00	158,00.99
Additions (Refer Note (c) below)	-	-	17.59	6,25.66	48.87	7,01.42	-	13,93.54
Disposals	-	-	(1.80)	(1,54.68)	(24.60)	(46.06)	-	(2,27.14)
As at March 31, 2020	37.55	62.28	51,07.70	86,33.30	5,15.51	25,94.05	17.00	169,67.39
Accumulated depreciation								
As at April 1, 2018	1.50	19.82	2,44.41	23,76.51	2,37.66	10,00.06	53.35	39,33.31
Depreciation charge for the year	0.50	12.89	1,83.88	9,56.85	42.12	3,82.46	1.32	15,80.02
Other adjustments (Refer Note (d) below)	-	-	1,81.31	-	-	-	-	1,81.31
Disposals	-	(9.78)	(0.06)	(1,14.73)	(11.94)	(30.36)	(37.67)	(2,04.54)
As at March 31, 2019	2.00	22.93	6,09.54	32,18.63	2,67.84	13,52.16	17.00	54,90.10
Depreciation charge for the year	0.50	8.21	1,58.47	9,40.14	38.20	4,64.50	-	16,10.02
Disposals	-	-	(0.27)	(96.08)	(16.68)	(41.27)	-	(1,54.30)
As at March 31, 2020	2.50	31.14	7,67.74	40,62.69	2,89.36	17,75.39	17.00	69,45.82
Net carrying value								
As at March 31, 2020	35.05	31.14	43,39.96	45,70.61	2,26.15	8,18.66	-	100,21.57
As at March 31, 2019	35.55	39.35	44,82.37	49,43.69	2,23.40	5,86.53	-	103,10.89

Details of Capital work-in-progress

	As at March 31, 2020	As at March 31, 2019
Capital work-in-progress	1,64.21	73.14
	1,64.21	73.14

Notes :

- a) Included in Plant and Equipment are anaesthetic equipments, installed at various hospitals free of cost with the intention of procuring business for the Company's products :

Class of Asset	Net Block	
	As at March 31, 2020	As at March 31, 2019
Plant and Equipment	3,58.25	3,87.74

- b) Included in Buildings is an amount of ₹ 0.00* Lakhs (March 2019 : ₹ 0.00* Lakhs) representing value of shares in co-operative housing society.
- c) Additions include capital expenditure of ₹ 12.19 Lakhs (March 31, 2019 : ₹ 0.84 Lakhs) incurred at Company's inhouse R&D facility at Goa.
- d) Other adjustments represents assets that were earlier classified as 'Asset held for sale', reclassified to Property, plant and equipment in the previous year.
- e) The title deed of building having net book value of ₹ 32,41.41 Lakhs (March 31, 2019 : ₹ 33,31.64 Lakhs) are in erstwhile name of the Company or in the name of the entity that got merged with the Company.
- f) The amount of contractual commitments for the acquisition of Property, plant and equipment is disclosed in Note 38 (a).

*below ₹ 500/-



(All amounts in ₹ Lakhs, unless otherwise stated)

4. INTANGIBLE ASSETS

	Software	Trade Marks	Total
Gross carrying value			
As at April 1, 2018	5,46.53	86.84	6,33.37
Additions	17.59	-	17.59
Disposals	(0.43)	-	(0.43)
As at March 31, 2019	5,63.69	86.84	6,50.53
Additions	-	-	-
Disposals	(5.08)	-	(5.08)
As at March 31, 2020	5,58.61	86.84	6,45.45
Accumulated amortisation			
As at April 1, 2018	3,41.92	11.85	3,53.77
Amortisation for the year	94.74	17.37	1,12.11
Disposals	(0.43)	-	(0.43)
As at March 31, 2019	4,36.23	29.22	4,65.45
Amortisation for the year	77.79	17.42	95.21
Disposals	(5.08)	-	(5.08)
As at March 31, 2020	5,08.94	46.64	5,55.58
Net carrying value			
As at March 31, 2020	49.67	40.20	89.87
As at March 31, 2019	1,27.46	57.62	1,85.08

5. NON-CURRENT FINANCIAL ASSETS - LOANS

	As at March 31, 2020	As at March 31, 2019
Deposits with body corporates and others :		
For premises with a related party (Unsecured, considered good) (Refer Note 40 (D))	14,57.29	13,28.99
For premises with others (Unsecured, considered good)	1,00.24	87.19
Against tenders (Refer (a) below)	1,20.68	1,94.52
	16,78.21	16,10.70
(a) Deposits against tenders :		
Secured, considered good	-	-
Unsecured, considered good	1,20.68	1,94.52
Credit impaired advances and deposits	4,09.71	3,47.68
	5,30.39	5,42.20
Less : Allowance for credit impaired advances and deposits	(4,09.71)	(3,47.68)
	1,20.68	1,94.52

6. NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2020	As at March 31, 2019
Margin deposit and deposit against guarantees and tenders	5,38.06	4,46.88
Expected reimbursement towards likely sales return - reimbursable (Refer Note 17)	30,88.24	32,18.92
	36,26.30	36,65.80

(All amounts in ₹ Lakhs, unless otherwise stated)

7. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2020	As at March 31, 2019
Capital advances	1,33.94	45.45
VAT deposits	1,91.25	1,87.86
Deposit against co-marketing agreement	-	5,50.00
Deferred lease assets*	-	56.40
	3,25.19	8,39.71

* Previous year figure includes ₹ 40.77 Lakhs towards deposit given to a related party (Refer Note 40 (D)). In current year, deferred lease asset is considered alongwith Right-of-use assets on implementation of Ind AS 116 Leases.

8. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2020	As at March 31, 2019
Raw materials and packing materials #	77,72.04	96,09.38
Work-in-progress	20,52.61	40,55.43
Finished goods	97,51.74	62,60.27
Stock-in-trade @	331,40.12	407,53.75
	527,16.51	606,78.83

Includes goods in transit ₹ 14,42.15 Lakhs (March 31, 2019 : ₹ 22,01.56 Lakhs)

@ Includes goods in transit ₹ 15,34.84 Lakhs (March 31, 2019 : ₹ 22,12.37 Lakhs)

During the year ended March 31, 2020, ₹ 28,53.53 Lakhs (March 31, 2019 : ₹ 11,33.57 Lakhs) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

9. TRADE RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
Trade receivables	292,88.45	221,66.39
Receivables from related parties (Refer Note 40 (D))	25,03.04	54,45.04
	317,91.49	276,11.43
Break-up for Trade receivables :		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	317,91.49	276,11.43
Credit impaired	11,31.17	11,19.09
	329,22.66	287,30.52
Less : Allowance for credit impaired debts	(11,31.17)	(11,19.09)
	317,91.49	276,11.43

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 40.

For information on financial risk management objectives and policies, refer Note 44.



(All amounts in ₹ Lakhs, unless otherwise stated)

10. CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current accounts	23,13.79	107,00.61
Deposits with original maturity of less than three months [@]	122,00.00	30,00.00
	145,13.79	137,00.61

[@] Represents time deposits at fixed rates maintained with various banks by the Company.**11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2020	As at March 31, 2019
Margin deposit and deposit against guarantees and tenders	2,15.38	1,70.02
Earmarked bank balance towards dividend [#]	3,40.71	3,50.09
Term deposits with original maturity of more than three months but less than twelve months [@]	2046,67.58	1542,07.60
	2052,23.67	1547,27.71

[#] These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.[@] Represents time deposits at fixed rates maintained with various banks by the Company.**12. CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2020	As at March 31, 2019
Deposits with body corporates and others :		
For Premises	6,14.13	7,30.24
	6,14.13	7,30.24

13. CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on bank deposits	18,54.69	27,13.79
Receivables from related parties (Refer Note 40 (D))	7,84.08	6,13.94
Expected reimbursement towards likely sales return - reimbursable (Refer Note 23)	26,68.57	27,90.73
Other receivables	19,30.22	12,15.93
	72,37.56	73,34.39

14. OTHER CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	5,63.60	6,22.27
Advances to employees and suppliers	18,81.25	31,62.94
Balance with customs and excise on current account	13.51	14.88
GST receivables	30,59.59	65,47.63
Deferred lease assets*	-	1,08.84
Others	1,61.58	1,61.58
	56,79.53	106,18.14

* Previous year figure includes ₹ 97.91 Lakhs towards deposit given to related parties (Refer Note 40 (D)). In current year, deferred lease asset is considered along with Right-of-use assets on implementation of Ind AS 116 Leases.

(All amounts in ₹ Lakhs, unless otherwise stated)

15. EQUITY SHARE CAPITAL**Authorised share capital :**

Equity shares of ₹ 10 each

	Number of shares	Amount
As at April 1, 2018	2,75,00,000	27,50.00
Changes during the year	-	-
As at March 31, 2019	2,75,00,000	27,50.00
Changes during the year	-	-
As at March 31, 2020	2,75,00,000	27,50.00

Terms/rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, Subscribed and Paid up Capital :

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
As at April 1, 2018	2,12,49,302	21,24.93
Changes during the year	-	-
As at March 31, 2019	2,12,49,302	21,24.93
Changes during the year	-	-
As at March 31, 2020	2,12,49,302	21,24.93

Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :

	As at March 31, 2020	As at March 31, 2019
i) 1,07,19,097 (March 31, 2019 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	10,71.91	10,71.91
ii) 37,44,951 (March 31, 2019 : 37,44,951) Abbott Healthcare Products Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	3,74.50	3,74.50
iii) 14,70,000 (March 31, 2019 : 14,70,000) British Colloids Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	1,47.00	1,47.00
The Ultimate Holding Company is Abbott Laboratories, USA.		

Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	1,07,19,097	50.45%	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	37,44,951	17.62%	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	14,70,000	6.92%	14,70,000	6.92%
	1,59,34,048	74.99%	1,59,34,048	74.99%



(All amounts in ₹ Lakhs, unless otherwise stated)

Dividend paid and proposed**Dividend on equity shares declared and paid :**

Final dividend for the year ended March 31, 2019 : ₹ 50 per share

(March 31, 2018 : ₹ 50 per share)

Special dividend for the year ended March 31, 2019 : ₹ 15 per share

(March 31, 2018 : ₹ 5 per share)

Dividend distribution tax on proposed dividend

Date of approval (date of Annual General Meeting)

Proposed dividend on equity shares :

Final dividend for the year ended March 31, 2020 : ₹ 107 per share

(March 31, 2019 : ₹ 50 per share)

Special dividend for the year ended March 31, 2020 : ₹ 143 per share

(March 31, 2019 : ₹ 15 per share)

Dividend distribution tax on proposed dividend

	For the year ended March 31, 2020	For the year ended March 31, 2019
Final dividend for the year ended March 31, 2019 : ₹ 50 per share (March 31, 2018 : ₹ 50 per share)	106,24.65	106,24.65
Special dividend for the year ended March 31, 2019 : ₹ 15 per share (March 31, 2018 : ₹ 5 per share)	31,87.40	10,62.47
Dividend distribution tax on proposed dividend	28,39.11	24,02.32
Date of approval (date of Annual General Meeting)	August 22, 2019	July 18, 2018
Final dividend for the year ended March 31, 2020 : ₹ 107 per share (March 31, 2019 : ₹ 50 per share)	227,36.75	106,24.65
Special dividend for the year ended March 31, 2020 : ₹ 143 per share (March 31, 2019 : ₹ 15 per share)	303,86.50	31,87.40
Dividend distribution tax on proposed dividend	-	28,39.11

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019 and March 31, 2020.

Effective April 1, 2020, in view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends distributed by the Company shall be taxable in the hands of the shareholders. Hence, there will be no liability on the Company towards the dividend distribution tax on proposed dividend.

16. OTHER EQUITY

	Reserves and Surplus						Items of Other Comprehensive Income Remeasurement of defined benefit plan	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings		
As at April 1, 2018	37.82	5,22.62	2,52.48	20,95.22	337,25.95	1309,12.39	(3,95.36)	1671,51.12
Profit for the year	-	-	-	-	-	450,33.18	-	450,33.18
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(2,08.82)	(2,08.82)
Transfer from Profit and Loss to General Reserve	-	-	-	-	45,03.32	(45,03.32)	-	-
Dividend for the year ended March 31, 2018 (Refer Note 15)	-	-	-	-	-	(116,87.12)	-	(116,87.12)
Dividend distribution tax (Refer Note 15)	-	-	-	-	-	(24,02.32)	-	(24,02.32)
Share based compensation to employees (Refer Note 29)	-	-	-	8,47.55	-	-	-	8,47.55
Transfer from Share based compensation reserve to General Reserve*	-	-	-	(1,68.13)	1,68.13	-	-	-
As at March 31, 2019	37.82	5,22.62	2,52.48	27,74.64	383,97.40	1573,52.81	(6,04.18)	1987,33.59
Profit for the year	-	-	-	-	-	592,93.26	-	592,93.26
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(4,95.35)	(4,95.35)
Transfer from Profit and Loss to General Reserve	-	-	-	-	59,29.33	(59,29.33)	-	-
Dividend for the year ended March 31, 2019 (Refer Note 15)	-	-	-	-	-	(138,12.05)	-	(138,12.05)
Dividend distribution tax (Refer Note 15)	-	-	-	-	-	(28,39.11)	-	(28,39.11)
Share based compensation to employees (Refer Note 29)	-	-	-	8,76.75	-	-	-	8,76.75
Transfer from Share based compensation reserve to General Reserve*	-	-	-	(75.83)	75.83	-	-	-
Impact due to adoption of Ind AS 116 Leases under modified retrospective approach	-	-	-	-	-	(9,50.52)	-	(9,50.52)
Deferred tax impact due to adoption of Ind AS 116 Leases under modified retrospective approach	-	-	-	-	-	2,39.23	-	2,39.23
As at March 31, 2020	37.82	5,22.62	2,52.48	35,75.56	444,02.56	1933,54.29	(10,99.53)	2410,45.80

*On account of cancellation of share options awarded to employees

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature and purpose of components of other equity :**1. Amalgamation Reserve**

This was created on amalgamation of Beem Healthcare Limited and Valencia Pharmaceuticals Limited, wholly owned subsidiary of the Company with appointed date as July 1, 1998. All assets and liabilities of erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were cancelled. The amalgamation was accounted under 'Pooling of Interests method' as prescribed in then Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

2. Capital Reserve

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standards 14 issued by the Institute of Chartered Accountants of India.

3. Capital Redemption Reserve

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves.

4. Share Based Compensation Reserve

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share Based Compensation Reserve is used to recognise the fair value of the RSUs awarded to the employees. The award represents in substance equity contributions by the Ultimate Holding Company.

5. General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income (OCI).

6. Retained Earnings

Retained Earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

7. Remeasurement of defined benefit plan

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in OCI and subsequently not reclassified to the Statement of Profit and Loss.

17. NON-CURRENT PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits :		
Post retirement medical benefits	2,99.81	2,44.01
Long service benefits	1,87.15	1,62.59
Others :		
For likely sales returns and date expiry (Refer Note 23)	49,08.55	39,17.78
For likely sales returns - reimbursable (Refer Note 23)	30,88.24	32,18.92
	84,83.75	75,43.30



(All amounts in ₹ Lakhs, unless otherwise stated)

18. INCOME TAXES

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are :

Extract of Statement of Profit and Loss :

Profit and Loss Section :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax :		
Current tax expense	208,03.56	248,45.92
Tax adjustment for earlier years	24.65	(2,58.43)
Deferred tax :		
Relating to origination and reversal of temporary differences	1,47.68	2,64.74
Income tax expense reported in the Statement of Profit and Loss	209,75.89	248,52.23

Other Comprehensive Income (OCI) Section - Deferred tax related to items recognised in OCI during the year :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net loss/(gain) on remeasurement of defined benefit plans	45.27	1,12.17
Income tax expense charged to OCI	45.27	1,12.17

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019 :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before income tax	802,69.15	698,85.41
	802,69.15	698,85.41
At India's statutory income tax rate of 25.168% (March 31, 2019 : 34.944%)	202,02.14	244,20.76
Adjustments in respect of current income tax of previous years	24.65	(2,58.43)
Impact of change in income tax rate on deferred tax	2,74.97	-
Non-deductible expenses for tax purposes	4,74.13	6,89.90
	209,75.89	248,52.23
At the effective income tax rate of 26.132% (March 31, 2019 : 35.561%)		
Income tax expense reported in the Statement of Profit and Loss	209,75.89	248,52.23

Deferred tax :

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2020	As at March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax assets				
Provision for compensated absences	8,21.05	10,08.59	1,87.54	(1,21.45)
Gratuity and other employee benefits	3,57.95	4,05.10	47.15	(6.01)
Allowance for credit impaired debts	2,84.69	3,91.05	1,06.36	6.80
Other items of disallowance under Section 43B and 40(a) (ia) of the Income Tax Act, 1961	7,01.86	8,30.05	1,28.19	0.98
Other items giving rise to temporary differences	1,76.00	62.84	(1,13.16)	48.90
Deferred tax liabilities				
Depreciation	(7,48.43)	(11,73.98)	(4,25.55)	2,48.74
Other items giving rise to temporary differences	(1,48.91)	(2,16.26)	(67.35)	(25.39)
Net deferred tax assets/(liabilities)	14,44.21	13,07.39		
Deferred tax charge/(income)			(1,36.82)	1,52.57
Deferred tax charge/(income) recognised in Profit and Loss			1,47.68	2,64.74
Deferred tax charge/(income) recognised in OCI			(45.27)	(1,12.17)
Deferred tax charge/(income) taken to retained earnings			(2,39.23)	-
			(1,36.82)	1,52.57

(All amounts in ₹ Lakhs, unless otherwise stated)

Reflected in the Balance Sheet as follows :

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	23,41.55	26,97.63
Deferred tax liabilities	(8,97.34)	(13,90.24)
Deferred tax assets (net)	14,44.21	13,07.39

Reconciliation of deferred tax assets (net) :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance as of April 1	13,07.39	14,59.96
Tax income/(charge) during the period recognised in Profit and Loss	(1,47.68)	(2,64.74)
Tax income/(charge) during the period recognised in OCI	45.27	1,12.17
Tax income/(charge) taken to retained earnings	2,39.23	-
Closing balance as at March 31	14,44.21	13,07.39

19. TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
Due to micro and small enterprises (Refer (a) below)	18,32.15	12,06.78
Due to related parties (Refer Note 40 (D))	101,03.31	127,75.77
Due to others	538,41.72	523,69.02
	657,77.18	663,51.57

For terms and conditions relating to related party payables, refer Note 40.

For information on financial risk management objectives and policies, refer Note 44.

(a) Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)* :

	As at March 31, 2020	As at March 31, 2019
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	18,32.15	12,06.78
(ii) Interest due on above remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

* The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

20. CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2020	As at March 31, 2019
Deposits from a customer	60.35	60.35
Unclaimed dividend #	3,40.71	3,50.09
Salaries, wages, incentives and bonus payable to employees	42,26.71	41,98.70
Deposit from a related party (Refer Note 40 (D))	44.66	44.66
Others	4,04.50	5,44.69
	50,76.93	51,98.49

In respect of the amounts as mentioned under Section 125 of the Companies Act, 2013, no dues are required to be credited to the Investor Education and Protection Fund as on March 31, 2020 and March 31, 2019.



(All amounts in ₹ Lakhs, unless otherwise stated)

21. OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Statutory dues including provident fund and tax deducted at source	13,37.01	11,85.71
GST payable	1,89.93	9,05.41
Contract liabilities (Refer Note 24 (d))	5,00.51	5,35.00
Others (mainly provision against disputed cases)	11,50.98	11,17.04
	31,78.43	37,43.16

22. CURRENT PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits :		
Compensated Absences	32,62.28	28,86.31
Post Retirement Medical Benefits	28.39	23.03
Long Service Benefits	27.80	19.90
Gratuity	8,79.09	7,09.75
Superannuation	1,22.81	1,13.30
Provision for likely sales returns and date expiry (Refer Note 23)	37,56.00	29,90.34
Provision for likely sales returns - reimbursable (Refer Note 23)	26,68.57	27,90.73
	107,44.94	95,33.36

23. DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS' TOWARDS PROVISIONS FOR SALES RETURN, DATE EXPIRY AND DAMAGED PRODUCTS

	Likely sales returns & date expiry	Likely sales returns - reimbursable	Total
Carrying Amount as at April 1, 2018	59,41.29	35,53.01	94,94.30
Add : Net amount provided/(written back) during the year @	9,66.83	24,56.64	34,23.47
Carrying Amount as at March 31, 2019*	69,08.12	60,09.65	129,17.77
Add : Net amount provided/(written back) during the year @	17,56.43	(2,52.84)	15,03.59
Carrying Amount as at March 31, 2020*	86,64.55	57,56.81	144,21.36

@Includes unwinding of discount and effect of changes in discount rate on provision of ₹ 2,40.71 Lakhs (March 31, 2019 : ₹ 2,08.63 Lakhs) (Refer Note 30).

* Carrying Amount comprises of :

	As at March 31, 2020	As at March 31, 2019
Non-current provision		
For likely sales returns and date expiry (Refer Note 17)	49,08.55	39,17.78
For likely sales returns - reimbursable (Refer Note 17)	30,88.24	32,18.92
Current provision		
For likely sales returns and date expiry (Refer Note 22)	37,56.00	29,90.34
For likely sales returns - reimbursable (Refer Note 22)	26,68.57	27,90.73
	144,21.36	129,17.77

Nature of provision :

The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account historical experience and market conditions.

The expected timing of any resulting outflows of economic benefits ranges from 1 month to 39 months.

(All amounts in ₹ Lakhs, unless otherwise stated)

24. REVENUE FROM OPERATIONS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products (including excise duty) (Refer (a) below)	4054,46.74	3640,30.02
Rendering of services (Refer (b) below)	23,12.19	22,01.71
	4077,58.93	3662,31.73
Other operating revenue		
Sale of scrap	76.15	69.04
Insurance, customs and carriers claims	97.18	2,15.31
Miscellaneous income		
Duty drawback	22.93	22.57
Others	13,59.22	13,21.65
Total other operating revenue	15,55.48	16,28.57
	4093,14.41	3678,60.30

(a) Sale of products :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Tablets	1648,48.62	1421,76.71
Injectables	1617,17.62	1507,14.24
Liquids	593,07.98	512,56.44
Capsules	133,30.64	130,25.44
Ointments	13,98.55	15,92.34
Granules	10,21.26	9,56.65
Powder	7,23.96	7,58.01
Others	30,98.11	35,50.19
	4054,46.74	3640,30.02

(b) Rendering of services includes : (Refer Note 40 (C))

	For the year ended March 31, 2020	For the year ended March 31, 2019
Shared and support services rendered to Abbott Healthcare Private Limited, India	16,26.00	16,26.00
Shared and support services rendered to Abbott Products Operations AG., Switzerland	3,70.75	5,08.51
Shared and support services rendered to Abbott Laboratories S.A., Dubai	1,26.94	33.60
Shared and support services rendered to Abbott Laboratories (Singapore) Pte Ltd., Singapore	1,26.94	33.60
Shared and support services rendered to St Jude Medical India Private Limited, India	61.56	-
	23,12.19	22,01.71

(c) Revenue from contracts with customers :

	For the year ended March 31, 2020	For the year ended March 31, 2019
India (Goods)	3998,11.60	3587,65.09
Outside India (Goods)	56,35.14	52,64.93
India (Services)	16,87.56	16,26.00
Outside India (Services)	6,24.63	5,75.71
Total revenue from contracts with customers	4077,58.93	3662,31.73
Timing of revenue recognition		
Goods transferred at a point in time	4054,46.74	3640,30.02
Services transferred at a point in time	23,12.19	22,01.71
Total revenue from contracts with customers	4077,58.93	3662,31.73



(All amounts in ₹ Lakhs, unless otherwise stated)

(d) Contract Balances :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade receivables (Refer Note 9)	317,91.49	276,11.43
Contract assets	-	-
Contract liabilities (Refer Note 21)	(5,00.51)	(5,35.00)
Net contract balances	312,90.98	270,76.43
Contract liabilities include short-term advances received from customers for sale of products/services.		
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price :		
Revenue as per contracted price	4182,17.45	3744,63.09
Less : Adjustments		
- Sales Return	83,64.45	71,80.31
- Discounts	20,94.07	10,51.05
Net revenue from sale of products and rendering of services	4077,58.93	3662,31.73

Information about the Company's performance obligations are summarized below :

Sale of products :

The performance obligation is satisfied upon delivery of the product and payment is generally due within six months from delivery and are non-interest bearing.

Sale of services :

The performance obligation is satisfied when related services are performed.

25. OTHER INCOME

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on financial assets carried at amortised cost :		
Interest income on loan to a related party (Refer Note 40 (C))	-	12,54.80
Interest income on fixed deposits	111,16.43	87,16.86
Interest income on others (from employees and other receivables)	57.85	31.07
Other non-operating income :		
Gain on sale of property classified as 'held for sale'	-	9,78.36
Rental income from a related party (Refer Note 40 (C))	1,14.52	1,14.53
Interest income on security deposits	1,40.92	1,42.01
Gain on early termination of leases (Refer Note 41)	4.18	-
Others (includes octroi refund)	4.68	90.97
	114,38.58	113,28.60

26. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	96,09.38	76,81.75
Add : Purchases during the year	433,38.63	425,67.83
Less : Inventory at the end of the year	(77,72.04)	(96,09.38)
	451,75.97	406,40.20

(All amounts in ₹ Lakhs, unless otherwise stated)

27. PURCHASES OF STOCK-IN-TRADE

	For the year ended March 31, 2020	For the year ended March 31, 2019
Tablets	234,07.92	169,88.24
Injectables	1363,95.31	1302,07.49
Liquids	146,29.56	155,75.09
Capsules	11,63.42	8,34.74
Ointments	4,51.35	5,43.91
Granules	3,62.92	3,72.25
Powder	4,48.46	2,37.09
Others	34,05.29	36,79.04
	1802,64.23	1684,37.85

28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock		
Finished goods	62,60.27	62,37.72
Stock-in-trade	407,53.75	442,45.94
Work-in-progress	40,55.43	3,67.31
Less : Closing Stock		
Finished goods	(97,51.74)	(62,60.27)
Stock-in-trade	(331,40.12)	(407,53.75)
Work-in-progress	(20,52.61)	(40,55.43)
	61,24.98	(2,18.48)

29. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	431,46.85	394,37.48
Contribution to provident and other funds	26,92.98	25,20.59
Share based compensation to employees	8,76.75	8,47.55
Staff welfare expense	8,94.11	7,52.62
	476,10.69	435,58.24

30. FINANCE COSTS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on lease liabilities (Refer Note 41)	5,89.92	-
Interest expense, other than on lease liabilities	22.60	16.21
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 23)	2,40.71	2,08.63
	8,53.23	2,24.84

31. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, plant and equipment (Refer Note 3)	16,10.02	15,80.02
Amortisation of intangible assets (Refer Note 4)	95.21	1,12.11
Deferred lease expense on security deposits (Refer Note 41)	1,30.99	-
Amortisation of Right-of-use assets (Refer Note 41)	41,24.69	-
	59,60.91	16,92.13



(All amounts in ₹ Lakhs, unless otherwise stated)

32. OTHER EXPENSES

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores	8,81.40	5,53.57
Power and fuel	13,73.33	12,60.86
Rent (Refer Note 41)	17.61	47,68.52
Repairs to buildings	1,10.77	34.65
Repairs to plant and machinery	4,37.65	5,19.23
Repairs (others)	4,02.70	3,34.98
Insurance	2,89.48	2,76.02
Rates and taxes	17,94.64	20,20.23
Advertising, publicity and sales promotion	146,35.88	118,20.21
Freight and forwarding charges	31,50.94	25,46.97
Travelling and business meetings	110,12.70	110,15.86
Commission to carrying and forwarding agents	44,19.59	47,47.87
Exchange loss (net)	8,07.86	4,29.25
Bad debts written off	26.62	69.13
Less : Adjusted against earlier year's provision	(26.62)	(69.13)
	-	-
Allowance for credit impaired debts	38.70	49.69
Professional fees and other services	77,03.16	84,94.13
Loss on sale/write off of Property, plant and equipment (net)	55.67	14.21
Payment to auditors (Refer (a) below)	1,53.22	1,39.74
CSR expenditure (Refer (b) below)	11,64.36	11,28.46
Miscellaneous expenses	60,44.17	48,14.26
	544,93.83	549,68.71

(a) Payment to auditors :

	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor :		
Audit fees	70.60	67.00
Tax audit fees	15.00	15.00
Limited review	28.00	27.00
In other capacity :		
Other services (including certification fees)	33.36	25.35
Reimbursement of expenses	6.26	5.39
	1,53.22	1,39.74

(b) Details of Corporate Social Responsibility (CSR) expenditure :

The Company believes that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. The CSR policy of the Company is focused on fostering economic, environmental and social well-being. Through CSR initiatives, the Company strives to enhance people's health and well-being and provide lasting solutions to development challenges.

As a part of its CSR obligations, the Company undertook following initiatives during the year :

- (i) Quality and affordable healthcare delivery program with SEWA (Self Employed Women's Association), to launch a comprehensive, community based healthcare program, to improve access to quality primary, acute and NCD (Non-Communicable Disease) care among low income populations

(All amounts in ₹ Lakhs, unless otherwise stated)

- (ii) Malaria elimination program with Malaria No More, in partnership with Government of Odisha, Abbott is supporting the program with technical expertise, diagnostic products and funding support to advance efforts to end malaria in the state
- (iii) Improving access to healthcare through health clinics.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	11,35.60	9,43.62

Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash	Total
i) Construction/ acquisition of any asset	-	-	-
ii) Others			
On various programmes to expand awareness and access to healthcare	3,24.22	1,17.28	4,41.50
On SEWA (Self Employed Women's Association)	3,39.64	11.80	3,51.44
On Malaria No More	3,44.27	-	3,44.27
Administrative expenses related to CSR activities	27.15	-	27.15
	10,35.28	1,29.08	11,64.36

Amount spent during the year ending on March 31, 2019 :	In cash	Yet to be paid in cash	Total
i) Construction/ acquisition of any asset	-	-	-
ii) Others			
On various programmes to expand awareness and access to healthcare	4,45.89	2,96.01	7,41.90
On SEWA (Self Employed Women's Association)	3,32.10	-	3,32.10
On Malaria No More	18.69	-	18.69
Administrative expenses related to CSR activities	35.77	-	35.77
	8,32.45	2,96.01	11,28.46

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurements of defined benefit plan : (Refer Note 36)		
Gratuity	(4,69.73)	(1,70.38)
Post retirement medical benefit scheme	(70.89)	(1,50.61)
	(5,40.62)	(3,20.99)

The above has been aggregated in retained earnings of the respective periods.

34. EARNINGS PER EQUITY SHARE (EPS)

The following reflects the income and share data used in the Basic and Diluted EPS computations :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders for Basic/Diluted earnings	592,93.26	450,33.18
Weighted average number of equity shares for Basic/Diluted EPS*	2,12,49,302	2,12,49,302
Basic/Diluted EPS ₹ (Face value of ₹ 10 per share)	279.04	211.93

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.



(All amounts in ₹ Lakhs, unless otherwise stated)

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements :

Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the Right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs i.e. bank borrowing interest rates on secured assets.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for sales return and date expiry

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience and market conditions and are provided for accordingly. Also refer Note 23.

Useful lives of Property, plant and equipment

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (d) for management estimate of useful lives.

Defined benefit plans (Gratuity benefits)

The cost of the defined benefit gratuity plan and other post employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

(All amounts in ₹ Lakhs, unless otherwise stated)

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates in the country.

Further details about gratuity obligations are given in Note 36.

Share based compensation to employees

The fair value of restricted stock units plan is measured at the date of grant using the Black Scholes option pricing model. The estimate also requires determination of the most appropriate inputs to the valuation model, including the volatility, dividend yield, risk free interest rates, expected life of share option etc., which are disclosed in the Note 37.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 43.

Provision for inventories

Provision is made in the financial statements for slow and non-moving items based on estimates regarding their usability. Further for finished goods and stock-in-trade, all inventories expiring within six months and not expected to be sold, have been fully provided for. Also refer Note 8.

Impairment of trade receivables

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 9.

Impairment of other financial assets

The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 6 and 13.

Uncertainty over income tax treatment

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments (Refer Note 38).

36. EMPLOYEE BENEFITS

(a) Defined contribution plans

- i) Provident Fund/Employees' Pension Fund
- ii) Employees' State Insurance
- iii) Superannuation Fund
- iv) Employees' Deposit Linked Insurance Scheme
- v) Group Life Insurance Cover



(All amounts in ₹ Lakhs, unless otherwise stated)

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Included in contribution to Provident and Other Funds (Refer Note 29)		
Employer's contribution to Provident Fund/Employees' Pension Fund	17,53.04	15,91.09
Employer's contribution to Superannuation Fund	2,99.15	3,02.57
Included in staff welfare expenses (Refer Note 29)		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	43.45	43.54
Premium paid in respect of Group Life Insurance Cover	61.33	51.36
Premium paid in respect of Employees' State Insurance Scheme	6.79	12.93

(b) Defined Benefit Plans**i. Gratuity:** (Included as part of contribution to provident and other funds in Note 29 - Employee benefits expense)

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act 1972, or Company's Scheme whichever is more beneficial. Benefits would be paid at the time of the separation based on employees' salary and tenure of employment with the Company.

ii. Post Retirement Medical Benefits (PRMB): (Included as part of staff welfare expenses in Note 29 - Employee benefits expense)

Under this scheme, select group of senior employees and their spouse are covered for hospitalisation benefits after the employee has retired from the Company. The cover is available to these beneficiaries until they are alive. The Company has procured a group hospitalisation cover from an insurance company for providing these benefits to these beneficiaries.

iii. Long Service Benefits (LSB): (Included as part of salaries and wages in Note 29 - Employee benefits expense)

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

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
I) Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	63,60.00	58,47.13	2,67.04	1,29.81
Interest cost	4,26.52	4,06.14	18.66	9.65
Current service cost	5,68.18	5,45.70	-	-
Benefits paid	(4,79.27)	(6,39.36)	(28.39)	(23.03)
Actuarial changes arising from changes in demographic assumptions	(56.86)	(62.66)	-	(10.71)
Actuarial changes arising from changes in financial assumptions	4,68.61	3,17.89	15.41	8.83
Actuarial changes arising from changes in experience adjustments	71.09	(54.84)	55.48	1,52.49
Present value of defined benefit obligation at the end of the year	73,58.27	63,60.00	3,28.20	2,67.04

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
II) Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	56,50.25	49,99.35	-	-
Interest income	3,85.66	3,52.06	-	-
Contributions paid by the employer	9,09.43	9,08.19	28.39	23.03
Benefits paid from the fund	(4,79.27)	(6,39.36)	(28.39)	(23.03)
Return on plan assets excluding interest income	13.11	30.01	-	-
Fair value of plan assets at the end of the year	64,79.18	56,50.25	-	-
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
III) Net (asset)/liability recognised in the Balance Sheet				
Present value of defined benefit obligation at the end of the year	73,58.27	63,60.00	3,28.20	2,67.04
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	(64,79.18)	(56,50.25)	-	-
Amount recognised in the Balance Sheet/ Net funded obligation	8,79.09	7,09.75	3,28.20	2,67.04
Net liability - current (Refer Note 22)	8,79.09	7,09.75	28.39	23.03
Net liability - non-current (Refer Note 17)	-	-	2,99.81	2,44.01
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
IV) Expenses recognised in the Statement of Profit and Loss for the year				
Current service cost	5,68.18	5,45.70	-	-
Interest cost on benefit obligation (net)	40.86	54.08	18.66	9.65
One Year Renewable Term Assurance (OYRTA) Premium	37.70	31.07	-	-
Total expenses included in Employee benefits expense	6,46.74	6,30.85	18.66	9.65
V) Recognised in other comprehensive income for the year				
Actuarial changes arising from changes in demographic assumptions	(56.86)	(62.66)	-	(10.71)
Actuarial changes arising from changes in financial assumptions	4,68.61	3,17.89	15.41	8.83
Actuarial changes arising from changes in experience adjustments	71.09	(54.84)	55.48	1,52.49
Return on plan assets excluding interest income	(13.11)	(30.01)	-	-
Recognised in other comprehensive income for the year (Refer Note 33)	4,69.73	1,70.38	70.89	1,50.61



(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
VI) Maturity profile of defined benefit obligation				
Within the next 12 months (next annual reporting period)	12,26.17	10,34.41	28.39	23.03
Between 2 and 5 years	28,52.89	27,57.99	1,13.73	93.64
Between 6 and 9 years	23,10.56	21,63.54	1,10.30	92.90
For 10 years and above	67,74.23	58,23.23	3,61.51	3,32.56

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	VII) Sensitivity analysis for significant assumption is as below :			
1. Increase/(decrease) on present value of defined benefits obligation at the end of the year				
Impact of 50 bps increase in discount rate	(3.46%)	(3.28%)	(3.65%)	(3.66%)
Impact of 50 bps decrease in discount rate	3.69%	3.49%	3.91%	3.92%
Impact of 100 bps increase in healthcare cost	-	-	8.08%	8.16%
Impact of 100 bps decrease in healthcare cost	-	-	(7.17%)	(7.23%)
Impact of increase by 1 year in life expectancy	-	-	4.77%	4.47%
Impact of decrease by 1 year in life expectancy	-	-	(4.70%)	(4.42%)
Impact of 50 bps increase in rate of salary increase	3.18%	3.08%	-	-
Impact of 50 bps decrease in rate of salary increase	(3.07%)	(3.02%)	-	-

2. Sensitivity analysis method

The Sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
VIII) The major categories of plan assets as a percentage of total				
Insurer managed funds	100%	100%	-	-

The Trustees have taken Policy from Life Insurance Corporation of India (LIC) and pays premium. LIC in turn manages the assets which is within the permissible limits prescribed in the insurance regulations. The Company does not foresee any material risk from these investments.

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
IX) Actuarial assumptions				
Discount rate	6.65%	7.30%	6.65%	7.30%
Salary escalation	10% until year 2 inclusive, and 7% thereafter	10% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	-	-
Rate of leaving service	Age related	Age related	-	-
Mortality post retirement rate	-	-	SIPA (90) Mortality table	SIPA (90) Mortality table
Annual increase in healthcare costs	-	-	6%	6%
Expected retirement age of employees (years)	58/60 years, as applicable	58/60 years, as applicable	60 years	60 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ **8,80.00 Lakhs** (March 31, 2019 : ₹ 7,10.00 Lakhs)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **7.14 years** (March 31, 2019 : 6.76 years) and for PRMB is **7.55 years** (March 31, 2019 : 7.58 years).

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

37. SHARE BASED COMPENSATION TO EMPLOYEES**a) International Stock Ownership Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

Abbott Laboratories, USA has an 'Affiliate Employee Stock Purchase Plan' (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of Abbott Laboratories, USA. Every employee who opts for the scheme contributes, by way of payroll deductions, up to 10% of his cash remuneration (i.e. basic salary for officers and basic salary and dearness allowance for staff category) towards purchase of shares on a monthly basis over the purchase cycle of six months.

The maximum that an employee can contribute to the plan is USD 12,500 per purchase cycle or USD 25,000 per calendar year. At the end of the cycle, accumulated payroll deductions are used to purchase shares at a discounted price. The purchase price of the share is 85% of the lesser of fair market value either on the first or last day of the



(All amounts in ₹ Lakhs, unless otherwise stated)

purchase cycle. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA and are purchased on behalf of the employees at market price less discount, allocated to participants as of last day of the purchase cycle. The concession in the price of the shares is entirely borne by Abbott Laboratories, USA.

During the year ended March 31, 2020, **16,151 shares** (March 31, 2019 : 15,088 shares) were purchased by employees at weighted average fair value of **US \$ 67.16** (March 31, 2019 : US \$ 53.98) per share.

b) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA as part of the 'Long-term Incentive Program' has offered Restricted Stock Units (RSUs) to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a NIL Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third instalments over a three year period. Pursuant to Ind AS 102 'Share-based Payment', the fair value of the RSUs have been recorded by the Company. The fair value of the RSUs is estimated at the grant date using Black Scholes Option Pricing Model, taking into account the terms and conditions upon which such RSUs were granted.

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	45,396	NA	57,127	NA
Add : Granted during the year	16,685	NA	19,957	NA
Add : Transfers in during the year	1,686	NA	355	NA
Less : Exercised during the year	(22,812)	NA	(23,521)	NA
Less : Cancelled/Expired during the year	(2,040)	NA	(7,228)	NA
Less : Transfers out during the year	(6,042)	NA	(1,294)	NA
Outstanding at the end of the year	32,873	NA	45,396	NA

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 88.64** (March 31, 2019 : US \$ 74.92).

The following tables list the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2020 and March 31, 2019, respectively :

	As at March 31, 2020	As at March 31, 2019
Dividend yield (%)	0%	0%
Expected volatility (%)	19.30%	20.11%
Risk-free interest rate (%)	1.33%	2.46%
Expected life of Restricted Stock Units (years)	3 years	3 years
Weighted average share price (₹)	₹ 6,235.19	₹ 5,368.06
Model used	Black Scholes	Black Scholes

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year, ₹ **5,32.31 Lakhs** (March 31, 2019 : ₹ 4,32.79 Lakhs) withholding taxes has been deposited with tax authorities against exercised options.

(All amounts in ₹ Lakhs, unless otherwise stated)

38. COMMITMENTS AND CONTINGENCIES**a. Commitments**

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,53.58	4,30.77

b. Contingent liabilities**(i) Claims against Company not acknowledged as debts**

In February 1996, the Government had made a tentative claim for a sum of ₹ 11,11.66 Lakhs to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for ₹ 3,46.64 Lakhs (including interest of ₹ 1,90.39 Lakhs upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of ₹ 3,46.64 Lakhs and filed a writ petition before the Bombay High Court to restrain the government from recovering the said amount. The Bombay High Court has admitted the writ petition and granted stay of the recovery of the amount subject to the Company furnishing a bank guarantee in respect of the principal amount of ₹ 1,56.25 Lakhs. The said bank guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of ₹ **1,19.58 Lakhs** (March 31, 2019 : ₹ 1,15.68 Lakhs) including interest liability till date.

	As at March 31, 2020	As at March 31, 2019
(ii) Income Tax	73,43.74	-
(iii) Sales Tax	33,00.35	35,13.86

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (iv) There are various interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund especially retrospective application (before March 1, 2019). As per the Supreme Court judgement, effective March 1, 2019 on a prospective basis, the Company has made payments in accordance with the definition of contributory wages for Provident Fund (PF) for all eligible employees and is in compliance of the judgment. Since the amount pertaining to retrospective application (before March 1, 2019), if any, of Supreme Court Order is not ascertainable, the Company will update its provision for the past period on receiving further clarity on the subject.

39. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. 'Pharmaceuticals'

(All amounts in ₹ Lakhs, unless otherwise stated)

40. RELATED PARTY DISCLOSURE**A) Parties where control exists :****Ultimate Holding Company :** Abbott Laboratories, USA**Holding Company :** Abbott Capital India Ltd., UK**B) Other related parties with whom transactions have taken place during the year :****I) Fellow subsidiaries :**

British Colloids Ltd., U.K.

Abbott Healthcare Products Ltd., U.K.

Abbott Healthcare Private Ltd., India

Abbott International LLC, USA

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott Manufacturing Pte Ltd., Singapore

Abbott GmbH, Germany

Alere Medical Private Limited, India

Abbott Laboratories S.A., Switzerland

Abbott Laboratories S.A., Dubai

Abbott Laboratories Services LLC, Sri Lanka Branch

St Jude Medical India Private Limited, India

II) Key Management personnel and Independent directors :

Mr. Ambati Venu, Non-executive Director (ceased to be the Managing Director effective close of business hours on February 29, 2020)

Mr. Munir Shaikh, Chairman

Mr. Rajiv Sonalker, Whole-Time Director

Mr. Krishna Mohan Sahni, Independent Director (ceased to be the Director effective close of business hours on October 28, 2019)

Ms. Anisha Motwani, Independent Director (w.e.f. April 25, 2018)

Mr. Rajendra Shah, Independent Director (ceased to be the Director effective close of business hours on March 31, 2019)

Mr. Sudarshan Jain, Independent Director (w.e.f. April 1, 2019)

Ms. Shalini Kamath, Independent Director (w.e.f. October 29, 2019)

C) Transactions during the year :**I) Transactions with the Holding Company during the year**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Capital India Ltd., UK		
Remittance of dividend	69,6741	58,95.50

(All amounts in ₹ Lakhs, unless otherwise stated)

II) Transactions with fellow subsidiaries during the year**i) Remittance of dividend :**

	For the year ended March 31, 2020	For the year ended March 31, 2019
British Colloids Ltd., U.K.		
Remittance of dividend	9,55.50	8,08.50
Abbott Healthcare Products Ltd., U.K		
Remittance of dividend	24,34.22	20,59.72

ii) Sales to fellow subsidiaries :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India		
Sales of stock-in-trade	56,85.73	56,24.56
Sales of raw materials	47,11.52	46,79.97
Sale of capital goods	-	32.99
Abbott Products Operations AG., Switzerland		
Sales of stock-in-trade	85.54	-

iii) Purchases from fellow subsidiaries :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India		
Purchase of raw materials	4,91.58	4,93.78
Purchase of stock-in-trade	145,05.60	120,73.92
Abbott Products Operations AG., Switzerland		
Purchase of raw materials	297,28.34	296,21.37
Purchase of stock-in-trade	80,03.73	35,46.38

iv) Purchase of capital goods from fellow subsidiary :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Alere Medical Private Limited, India		
Purchase of capital goods	-	12.09

v) Other expenses to fellow subsidiaries :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India		
Promotional expenses	62.81	1,54.74
Conversion charges	16,63.05	9,15.63
Payment of lease liabilities*	32,88.60	-
Finance costs*	1,97.67	-
Electricity and communication expenses	72.00	72.00
Alere Medical Private Limited, India		
Promotional expenses	5.63	2.22

* In the current year, the Company adopted Ind AS 116 'Leases', with the date of initial application as April 1, 2019.

vi) Interest from fellow subsidiary :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Alere Medical Private Limited, India		
Interest income on loan (Refer Note 25)	-	12,54.80



(All amounts in ₹ Lakhs, unless otherwise stated)

vii) Reimbursements to and from fellow subsidiaries :

	Reimbursement to		Reimbursement from	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India				
Shared and support services	10,14.00	10,14.00	-	-
Rent expenses	-	32,88.60	-	-
Market research and other expenses	-	-	15.17	13.15
Abbott International LLC, USA				
Employee benefits expense, travel and other expenses	28.45	34.04	-	-
Abbott Manufacturing Pte Ltd., Singapore				
Employee benefits expense, travel and other expenses	-	-	-	8.47
Abbott Laboratories (Singapore) Pte Ltd., Singapore				
Employee benefits expense, travel and other expenses	39.66	12.52	26.79	19.01
Abbott Products Operations AG., Switzerland				
Employee benefits expense, travel and other expenses	-	-	1,60.37	1,20.35
Abbott Laboratories S.A., Switzerland				
Employee benefits expense, travel and other expenses	-	-	9.51	6.30
Abbott GmbH, Germany				
Employee benefits expense, travel and other expenses	-	-	10.49	-
Abbott Laboratories Services LLC, Sri Lanka Branch				
Employee benefits expense, travel and other expenses	-	-	25.30	-

viii) Income from fellow subsidiaries :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India		
Shared and support services (Refer Note 24 (b))	16,26.00	16,26.00
Rent income (Refer Note 25)	1,14.52	1,14.53
Abbott Products Operations AG., Switzerland		
Shared and support services (Refer Note 24 (b))	3,70.75	5,08.51
Abbott Laboratories S.A., Dubai		
Shared and support services (Refer Note 24 (b))	1,26.94	33.60
Abbott Laboratories (Singapore) Pte Ltd., Singapore		
Shared and support services (Refer Note 24 (b))	1,26.94	33.60
St Jude Medical India Private Limited, India		
Shared and support services (Refer Note 24 (b))	61.56	-

(All amounts in ₹ Lakhs, unless otherwise stated)

ix) Lease liabilities from fellow subsidiary :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Abbott Healthcare Private Ltd., India		
Recognition of lease liabilities*	134,55.09	-

*In the current year, the Company adopted Ind AS 116 'Leases', with the date of initial application as April 1, 2019.

x) Key management personnel remuneration* :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Ambati Venu, Non-executive Director (ceased to be the Managing Director effective close of business hours on February 29, 2020)	7,14.73	6,50.75
Mr. Rajiv Sonalker, Whole-Time Director	3,29.82	3,04.76

*During the year, as a part of the 'Long-term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ **3,64.49 Lakhs** (March 31, 2019 : ₹ 2,69.88 Lakhs) have been granted to the above employees. Also refer Note 37 (b).

Also, provision for post employment benefits as contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall company basis are not included in remuneration to key management personnel.

xi) Non-Executive, Other Directors' sitting fees :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Munir Shaikh, Chairman	10.50	15.00
Mr. Rajendra Shah, Independent Director (ceased to be the Director effective close of business hours on March 31, 2019)	-	16.00
Mr. Krishna Mohan Sahni, Independent Director (ceased to be the Director effective close of business hours on October 28, 2019)	9.00	14.50
Ms. Anisha Motwani, Independent Director (w.e.f. April 25, 2018)	13.50	13.00
Mr. Sudarshan Jain, Independent Director (w.e.f. April 1, 2019)	12.00	-
Ms. Shalini Kamath, Independent Director (w.e.f. October 29, 2019)	5.50	-

D) Outstanding :

	As at March 31, 2020	As at March 31, 2019
Trade payable to fellow subsidiaries (Refer Note 19)		
Abbott Products Operations AG., Switzerland	86,30.69	109,66.44
Abbott Healthcare Private Ltd., India	14,69.88	18,05.45
Alere Medical Private Limited, India	-	3.88
Abbott Laboratories (Singapore) Pte Ltd., Singapore	2.74	-
	101,03.31	127,75.77
Lease Liabilities to fellow subsidiary (Refer Note 41)		
Abbott Healthcare Private Ltd., India	133,17.75	-
	133,17.75	-

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Other payable to fellow subsidiary (Refer Note 20)		
Abbott Healthcare Private Ltd., India	44.66	44.66
	44.66	44.66
Trade receivables from fellow subsidiaries (Refer Note 9)		
Abbott Healthcare Private Ltd., India	24,76.57	54,45.04
Abbott Products Operations AG., Switzerland	26.47	-
	25,03.04	54,45.04
Other receivables from fellow subsidiaries (Refer Note 13)		
Abbott Products Operations AG., Switzerland	58.61	47.68
Abbott Healthcare Private Ltd., India	66.30	1,17.97
Abbott Laboratories Services LLC, Sri Lanka Branch	2.01	-
Abbott International LLC, USA	5,36.04	3,98.31
Abbott Laboratories S.A., Switzerland	-	6.13
Abbott Laboratories S.A., Dubai	20.05	32.99
Abbott Laboratories (Singapore) Pte Ltd., Singapore	23.42	10.86
Abbott GmbH, Germany	11.16	-
St Jude Medical India Private Limited, India	66.49	-
	7,84.08	6,13.94
Loan and deposit to fellow subsidiaries		
Abbott Healthcare Private Ltd., India (Refer Note 5, 7, 14 and 41)	14,77.10	14,67.67

Terms and conditions of transactions with related parties :

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

41. LEASES

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application.

A) The effect of adoption of Ind AS 116 is as follows :

	As at April 1, 2019
i) Impact on Balance Sheet (increase/(decrease)) :	
Assets	
Right-of-use assets	62,85.86
Deferred tax asset	2,39.23
Total assets	65,25.09
Equity	
Retained earnings (net of tax)	7,11.29
Total equity	7,11.29
Liabilities	
Lease liabilities	72,36.38
Total liabilities	72,36.38

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2020
ii) Impact on Statement of Profit and Loss (increase/(decrease) in profit) :	
Amortisation of Right-of-use assets (Refer Note 31)	(41,24.69)
Rent expenses	50,04.90
Finance costs (Refer Note 30)	(5,89.92)
Gain on early termination of leases (Refer Note 25)	4.18
Profit for the period	2,94.47

	For the year ended March 31, 2020
iii) Impact on statement of cash flows (increase/(decrease)) :	
Finance costs (Refer Note 30)	5,89.92
Amortisation of Right-of-use assets (Refer Note 31)	41,24.69
Gain on early termination of leases (Refer Note 25)	(4.18)
Net cash flows from operating activities	47,10.43
Payment of lease liabilities	(50,04.90)
Net cash flows from financing activities	(50,04.90)

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee. The Company recognised lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company applied Ind AS 116 at the date of initial application.

As at April 1, 2019 :

- Right-of-use assets were recognised and presented separately in the Balance Sheet.
- Lease liabilities were recognised and included under 'Financial Liabilities'.
- Retained earnings decreased due to the net impact of these adjustments.
- Deferred tax asset increased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.

For the year ended March 31, 2020 :

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e. increase in Right-of-use assets, net of the decrease in 'Property, plant and equipment'). This resulted in increases in depreciation and amortisation expenses of ₹ 41,24.69 Lakhs.
- Rent expenses included in 'Other expenses', relating to previous operating leases, decreased by ₹ 50,04.90 Lakhs, due to transfer of actual rent expenses to lease liabilities.
- Finance costs increased by ₹ 5,89.92 Lakhs relating to the interest expense on additional lease liabilities recognised.
- Income tax expense changed by ₹ NIL relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by ₹ 47,10.43 Lakhs and cash outflows from financing activities increased by ₹ 50,04.90 Lakhs relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.
- The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.81%.

B) Right-of-use assets :

The Company has lease contracts for various items of Buildings, Vehicles and Furniture & Fixtures used in its operations. Leases of Buildings generally have lease terms between 2 to 9 years, Vehicles have lease terms between 2 to 5 years and Furniture & Fixtures have lease terms between 3 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(All amounts in ₹ Lakhs, unless otherwise stated)

The changes in the carrying value of Right-of-use assets for the year ended March 31, 2020 are as follows :

	Buildings	Vehicles	Furniture and Fixtures	Total
Balance as at April 1, 2019	59,56.55	2,37.14	2,57.41	64,51.10
Additions	132,77.56	91.08	13,33.02	147,01.66
Deletions	(19.24)	(6.53)	-	(25.77)
Depreciation	(38,50.80)	(1,28.84)	(2,76.04)	(42,55.68)
Balance as at March 31, 2020*	153,64.07	1,92.85	13,14.39	168,71.31

* Includes ₹ 38.59 Lakhs (Balance as at April 1, 2019 includes ₹ 1,65.24 Lakhs) towards deferred lease assets. Out of this deferred lease assets, ₹ 19.81 Lakhs (Balance as at April 1, 2019 includes ₹ 1,38.68 Lakhs) is towards deposit given to a related party (Refer Note 40 (D)).

C) Lease liabilities :

Set out below are the carrying amounts of lease liabilities and the movements during the period :

	As at April 1, 2019
Balance as at April 1, 2019	72,36.38
Additions	146,97.32
Accretion of interest	5,89.92
Termination	(29.95)
Payments	(50,04.90)
Balance as at March 31, 2020*	174,88.77
Current	35,68.45
Non-current	139,20.32

* Includes ₹ 133,17.75 Lakhs pertaining to lease liabilities towards related party (Refer Note 40 (D)).

The maturity analysis of lease liabilities are disclosed in Note 44.

D) Impact on Profit or Loss :

	For the year ended March 31, 2020
Amortisation of Right-of-use assets (Refer Note 31)	41,24.69
Deferred lease expense on security deposits (Refer Note 31)	1,30.99
Finance costs (Refer Note 30)	5,89.92
Expense relating to short-term leases (Refer Note 32)	17.61
Gain on early termination of leases (Refer Note 25)	(4.18)
Total amount recognised in profit or loss	48,59.03

E) Company as lessor :

The Company has recognised rent income from leasing of a property amounting to ₹ 1,14.52 Lakhs (March 31, 2019 : ₹ 1,14.53 Lakhs) in the Statement of Profit and Loss under 'Other Income' (Refer Note 25). The lease agreement is of cancellable nature.

Future minimum rentals receivable under non-cancellable operating leases are as follows :

	As at March 31, 2020	As at March 31, 2019
Within one year	85.89	1,14.52
After one year but not more than five years	-	85.89
More than five year	-	-
	85.89	2,00.41

(All amounts in ₹ Lakhs, unless otherwise stated)

42. DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) AND SECTION 186 (4) OF THE COMPANIES ACT, 2013 :

During the previous year ended March 31, 2019, the Company had rolled over the loan of ₹ 200,00.00 Lakhs which was granted to Alere Medical Private Limited, India, a fellow subsidiary on December 26, 2017, for a further period of six months effective June 27, 2018, at an interest rate of 10% per annum in accordance with the provisions of Section 186 of the Companies Act, 2013 and Rules made thereunder, for the purpose of working capital funding requirement. The same was guaranteed by Abbott Laboratories, USA i.e. the Ultimate Holding Company. The said loan was repaid by Alere Medical Private Limited on November 15, 2018 with outstanding interest up to that date.

Nature of the transaction	Purpose for which the loan is proposed to be utilised by recipient	Maximum balance outstanding during the year ended		Maximum balance outstanding during the year ended	
		As at March 31, 2020	March 31, 2020	As at March 31, 2019	March 31, 2019 [®]
Loan given to fellow subsidiary :					
Alere Medical Private Limited, India	Funding for working capital requirement	-	-	-	208,92.60

[®] Including accrued interest ₹ 9,91.78 Lakhs, net of TDS ₹ 8,92.60 Lakhs for the year ended March 31, 2019.

43. FAIR VALUE DISCLOSURE

A. The carrying value and fair value of financial assets/liabilities by categories are as follows :

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets/liabilities at amortised cost				
Financial assets at amortised cost (non-current) :				
Loans (Refer Note 5)	16,78.21	16,10.70	16,78.21	16,10.70
Other financial assets (Refer Note 6)	36,26.30	36,65.80	36,26.30	36,65.80
Financial assets at amortised cost (current) :				
Trade and other receivables (Refer Note 9)	317,91.49	276,11.43	317,91.49	276,11.43
Cash and cash equivalents (Refer Note 10)	145,13.79	137,00.61	145,13.79	137,00.61
Bank balances other than cash and cash equivalents (Refer Note 11)	2052,23.67	1547,27.71	2052,23.67	1547,27.71
Loans (Refer Note 12)	6,14.13	7,30.24	6,14.13	7,30.24
Other financial assets	67,96.13	73,34.39	67,96.13	73,34.39
Financial liabilities at amortised cost (non-current) :				
Lease liabilities (Refer Note 41)	139,20.32	-	139,20.32	-
Financial liabilities at amortised cost (current) :				
Lease liabilities (Refer Note 41)	35,68.45	-	35,68.45	-
Trade payables (Refer Note 19)	657,77.18	663,51.57	657,77.18	663,51.57
Other financial liabilities	50,76.93	48,63.78	50,76.93	48,63.78

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets/liabilities at fair value through Profit or Loss				
Financial assets at fair value through Profit or Loss (current) :				
Forward contract receivable	4,41.43	-	4,41.43	-
Financial liabilities at fair value through Profit or Loss (current) :				
Forward contract payable	-	3,34.71	-	3,34.71

B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :

Particulars	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2020	As at March 31, 2020	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets at amortised cost					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 5)	14,57.29	14,57.29	-	-	14,57.29
Deposits for premises (Refer Note 5)	1,00.24	1,00.24	-	-	1,00.24
Against tenders (Refer Note 5)	1,20.68	1,20.68	-	-	1,20.68
Other financial assets (Refer Note 6)	36,26.30	36,26.30	-	-	36,26.30
	53,04.51	53,04.51	-	-	53,04.51
Financial liabilities at fair value through Profit or Loss					
Lease liabilities (Refer Note 41)	174,88.77	174,88.77	-	-	174,88.77
	174,88.77	174,88.77	-	-	174,88.77
Total	227,93.28	227,93.28	-	-	227,93.28
Financial assets at fair value through Profit or Loss					
Forward contract receivable	4,41.43	4,41.43	-	4,41.43	-
Total	4,41.43	4,41.43	-	4,41.43	-

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2019	As at March 31, 2019	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets at amortised cost					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 5)	13,28.99	13,28.99	-	-	13,28.99
Deposits for premises (Refer Note 5)	87.19	87.19	-	-	87.19
Against tenders (Refer Note 5)	1,94.52	1,94.52	-	-	1,94.52
Other financial assets (Refer Note 6)	36,65.80	36,65.80	-	-	36,65.80
Total	52,76.50	52,76.50	-	-	52,76.50
Financial liabilities at fair value through Profit or Loss					
Forward contract payable	3,34.71	3,34.71	-	3,34.71	-
Total	3,34.71	3,34.71	-	3,34.71	-

The following methods and assumptions were used to estimate the fair values :

Fair value of cash and bank balances, short-term loans, trade and other short-term receivables, trade payables, other financial current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

During the reporting period ending March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

(All amounts in ₹ Lakhs, unless otherwise stated)

Description of significant unobservable inputs to valuation (Level 3) :

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value :

	As at March 31, 2020	As at March 31, 2019
a) Deposits for premises	Discounted cashflow method using interest rate for similar financial instrument	Discounted cashflow method using interest rate for similar financial instrument
b) Lease liabilities	Discounted cashflow method using incremental borrowing rate	-
c) Financial assets/liabilities other than above	Expected cashflows for the financial instruments	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below :

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks.

Particulars	Carrying Amount	
	As at March 31, 2020	As at March 31, 2019
Fixed rate instruments		
Financial assets	2168,67.58	1572,07.61

(All amounts in ₹ Lakhs, unless otherwise stated)

Fair value sensitivity analysis for fixed rate instruments :

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

The Company's exposure to foreign currency risk is as follows :

Particulars (₹ Lakhs)	As at March 31, 2020			As at March 31, 2019	
	USD	Euro	GBP	USD	Euro
Trade receivables	1,82.11	-	-	4,05.84	-
Other financial assets	18,45.29	-	-	4,94.13	9,86.38
Trade payables	120,35.55	12.03	(0.61)	130,14.19	9,86.38

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, being the most transacted currencies with all other variables held constant. The exchange rate between Rupee and other foreign currencies have changed substantially in the recent years and may fluctuate substantially in the future. Consequently the results of the Company's operations could be affected as the Rupee appreciates/depreciates against these currencies.

Currency	As at March 31, 2020		As at March 31, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(1,00.08)	1,00.08	(1,21.14)	1,21.14
Euro	(0.12)	0.12	-	-
GBP	(0.01)	0.01	-	-
Increase/(Decrease) in Profit or Loss	(1,00.21)	1,00.21	(1,21.14)	1,21.14

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

(All amounts in ₹ Lakhs, unless otherwise stated)

Credit risk of company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balance with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ **2646,85.14 Lakhs** as at March 31, 2020 (March 31, 2019 : ₹ 2093,80.87 Lakhs). Customer credit risk is managed for each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Further, significant sales of the Company are against advance payment/collection on delivery terms. Outstanding customer receivables are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The ageing of trade receivables and allowance for credit loss is as follows :

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross	Allowances for credit losses	Gross	Allowances for credit losses
Not yet due	214,58.97	18.76	202,84.17	0.34
Past due 1 - 30 days	68,85.19	-	36,40.08	8.03
Past due 31 - 60 days	10,50.86	93.47	12,26.64	4.57
Past due 61 - 90 days	2,24.23	-	7,52.40	8.29
Over 90 days	33,03.41	10,18.94	28,27.23	10,97.86
Total	329,22.66	11,31.17	287,30.52	11,19.09

Movement in allowance for credit loss :

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	14,66.77	15,34.65
Allowance for credit impaired debts	38.70	49.69
Allowance for credit impaired advances	62.03	(48.44)
Bad debts written off	(26.62)	(69.13)
Balance at the end of the year	15,40.88	14,66.77

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivables balances.

The credit risk on liquid funds such as balances with banks in current and deposit accounts is limited because the counter parties are banks with reasonably high credit ratings.

Financial assets other than trade receivables and bank balances are not exposed to any material credit risk.

c) Liquidity risk

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at March 31, 2020 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer Note 19)	657,77.18	657,77.18	-	-	-	657,77.18
Other current financial liabilities (Refer Note 20)	50,76.93	50,76.93	-	-	-	50,76.93
Lease Liabilities (Refer Note 41)	174,88.77	48,75.36	85,01.44	76,31.03	5,54.77	215,62.60
	883,42.88	757,29.47	85,01.44	76,31.03	5,54.77	924,16.71

The details of the contractual maturities of significant liabilities as at March 31, 2019 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer Note 19)	663,51.57	663,51.57	-	-	-	663,51.57
Other current financial liabilities (Refer Note 20)	51,98.49	5,198.49	-	-	-	51,98.49
	715,50.06	715,50.06	-	-	-	715,50.06

45. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

46. During these unprecedented times caused by the COVID-19, as a pharmaceutical company, our focus remains to ensure the uninterrupted supply of our products to meet the needs of our customers.

To help protect our Abbott employees, we have taken measures at our plant in Goa to limit exposure, implement social distancing and provide a healthy work environment for the employees onsite. Office-based work is being conducted remotely and the Company has implemented strict travel restrictions.

The Goa plant initially worked at a lower capacity but now is operating at sufficient capacity. Availability of raw materials and finished stocks from third party manufacturers as well as supply chain and distribution were marginally impacted initially due to the lockdown. However, sufficient levels of stocks have been maintained in the channel to cater to demand.



There has been no significant adverse impact on business operations. The Company has adequate liquidity to service its obligations to its vendors and employees, as well as for payment of statutory dues.

The Management has exercised due care, made reasonable judgements and estimates, inter alia, in determining carrying amounts of trade receivables, property, plant & equipment, inventories and other financial assets based on the information available to date, while preparing the financial results as of and for the year ended March 31, 2020.

In view of the uncertainties regarding the extent and duration of the current COVID-19 situation, we are unable to predict the future impact on the business operations. The Company will continue to closely monitor the situation and take appropriate measures in an attempt to mitigate adverse impact.

- 47.** The Company has bank overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.
- 48.** Previous year's figures have been regrouped/reclassified to conform to the current year's classification.

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**

Partner

Membership No. 49365

Place : Mumbai

Date : June 8, 2020

For and on behalf of the Board of Directors

SUDARSHAN JAIN

Director

DIN : 00927487

AMBATI VENU

Director

DIN : 07614849

RAJIV SONALKER

CFO and Whole-time Director

DIN : 07900178

Place : Mumbai

Date : June 8, 2020

KRUPA ANANDPARA

Company Secretary

Membership No. ACS 16536

NOTICE

Notice is hereby given that the Seventy-sixth Annual General Meeting of Abbott India Limited will be held through Video-Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) on Monday, September 7, 2020 at 9.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 107/- and special dividend of ₹ 143/- per Equity Share for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr Kaiyomarz Marfatia (DIN : 03449627), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To appoint a Director in place of Mr Munir Shaikh (DIN : 00096273), who has attained the age of seventy-five years and, who retires by rotation and being eligible, offers himself for re-appointment.**

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

RESOLVED That pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded to the re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of seventy-five years and who retires by rotation at this Annual General Meeting and being eligible for re-appointment, as Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS :

5. **Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, for the financial year 2020-21**

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

RESOLVED That pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), remuneration of ₹ 7.50 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, as approved by the Audit Committee and Board of Directors of the Company, payable to M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), for conducting the Cost Audit of the Company for the financial year 2020-21, be and is hereby ratified.

6. **Appointment of Ms Shalini Kamath (DIN : 06993314) as an Independent Director**

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

RESOLVED That pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms Shalini Kamath (DIN : 06993314), who was appointed as Additional Director by the Board of Directors effective October 29, 2019, in terms of the provisions of Section 161 of the Act, read with Article 113 of the Articles of Association of the Company, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, from a Member proposing her candidature for the office of Director and who has submitted the declaration that she meets the requisite criteria of independence, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) years effective October 29, 2019.

7. **Appointment of Mr Ambati Venu (DIN : 07614849) as Director, liable to retire by rotation**

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



RESOLVED That Mr Ambati Venu (DIN : 07614849), who was appointed as Additional Director of the Company by the Board of Directors effective March 1, 2020, in terms of the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), read with Article 113 of the Articles of Association of the Company, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

8. Appointment of Mr Anil Joseph (DIN : 08753233) as Director

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

RESOLVED That Mr Anil Joseph (DIN : 08753233), who was appointed as Additional Director of the Company by the Board of Directors effective July 1, 2020, in terms of the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), read with Article 113 of the Articles of Association of the Company, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

9. Appointment of Mr Anil Joseph (DIN : 08753233) as Managing Director

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

RESOLVED That in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), read with Article 133 of the Articles of Association of the Company and subject to

approval of the Central Government and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr Anil Joseph (DIN : 08753233) as the Managing Director, not liable to retire by rotation, for a period of 5 (five) years with effect from July 1, 2020, on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit.

RESOLVED Further That the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

10. Approval of transactions/contracts/arrangements with Related Party

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

RESOLVED That pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“the Listing Regulations”), consent of the Company, be and is hereby accorded to the Audit Committee/Board of Directors to enter into transactions/contracts/arrangements with Abbott Healthcare Private Limited, [a ‘Related Party’ as per the provisions of the Companies Act, 2013 (“the Act”) and the Listing Regulations], in the ordinary course of its business and on arm’s length basis, for purchase and sale of products; goods; raw materials; active pharmaceutical ingredients; stock-in-trade, availing or rendering of services, reimbursement of expenses, recovery of cost, rent payments, buying/leasing of property, lending or borrowing of monies (as may be permissible under the applicable provisions of the Act) or such other transactions on such terms and conditions as may be mutually agreed upon between the Company and the Related Party for an amount not exceeding ₹ 800 Crore (Rupees Eight Hundred Crores) in each financial year for a period of 5 (five) years upto the financial year 2024-25.

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

11. Approval for increase in Foreign Investment limits into the Company

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

RESOLVED That subject to the provisions of Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and the Consolidated Foreign Direct Investment Policy Circular of 2017 dated August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and other applicable rules, guidelines, regulations, notifications, circulars, provisions, if any, (including any amendment(s), or re-enactment(s) or re-notification(s) of each of the above for the time being in force), and subject to other statutory/regulatory compliances and approvals (including approval from the Central Government for increase in sectoral cap for foreign investment and any attendant conditions stipulated thereunder) as may be necessary, consent of the Company be and is hereby accorded for acquiring and holding equity shares of the Company, by the Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)/Non-Resident Indians (NRIs) under the portfolio scheme up to 5% of the total paid up share capital of the Company, provided that the composite cap for total foreign investment from all sources (including investments received under the Portfolio Investment Scheme, Foreign Venture Capital Investors (FVCIs), Foreign Direct Investment (FDI) and indirect foreign investment, etc., in any combination thereof) shall not exceed 80% of the total paid up share capital of the Company, on a fully diluted basis.

RESOLVED Further That the Board of Directors of the Company, be and is hereby authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution and to delegate all or any of its powers herein

conferred to any committee of Board of Directors or any one or more of the Directors of the Company, for giving effect to this Resolution.

By Order of the Board

Krupa Anandpara

Company Secretary

Membership No. : ACS 16536

Mumbai

August 7, 2020

Registered Office :

Abbott India Limited

CIN : L24239MH1944PLC007330

3, Corporate Park, Sion-Trombay Road,

Mumbai - 400 071

Telephone No. : +91-22-6797 8888/+91-22-5046 1000/2000

Fax : +91-22-5016 9400

Email : investorrelations.india@abbott.com

Website : www.abbott.co.in

NOTES :

- i. In view of the prevailing situation due to COVID-19 pandemic and pursuant to the Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020, respectively, followed by Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs ("MCA Circulars"), the Annual General Meeting of the Company ("the Meeting") shall be held through Video-Conferencing ("VC") or Other Audio-Visual Means ("OAVM").
- ii. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- iii. Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.



- iv. A statement pursuant to Section 102(1) of the Act, relating to the Business to be transacted from Item Nos. 4 to 11 is annexed hereto.
- v. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and the Secretarial Standards issued by the Institute of Company Secretaries of India, are annexed hereto.
- vi. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 1, 2020 to Monday, September 7, 2020 (both days inclusive).
- vii. Final dividend of ₹ 107/- and special dividend of ₹ 143/- per Equity Share of ₹10/- each, as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on and from September 14, 2020 to the Members whose names appear on the Register of Members as on September 7, 2020 and to the Beneficial Owners of the Shares as on August 31, 2020, as per the details furnished by the Depositories for this purpose.
- viii. The SEBI has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar and Share Transfer Agent.
- ix. In view of the prevailing lockdown due to COVID-19 pandemic, the Dividend will be paid electronically in the bank accounts of the Members whose bank details are available with the Company/Registrar and Share Transfer Agent/Depositories.

Members holding shares in electronic form are requested to intimate change, if any, in their registered address or bank details to their Depository Participants with whom they have Demat accounts. The Company or Registrar and Share Transfer Agent cannot act on any request received directly from such Members. Members holding shares in physical form are requested to intimate change, if any, in their registered address or bank details to the Company/Registrar and Share Transfer Agent.

For the Members, whose bank details are not updated/ registered as aforesaid, the Company shall withhold the demand drafts and shall dispatch the same once the lockdown is lifted and postal services are normalized.

- xi. Members holding shares in electronic form are required to contact their Depository Participants to register/ change their nomination.

Members holding shares in physical form are advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>

- xii. Members who have not encashed their dividend warrants from the year 2013-14 or thereafter, are requested to write to the Company/Registrar and Transfer Agent for issue of new demand drafts. Members are requested to note that the unclaimed dividends will be transferred to the Investor Education and Protection Fund (IEPF) after the below mentioned due dates :

Dividend and Year	Dividend per Share	Due Date of Transfer to IEPF
56 th Dividend 2013-14	23	30/08/2021
57 th Dividend 2014-15	31	27/08/2022
58 th Dividend 2015-16	35	16/08/2023
59 th Dividend 2016-17	40	16/08/2024
60 th Dividend 2017-18	55	16/08/2025
61 st Dividend 2018-19	65	20/09/2026

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/ unclaimed (as on date of the last Annual General Meeting held on August 22, 2019) on the Company’s website under the Investor Section at <https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

- xiii. In terms of requirements of Regulation 39(4) and Schedule VI of the Listing Regulations, shares which remained unclaimed in the custody of the Company are required to be transferred to the Suspense Account opened by the Company.

Accordingly, details of the unclaimed shares lying in the Company's Unclaimed Suspense Account are as follows :

Particulars	Number of Shareholders	Number of Shares
Aggregate number as at April 1, 2019	187	23,993
Number of shares claimed and transferred from the Unclaimed Suspense Accounts during the year	1	165
Number of shares transferred to Investor Education and Protection Fund	148	19,117
Aggregate number as at March 31, 2020	38	4,711

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

- xiv. As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/Registrar and Share Transfer Agent, for any assistance in this regard.
- xv. In terms of requirements of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the IEPF Authority ("IEPF Authority").

During the year 2019-20, the Company has transferred 31,212 Equity Shares held by 239 Members to the IEPF Authority in July 2019. The details of shares so transferred is available on the Company's website under the Investor Section at [https://www.abbott.co.in/investor-](https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html)

[relations/other-information/unclaimed-dividend.html](https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html)

The said details are also provided in the Corporate Governance Report.

The Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares and unclaimed dividends by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. A Member can file only one consolidated claim in a financial year as per the said Rules and amendments thereto.

During the year, 7 claims were received from Members, details of which are as follows :

Particulars	Number of Shareholders	Number of Shares
Aggregate number as at April 1, 2019	396	66,989
Transferred to IEPF Authority during the year	239	31,212
Claims brought forward	3	812
Claims received from Shareholders during the year	7	1,305
Claims processed by IEPF Authority	5	1,276
Claims pending with IEPF Authority	5	841
Aggregate number as at March 31, 2020	630	96,925

- xvi. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on investorrelations.india@abbott.com at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- xvii. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.
- xviii. The Ministry of Corporate Affairs has undertaken a **"Green Initiative in Corporate Governance"** and allowed companies to share documents with its shareholders through an electronic mode. In line with MCA Circulars and the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Annual Report for the financial year 2019-20 along with the Notice of Seventy-sixth Annual General Meeting,



will be sent through electronic mode to the Members whose email addresses are available with the Company/ Depositories/Depository Participants.

The aforesaid documents shall also be available on the Company' website <https://www.abbott.co.in/investor-relations/financials.html> and on the websites of the BSE Limited at www.bseindia.com and NSDL at www.evoting.nsdl.com

The Members whose email addresses are not registered with the Company are requested to do so by following the instructions given under Part E.

- xix. The relevant documents referred to in the accompanying Notice and Explanatory Statement will be provided upon request, in electronic mode upto the date of the Meeting. The Members are required to write to investorrelations.india@abbott.com with a subject "Inspection of Documents".

xx. **Voting through electronic means**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2015, Regulation 44 of the Listing Regulations and in line with the MCA Circulars, the Company is pleased to provide to its Members the facility to exercise their vote through electronic means i.e. 'remote e-voting' on resolutions proposed to be passed at the Meeting. In line with the MCA Circulars, Members are required to communicate their assent or dissent through the remote e-voting system only.

- a. The facility for voting shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.
- b. The remote e-voting facility will be available during the following voting period :

Commencement of remote e-voting	: From 9 a.m. (IST) on Friday, September 4, 2020
End of remote e-voting	: Upto 5 p.m. (IST) on Sunday, September 6, 2020

- c. Mr Taizoon M. Khumri, Practicing Company Secretary (CP No. 88) (Membership No. FCS 993) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. August 31, 2020 ("Cut-off date") only shall be entitled to avail the facility of remote e-voting or voting at the Meeting, as the case may be, in proportion to the shares held as on the Cut-off date.
- e. Any person who acquires the shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on Cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote.
- f. The facility of voting will be provided at the Meeting for the Members attending the Meeting and who have not cast their vote earlier by remote e-voting.
- g. A Member can participate in the Meeting through VC/OAVM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting
- h. Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.
- i. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit, not later than forty-eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- j. The Results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of the Meeting. The results declared shall alongwith the consolidated Report of the Scrutinizer be placed on the website of the Company i.e. www.abbott.co.in and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai and also be displayed on the Notice Boards of the Registered and Corporate Offices of the Company.

Process and Manner of remote e-voting :

Part A : Instructions for login :

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL : <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders section’.
3. A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your User ID is 12*****.

c) For Members holding shares in physical Form	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001***
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5. Your password details are given below :
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which will be communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digit of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial Password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password :
 - a) If you are holding shares in your demat account with NSDL or CDSL, click on **“Forgot User Details/ Password?”** option available on www.evoting.nsdl.com
 - b) If you are holding shares in physical mode, click on **“Physical User Reset Password?”** option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at



evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box and click on “Login” button.
8. Thereafter Home page of e-voting will open.

Part B : Instructions to cast your vote :

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles and you will be able to see “EVEN” of all the companies in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of Abbott India Limited.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Part C : General Instructions :

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cstaizoomkhumri@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. : 1800-222-990 or write to Ms Sarita Mote – Assistant Manager at SaritaM@nsdl.co.in/evoting@nsdl.co.in/ + 91 22 2499 4890/National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Part D : Instructions for voting by the Members at Meeting attended through VC/OAVM :

1. Only those Members, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.
2. Members who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
3. The Members may connect with Ms Sarita Mote – Assistant Manager - NSDL at evoting@nsdl.co.in for any grievances/concerns relating to e-voting during the Meeting.

Part E : Instructions for registration of Email address :

The Members whose email addresses are not registered with the Company are requested to do so by following the process given below :

- In case shares are held in physical mode, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to investorrelations.india@abbott.com
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to investorrelations.india@abbott.com
- Post successful registration of the email address, the Member would get soft copy of the Notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Meeting. In case of any queries, Member may write to investorrelations.india@abbott.com

xxi. **Instructions for Members for attending the Meeting through VC/OAVM :**

1. Member will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-voting system. Members may attend the Meeting and view the live webcast at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Meeting and will be available for Members on first-come-first-served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience. Speakers will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. **Speaker Registration/Questions for the Meeting :**

Members, who would like to express their views/have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorrelations.india@abbott.com from Monday, August 24, 2020 to Monday, August 31, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.

xxii. Considering the Meeting would be held through VC/OAVM, the route Map for the venue is not annexed to the Notice.

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

Item No. 4

Mr Munir Shaikh (DIN : 00096273), Non-Executive Chairman of the Board retires by rotation at this Annual General Meeting of the Company in terms of provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

In terms of the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended from time to time, no person who has attained the age of seventy-five years shall be appointed or continued as a Director unless a special resolution is passed approving such appointment or continuation. Considering that Mr Shaikh has attained the age of seventy-five years, approval of the Members is sought through Special Resolution for his re-appointment as Director, liable to retire by rotation.

Mr Shaikh has held several management and leadership positions with Abbott since 1968 in different geographies across various businesses. In his last role, from June 2005 until his retirement in 2010, he was the Divisional Vice President, Southeast Asia/Middle East/Africa, Abbott Nutrition International based in Singapore. He is a fellow of the Institute of Chartered Accountants of England and Wales.

As the Chairman of the Board of the Company since March 2001, Mr Shaikh brings to the Board extensive leadership and industry experience of over five decades, including a deep knowledge and understanding of the Company's business operations, strategies and the opportunities and risks faced by the Company. His significant contribution and guidance to the Board in governance matters and strategic direction to the Management have helped the Company achieve several milestones year-after-year.

The Board, based on recommendation of the Nomination and Remuneration Committee is of the view that his immense knowledge, independent perspective and continued association will immensely benefit the Company and therefore, recommend his re-appointment. Mr Shaikh is not related to the promoter companies. He does not hold any shares in the Company.



None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Shaikh, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of Members as a Special Resolution.

Item No. 5

The Board, based on the recommendation of the Audit Committee, approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2020-21 at a remuneration of ₹ 7.50 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, as stated above, requires ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

Item No. 6

The Board, based on recommendation of the Nomination and Remuneration Committee, appointed Ms Shalini Kamath (DIN : 06993314) as Additional Director of the Company effective October 29, 2019, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder (“the Act”) read with Article 113 of the Articles of Association of the Company. She holds office upto the date of this Annual General Meeting.

Further, the Board as per the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and based on recommendations of the Nomination and Remuneration Committee, appointed Ms Kamath as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years effective October 29, 2019, subject to approval of the Members at the Annual General Meeting of the Company.

Ms Kamath has given her consent to act as a Director of the Company. Also, as per confirmations received from her, she is not disqualified from being appointed as a Director in terms of

Section 164 of the Act, and meets the criteria of independence as prescribed under the applicable provisions of the Act and the Regulations. She has further confirmed that she has registered herself in the database for Independent Directors. In the opinion of the Nomination and Remuneration Committee and the Board, Ms Kamath is independent of the Management.

The Company has received a notice in writing under Section 160 of the Act, from a Member proposing the candidature of Ms Kamath for the office of Director of the Company.

Ms Kamath has close to three decades of work experience in three distinct fields—Human Resources, Business Development and Social & Community Development and across two continents – India and Africa. She is a certified and practicing ‘CEO & Leadership Coach’.

Ms Kamath’s Human Resources (HR) career spans close to a decade and half with Group HR Head positions for Chevron Texaco India, Star India, KPMG India and Ambit Holdings. She was a key member of the Executive Leadership Team in each of her assignments. She was a ‘Strategic Partner’ to the businesses in providing business linked people solutions through change, renewal and transformation. In addition, her role in managing the corporate communications function at Ambit Holdings has given her the experience in building a strong corporate brand, both externally and internally.

Prior to her roles in HR, Ms Kamath was the Deputy Marketing Director at Raytheon India. She began her working career in Zambia and Botswana. Over a decade, she worked with the Governments of both the countries on several educational and social & community development projects. She acquired extensive experience in tripartite partnership projects related to community-oriented income generation programs.

Ms Kamath is Independent Director on the Boards of Graphite India Limited (Listed), Borosil Renewables Limited (Listed) and Ambit Finvest Private Limited.

Ms Kamath is an MBA graduate from Edinburgh Business School, UK. She has been trained at Harvard Business School in change and transformation. She is an alumnus of CSC Global leadership program and a certified Zenger Folkman Leadership4you trainer & facilitator.

The additional details of Ms Kamath as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Ms Kamath does not hold any shares in the Company.

The letter of appointment of Ms Kamath containing terms of her appointment, is available for inspection by Members on the website of the Company at www.abbott.co.in

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

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

Item No. 7

Mr Ambati Venu (DIN : 07614849) served as the Managing Director of the Company for over three and half years upto February 29, 2020. He has been elevated to a new role within the Abbott Group in India effective March 1, 2020.

The Board, with a view to continue to leverage extensive experience held by Mr Ambati in the areas of pharmaceuticals and his deep understanding and knowledge about the Company's operations and based on recommendation of the Nomination and Remuneration Committee, appointed him as Additional Director of the Company effective March 1, 2020, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Mr Ambati has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

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

Prior to joining the Company in September 2016, Mr Ambati held over 24 years of extensive experience in consumer goods and OTC products with GlaxoSmithKline Consumer Healthcare Limited (GSK Consumer) in various leadership positions across the Indian sub-continent, Middle East, North Africa and Asia. His last role till September 2015 was Regional Vice President & General Manager-Asia, GSK Consumer.

Mr Ambati holds strong business acumen and the ability honed in both developed and emerging markets. Having worked in various regions since joining GSK Consumer in 1992, one of his strongest assets is his ability to excel within diverse socio-cultural environments. Prior to his Asia

appointment, he was the Vice President & General Manager for Middle East & North Africa where he spearheaded commercial operations across seventeen countries in one of the company's fastest growing and most complex business environments.

Mr Ambati is an alumnus of the Indian Institute of Management, Ahmedabad and has a Bachelor's degree in Engineering (Mechanical) from the University of Bhopal.

The additional details of Mr Ambati as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. He does not hold any shares in the Company.

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

The Board recommends the resolution set forth in Item No. 7 for the approval of Members as an Ordinary Resolution.

Item Nos. 8 and 9

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Anil Joseph (DIN : 08753233) as an Additional Director with effect from July 1, 2020 in terms of Section 161 of the Companies Act, 2013 and Rules made thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. He holds office up to the date of this Annual General Meeting.

The Board, based on recommendation of the Nomination and Remuneration Committee also appointed Mr Joseph as the Managing Director, not liable to retire by rotation, for a term of 5 (five) years with effect from July 1, 2020, subject to the approval of the Central Government and Members of the Company.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr Anil Joseph for the office of Director of the Company.

Mr Joseph has given his consent to act as the Managing Director of the Company. Also, as per the confirmations received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.



He satisfies all the conditions as set out under Part I of Schedule V and Section 196(3) of the Act for his appointment as Managing Director.

Mr Joseph, comes with an excellent track record of over 25 years working with reputable companies across different business sectors (predominately Healthcare & FMCG) driving revenue and income growth; business turnaround and managing emerging markets. He has an extensive and broad-based experience in managing P&L, General Management and Sales & Marketing including Strategy Development, Branding & Position, Key Accounts and Distributor Management and Sales Operations.

Prior to joining the Company, Mr Joseph was working with Abbott Laboratories, Singapore heading the Diagnostics Division (Transfusion Medicine) for APAC, China and Japan since March 2016. At Abbott, he was instrumental in setting up the Transfusion Medicine Business Unit in Asia Pacific building a team, developing retention and growth strategies and executing a high-pressure environment to transition the business. Prior to this, he has worked with Johnson & Johnson and Coca-Cola in various senior leadership positions, in India and across Asia Pacific markets. He brings diversified experience across different countries, market types and managing multiple functions – sales, marketing, finance, engineering, supply chain, etc. and has significant expertise in managing start-ups, turn around, managing explosive growth as well as sustaining success.

Mr Joseph holds a Master's in Business Administration (dual specialization – Marketing and Human Resources) from Symbiosis Institute of Business Management, Pune University and Bachelor of Science (Mathematics) from C.M.S College, MG University, Kottayam, Kerala.

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

1. In consideration of the performance of his duties to the Company, Mr Joseph shall be entitled to the following remuneration subject to applicable taxes :
 - (a) Salary, allowances and perquisites : from ₹ 2.94 crore per annum upto ₹ 4.25 crore per annum; to be paid monthly and/or annually, as may be approved by the Board. Increments in the annual salary shall be as per the Company's policy and as may be determined by Board of Directors, from time to time,
 - (b) Performance Linked Bonus : Performance Bonus will be allowed in addition to Salary as stated above according to the Company policy and as may be determined by the Board of Directors but shall not exceed an amount equal to 100% of the Salary for the relevant period.
2. Mr Joseph shall be entitled to furnished/non-furnished residential accommodation in lieu of housing allowance which is part of his Base Salary, relocation expenses (one-time), club fees, telephone and such other perquisites/benefits in accordance with the Company's Rules. He will be entitled for Abbott Laboratories, USA stocks under its "Long Term Incentive Plan" in the form of Restricted Stock Unit, as per his eligibility. He is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan"

The Company's contribution to provident fund, group insurance and gratuity shall not be included in the computation of the above ceiling on remuneration and allowances/perquisites/benefits.
3. The Board or any Committee of the Board shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the remuneration, from time to time, as it may deem fit;
4. Notwithstanding anything contained in this Agreement, if in any financial year during the tenure of Mr Joseph as Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Joseph shall be subject to the provisions of Section 197 and Section II of Part II of Schedule V to the Act, or any other law or enactment for the time being or from time to time in force;
5. Mr Joseph 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 Joseph to hold share(s) of any other company(ies);
6. So long as Mr Joseph functions as Managing Director, he shall not become interested or otherwise concerned directly or through any of his relatives, if any, in any selling agency of the Company, without the prior approval of the Board;
7. Mr Joseph shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use

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

8. The employment of Mr Joseph shall forthwith be determined if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of any misconduct or otherwise violates the Abbott Code of Business Conduct;
9. In case of the demise of Mr Joseph 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 of Directors may determine;
10. Notwithstanding anything contained to the contrary in this Agreement, either party shall be entitled to determine the Agreement by giving not less than 3 (three) months' notice in writing in that behalf to the other party without the necessity of showing any cause. However, the Company shall have the option to terminate the employment by giving 3 (three) months' remuneration including salary, allowances, benefits/perquisites in lieu of notice.
11. The appointment of Mr Joseph as Director shall cease as provided in Section 167(1)(c) and (d) of the Companies Act, 2013 and simultaneously his employment with the Company shall also come to an end.

The additional details of Mr Joseph as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, are set out in the Annexure forming part of this Notice. Mr Joseph does not hold any shares in the Company.

A copy of the agreement between Mr Joseph and the Company containing terms of his appointment referred in this Notice will be available for inspection without any fees by the Members

up to the date of this Annual General Meeting. The Members may write an email to investorrelations.india@abbott.com by mentioning "Request for Inspection" in the subject of the email.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Joseph, is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 8 and 9.

Considering the rich and diversified experience of Mr Joseph, the Board recommends the resolutions set forth in Item Nos. 8 and 9 for the approval of Members as Ordinary Resolutions.

Item No. 10

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

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

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

In terms of Regulation 23 of the Listing Regulations, all material transactions (i.e. the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements) with a related party requires approval of the Members through ordinary resolution.

The Members at its Meeting held on July 18, 2017, approved the transactions with Abbott Healthcare Private Limited upto a limit of ₹ 550 Crore in each financial year. Considering the future business projections, the Company envisages that the



transactions with Abbott Healthcare Private Limited may exceed the said approved limits. Thus, by way of abundant caution, prior approval of the Members is being sought in terms of the Regulation 23 of the Listing Regulations for enhanced limits of

₹ 800 Crore in each financial year for a period of 5 financial years upto 2024-25. The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

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

Name of the Related Party	Abbott Healthcare Private Limited
Name of Director(s) or Key Managerial Personnel who is related	NA
Nature of Relationship	Abbott Healthcare Private Limited and the Company both are indirect subsidiaries of Abbott Laboratories, USA
Material terms of the contracts/arrangements/transactions	Purchase and sale of products; goods; raw materials; active pharmaceutical ingredients; stock-in-trade, availing or rendering of services, reimbursement of expenses, recovery of costs, rent receipts/payments, buying/leasing of property, lending or borrowing of monies, (as may be permissible under the applicable provisions of the Act) or such other transactions.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes
Aggregate amount of transactions to be entered with related party	Not exceeding ₹ 800 Crore (Rupees Eight Hundred Crores) in each financial year for a period of 5 years upto 2024-25

The Company, from time to time, conducts third party review for each category of transactions with Abbott Healthcare Private Limited and basis which, determines that all such transactions meet domestic transfer pricing norms enshrined in the Income Tax Act, 1961 and are on arm's length. The Audit Committee and the Board are of the opinion that the above transactions are entered in the best interests of the Company and accordingly have granted approval for enhancing the limits of transactions with Abbott Healthcare Private Limited.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, is deemed to be concerned or interested, financially or otherwise, in the resolutions set out at Item No. 10.

The Board recommends the resolution set forth in Item No. 10 for the approval of Members as an Ordinary Resolution.

Item No. 11

In accordance with the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and the Consolidated Foreign Direct Investment Policy Circular of 2017 dated August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and other applicable rules, guidelines, regulations, notifications, circulars, provisions, if any, (including any amendments, or re-enactments or re-notifications of each of the above for the time being in force), foreign investment in a company engaged in brown-field pharmaceutical sector up to 74% of the share capital of the Company would fall under the automatic route, while foreign investment beyond 74% would require approval of the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers.

Members may please note that prior to the change in FDI Policy on October 19, 2012, foreign investment in a company engaged in brown-field pharmaceutical sector was permitted up to 100% under the automatic route. Further, the Foreign Direct Investment of 74.99% from the promoters of the Company and other Foreign investment (held by FII/FPI and NRI repatriable) to the extent of 0.12% (out of total 1.34% held as on July 24, 2020 by FII/FPI and NRI repatriable) were received prior to such change in policy in October 2012, in compliance with the then applicable foreign exchange regulations.

Presently, the Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) are unable to purchase additional shares of the Company owing to the applicable sectoral limits in terms of the SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018, and therefore, it is pertinent to increase the applicable limits for Foreign Investment into the Company, subject to receipt of approval from the Government.

In line with the Company's commitment to be compliant with the abovementioned regulatory regime for foreign investment and giving headroom to the further foreign portfolio investment, the Board on June 16, 2020, approved proposal to increase the aggregate limit for investment by Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)/Non Resident Indians (repatriable) under the portfolio investment scheme, to the proposed ceiling of 5% of the total paid up share capital of the Company, provided that the composite cap for total foreign investment from all sources (including investments received under the Portfolio Investment Scheme, Foreign Venture Capital

Investors (FVCIs), Foreign Direct Investment (FDI), Indirect Foreign Investment, etc., in any combination thereof) shall not at any time exceed 80% of the total paid up share capital of the Company on a fully diluted basis. In terms of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, this would also require an approval of the Members by way of a Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, is deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

The Board recommends the resolution set forth in Item No. 11 for the approval of Members as a Special Resolution.

By Order of the Board

Krupa Anandpara

Company Secretary

Membership No. : ACS 16536

Mumbai
August 7, 2020

Registered Office :

Abbott India Limited

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Details of Directors seeking appointment/re-appointment at the Seventy-sixth Annual General Meeting (pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and the Secretarial standards issued by the Institute of Company Secretaries of India

Name of Director	Mr. Kaiyomar Marfatia	Mr. Munir Shaikh	Ms Shalini Kamath	Mr. Ambati Venu	Mr. Anil Joseph
Date of Birth	November 22, 1956	March 1, 1943	December 15, 1964	May 26, 1969	January 31, 1975
Date of Appointment	March 1, 2011	March 2, 2001	October 29, 2019	March 1, 2020	July 1, 2020
Expertise in Specific Functional Area	Mr. Marfatia has over 40 years of diverse experience in the Legal and Secretarial streams, of which about 24 years have been with Abbott.	Mr. Shaikh possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.	Ms Kamath has close to three decades of work experience in three distinct fields – Human Resources, Business Development and Social & Community Development and across two continents – India and Africa.	Mr. Ambati has diversified experience in handling International business operations with an excellent track record of success in building and leading high performing teams.	Mr. Joseph has an expertise in managing P&L, General Management and Sales & Marketing including Strategy Development, Branding & Position, Key Accounts and Distributor Management and Sales Operations.
Qualifications	B.Com. from Lala Lajpat Rai College and Law degree from Government Law College, Mumbai	Fellow of the Institute of Chartered Accountants in England and Wales	MBA graduate from Edinburgh Business School, UK and an Alumna of CSC Global leadership program and a certified Zenger Folkman Leadership4you trainer and facilitator	Alumnus of the Indian Institute of Management, Ahmedabad and Bachelor's degree in Engineering (Mechanical) from the University of Bhopal	M.B.A. with dual specialization – Marketing & Human Resources from Symbiosis Institute of Business Management, Pune University and B.Sc. (Mathematics) from C.M.S College, MG University, Kottayam, Kerala
No. of shares held in the Company	NIL	NIL	NIL	NIL	NIL
Directorships in other Indian Companies	None	None	3	None	None
Membership of Committees in other Indian Companies	None	None	1	None	None
Relationship between Directors inter-se	None	None	None	None	None

ABBOTT INDIA LIMITED

CIN : L24239MH1944PLC007330

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