



**Abbott**

ABBOTT INDIA LIMITED  
ANNUAL REPORT 2022-23

# LEADING

TO MAKE A DIFFERENCE



# LEADING TO MAKE A DIFFERENCE

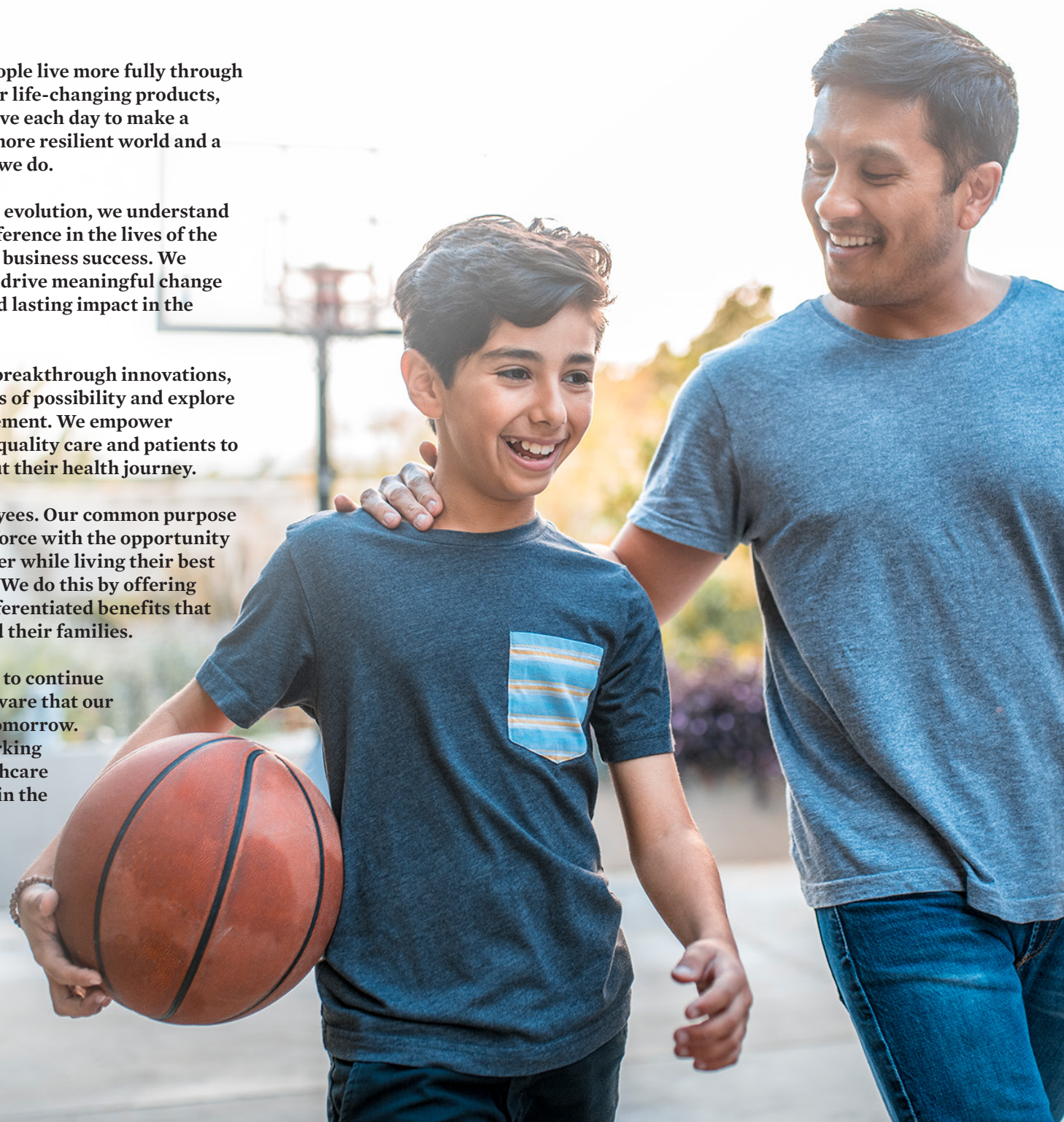
Our purpose at Abbott is to help people live more fully through good health. We do that through our life-changing products, solutions, and technologies. We strive each day to make a difference by creating a healthier, more resilient world and a sustainable future through all that we do.

Being at the forefront of healthcare evolution, we understand that true leadership is making a difference in the lives of the people we serve, and it goes beyond business success. We leverage our industry leadership to drive meaningful change by proactively driving a positive and lasting impact in the communities we serve.

Through our unwavering focus on breakthrough innovations, we strive to redefine the boundaries of possibility and explore new frontiers in healthcare management. We empower healthcare professionals to deliver quality care and patients to access quality treatment throughout their health journey.

We care about and value our employees. Our common purpose and mission is to provide our workforce with the opportunity to change people's lives for the better while living their best lives personally and professionally. We do this by offering development opportunities and differentiated benefits that provide security for themselves and their families.

We lead with integrity and purpose to continue strengthening our legacy. We are aware that our actions today will have an impact tomorrow. Therefore, we are continuously working towards shaping the future of healthcare that allows us to make a difference in the lives of all our stakeholders.



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## 79<sup>TH</sup> ANNUAL GENERAL MEETING

Date: August 9, 2023  
Time: 9.30 a.m.  
Through Video-Conferencing (VC)/  
Other Audio-Visual Means (OAVM)

### 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 realized, 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" or "the Company" in this Annual Report shall mean "Abbott India Limited".



ABBOTT INDIA AT A GLANCE

# MAKING BETTER HEALTH POSSIBLE EVERYDAY

Abbott India Limited strives to make world-class quality healthcare accessible to millions of Indians. We combine global expertise with local product development knowledge to address unmet and evolving needs of the Indian healthcare market. With a focus on innovation and quality, we are redefining the healthcare landscape and empowering individuals to live their best lives.

Abbott India Limited, a subsidiary of Abbott Laboratories, USA, is known for its high-quality trusted medicines. We specialize in various therapeutic areas including Women's Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty, and Vaccines.

Abbott's citizenship programs and investments are guided by two of India's most pressing social challenges which are lack of access to quality and affordable healthcare and inadequate education infrastructure and resources to prepare the workforce of tomorrow. We aim to address these through scalable and sustainable solutions. With a dedicated and talented workforce, we ensure the availability of our medicines to all those who depend on them.



## FY 2022-23 Highlights

Revenue ₹ <b>5,349</b> Crores 8.9%*	PAT ₹ <b>949</b> Crores 18.9%*	EBITDA ₹ <b>1,360</b> Crores 16.7%*
Return on Average Capital Employed <b>31.6%</b>	Earnings per Share ₹ <b>446.78</b>	Dividend for the year ₹ <b>325</b> (including special dividend of ₹ 145)

\*Growth over previous year.

## Therapeutic Areas



### Women's Health

We offer specialized, tailored solutions to address the key health concerns of women in India across life stages like menarche, pregnancy, and menopause.



### Metabolics

We specialize in treating chronic metabolic diseases like hypothyroidism, driving advancements in metabolic health through specialized therapies, improved diagnostics, and meaningful scientific collaborations.



### Gastroenterology

We offer a comprehensive range of innovative gastrointestinal products for the upper and lower gastrointestinal tract and liver conditions. Along with products, we also offer beyond-the-pill solutions. We also have key OTC (Over The Counter) (antacid) products in various formats (liquid, gel, powder, On the Go pack) in this portfolio.



### Multi-Specialty

Our products in this portfolio help address various health conditions like headaches, sleep disorders, and nutritional deficiencies. We provide specialized solutions for pain management, nutritional supplements, and vitamins in different formats.



### Central Nervous System

We provide differentiated solutions for central nervous system diseases such as vertigo, epilepsy, migraine, and depression with the goal of minimizing their impact on life.



### Vaccines

Focusing on effective prevention, we offer a wide range of trusted immunology products for Influenza, Typhoid, Diarrhea, Japanese Encephalitis, and Hepatitis A.



PRODUCT PROFILE

# UNBLOCKING LIMITLESS POSSIBILITIES

Abbott India's leading products; most of these are at the top ranks (#1 or #2) in their Respective Participated Markets\*

## Key Products



- Arachitol (Vitamin D deficiency)
- Cremaffin Plus (Constipation)
- Pankreoflat (Indigestion)
- Influvac (Prevention of influenza)
- Cremaffin (Constipation)
- Zolfresh (Insomnia)
- Heptral (Liver disease)
- Duphaston (Miscarriage and IVF)
- Librax (Irritable bowel disease)
- Brufen (Analgesics)



- Digene (Antacid)
- Duvadilan (Preterm labor)
- Prothiaden (Pain & depression)
- Creon (Pancreatic insufficiency)
- Ganaton (Gastrointestinal dysmotility)
- Thyronorm (Hypothyroidism)
- Duphalac (Constipation)
- Vertin (Vertigo)
- Colospa (Irritable bowel disease)
- Udiliv (Cholestatic chronic liver disease)

## New Product Launches



- Thyronorm 200 mcg (Hypothyroidism)
- Cremagel-L (Anal fissures)
- Solfe Extra (Iron deficiency anemia)
- Brufen P (Pain and fever)
- Digeraft Plus (Gastroesophageal reflux)



- Linorma T3 (Hypothyroidism)
- Cetropro (IVF)
- Femoston Mini (Postmenopausal symptoms)
- Cortirowa OD (Ulcerative colitis)
- Digeraft XT (Gastroesophageal reflux)

\*Source: IQVIA - MAT March 2023



OUR INVESTMENT CASE

# ADDING VALUE, DELIVERING RETURNS

At Abbott India, we prioritize purpose, profitability, and progress equally to achieve sustained success. Our proven scientific expertise, comprehensive and diversified solutions, and attractive value proposition for all our stakeholders provide a solid foundation for market-beating growth and high-risk-adjusted returns.

### Diversified Product Portfolio

We provide a wide variety of products to meet diverse health needs. Our comprehensive portfolio covers multiple therapeutic categories such as Women's Health, Gastroenterology, Neurology, Thyroid, Pain Management, Vitamins, and Vaccines.

**125+**  
Products in portfolio

**10**  
New products introduced in the year across different therapeutic areas

### High-Quality Manufacturing

Our state-of-the-art manufacturing plant in Goa enables us to deliver world-class quality and trusted products, which act as a key differentiator and provide a competitive edge in building trust-based relationships with doctors and patients.

**20.1%**  
of Net Sales is manufactured in Goa



### Industry-Leading Growth

We have consistently delivered above-market growth. Our top 15 brands are market leaders in their respective segments, accounting for over 80% of our revenue.

**6\***  
Brands in top 100

**11\***  
Brands in top 300

\*Source: IQVIA - MAT March 2023

### New Product Launches

We continuously identify the evolving gaps in healthcare and accordingly, diversify into new therapeutic areas to introduce new products that specifically address those unmet needs.

During FY 2022-23, we introduced 10 new products in various therapeutic areas, Women's Health, Gastroenterology, Metabolic, and Multi-Specialty.

### Focus on International Business

We have established operations in these four countries: Nepal, Sri Lanka, Maldives, and Bhutan. We are actively expanding our business in these neighboring countries and increasing our footprint to continue to serve people who rely on our quality products.

### Empowered Field representatives

We have a highly dedicated and passionate sales force who form over 80% of our total workforce. They engage with the medical fraternity and are committed to making a positive impact on the ground. Additionally, our continuous upskilling culture and development opportunities and effective digital tools enable and empower them for seamless and real-time engagement with stakeholders.

### Strong Partnerships

Over the years of serving patients in India, we have created a robust network of trusted partners. Our valued partnerships include our distributors, institutions, and healthcare professionals. The recent pandemic resulted in some unprecedented ways to come together and deliver results with speed and scale. We continue to build our network of trusted partners to maximize our value offerings.

### Widespread Robust Distribution Network

We take pride in building a resilient and highly effective distribution network. With a vast network of stockists and a widespread presence amongst millions of retailers, we ensure that our quality products and solutions reach our valued customers promptly and efficiently.

This extensive distribution network connects us with our patients, enabling us to provide them with the care and support they need. Moreover, it acts as a strong feedback channel, allowing us to gather useful insights from our retailers and customers regarding our products and solutions.

**8,100+** stockists enabling us to reach a wide customer base.

**3,100+** sales colleagues are making a difference by consistently engaging with the medical fraternity.

### Robust Financials

Our business model has continuously demonstrated its strength by delivering robust growth year after year. We have delivered double-digit EBITDA and net margins consistently, thus demonstrating our financial strength, resulting in sustainable value creation for shareholders.

**8.8%**  
Revenue from Operations  
10-year CAGR

**15.7%**  
EBITDA  
10-year CAGR

**16.9%**  
PAT  
10-year CAGR

**15.0%**  
Book Value per Share  
10-year CAGR



CHAIRMAN'S MESSAGE

# LED BY STRENGTH AND PURPOSE

Dear Shareholders,

I am happy that your Company has achieved a growth of 8.9% in revenue and 18.9% in profit over the prior year. We have been consistently growing faster than the market and have continued to outperform the industry. Your Board has recommended a dividend of ₹ 325 per share, including a special dividend of ₹ 145 for FY 2022-23.

Our experienced leadership team has helped in delivering consistent growth and enhancing shareholder value. Our extensive product portfolio and a strong foothold in various therapeutic segments in the market and geographies provide us with an advantage and enable us to continue serving the people of India.



In FY 2022-23, your Company has strengthened its leadership in different therapies through innovation and differentiated marketing initiatives. Some of our products are amongst the top 50 products in the industry, with many moving up the ranks during the year.

The pandemic has impacted the way the healthcare industry works and at Abbott, we have led the transformation through a sustained focus on leveraging digital health solutions and data-led insights. Your Company has also been at the forefront of driving patient support programs and has continued its focus on improving the accessibility of quality medicines across India. We have also adopted a multi-channel communication plan to provide e-learning resources and scientific knowledge transfer.

## Prioritizing Innovation

Innovation continues to remain key for us. Our patient-centric approach helps us to plan and deliver a unique product mix to address growing healthcare requirements. During the year, we launched 10 new products in different therapeutic areas, with 4 of them being first-to-market launches.

The right strategy and approach to investments in new products, digital solutions, and care models have ensured that we remain relevant to shape a sustainable future.

Post-pandemic, India witnessed a shift in consumer behavior towards healthcare. This has resulted in an increase in digitization of processes, e-pharmacies, and an overall nurturing of a human-centric approach to health. We foresee new opportunities and challenges for the industry, which we are sufficiently prepared to address. At Abbott, we have continued to efficiently tap into these opportunities and new channels to reach our consumers more effectively. The government's Ayushman Bharat Digital Mission (ABDM) has the potential to revolutionize the way India approaches healthcare and improve health outcomes. We continue to observe this trend and its overall impact on the future of health data and management.

## Responsible Working

The energy that helps us keep moving forward amid challenging times is that of our employees. To continually innovate life-changing solutions, we empower our teams with skills to meet the health needs of tomorrow. We offer support and extensive advancement opportunities through comprehensive training, mentoring, and development opportunities. This is reflected in Abbott being recognized amongst the 'Top 10 Best Companies To Work For in India' by Business Today – one of the leading business magazines.

I am also delighted to share that your Company has won several external recognitions for its brands, marketing initiatives, and other innovations.

From market positions to financial performance to corporate citizenship, we strive for leadership in all aspects of our business. We doubled our efforts to build sustainable communities this year. Our partnership with the Self-Employed Women's Association (SEWA) has helped improve accessibility to cost-effective healthcare for underprivileged communities by developing resilient processes for the prevention, diagnosis, and treatment of Non-Communicable Diseases (NCDs). Through health clinics, we have enhanced access to healthcare and correct information about various diseases via healthcare experts. As a science-based Company, we work to promote STEM (Science, Technology, Engineering, and Mathematics) learning, health education, and sports among children from under-served communities. Our partnership with AmeriCares helps in bringing people into the care system early for timely diagnosis and effective

management of their health needs. We are committed to upgrading 75 Primary Healthcare Centers (PHCs) to Health & Wellness Centers (HWCs) across 9 states in India.

## Shaping a Sustainable Future

At Abbott, our purpose is to help people live fuller lives through better health. For over 79 years, we have remained committed to providing quality healthcare in India. Our response to the evolving changes in the environment truly reflects our commitment to building a sustainable future.

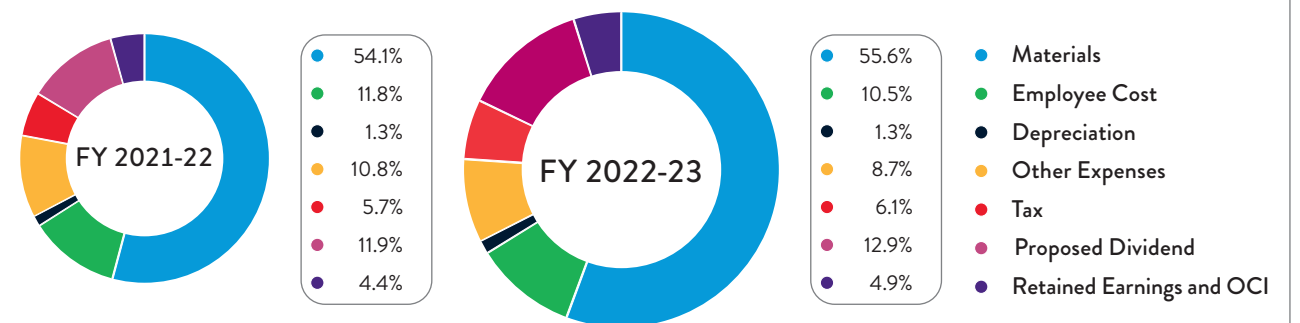
On behalf of the Board Members, I thank all our partners, especially healthcare professionals, pharmacists, vendors, stockists, retailers, and bankers, for their continued faith and relentless support. I would also like to thank all our employees for their commitment, dedication, and hard work.

I am grateful to all our shareholders for their unwavering trust in us, and to the esteemed Board of Directors for their invaluable guidance.

Sincerely,

**Munir Shaikh**  
Chairman

## Revenue Distribution



## MANAGING DIRECTOR'S MESSAGE

# LEADING FROM FRONT

Dear Shareholders,

This has been another remarkable year for Abbott India. We emerged stronger and more relevant. I am pleased to share that this year our revenue grew by 8.9%, and profits grew by 18.9%. This was made possible because of the continued efforts of my colleagues, the trust of our investors, and support from all stakeholders.

We remain committed to enhancing the health of the millions of people we serve, and we keep the needs of our patients at the forefront of all that we do. We have designed, developed, and provided people with what truly matters - a healthier quality of life - whether it is through our medicines or beyond-the-pill services.



## Staying True to Our Promise

As the Company continued to grow its footprint in established and new therapy areas, Abbott India's business has consistently outpaced the Indian pharmaceutical industry. We launched 10 new products this year and are well-positioned to drive growth and innovation with a robust pipeline. I am happy to share that one of our top brands, Udiliv, has entered the Top 15 pharmaceutical brands in India\*, while Thyronorm continues to be part of that list.

The Women's Health portfolio, led by the globally trusted brand Duphaston, effectively navigated evolving challenges. Additionally, we launched an integrated campaign, "The Next Chapter" to raise awareness of menopause and its symptoms through a book that highlights unique experiences and stories of women undergoing menopause.

Our gastroenterology portfolio continued to show strong growth this year. It further strengthened its success with the first-to-market launch of Cremagel-L for the management of anal fissures. With Duphalac, Cremaffin Plus, and Cremaffin as our leading brands in the laxative category, we have a 38% market share and significant growth that is superior to Respective Participated Market\*. We have restructured our consumer health portfolio, enabling us to expand our brands, such as Digene (tablets and liquids) and Cremaffin, through patient-focused strategies and integrated marketing initiatives.

In our Central Nervous System division, we continued launching differentiated initiatives and content-led campaigns, such as 'Balance Awareness' and 'E for Epilepsy' to raise more awareness on conditions such as vertigo and epilepsy.

Similarly, in our Metabolics division, multi-channel campaigns (such as LiveThyronorm) continued to be an important lever aiming to create awareness around thyroid disorders and their symptoms. Focusing on the need gap of hypothyroidism treatment, we also launched India's first Liothyronine (T3) - Linorma T3 tablet.

\*Source: IQVIA - MAT March 2023

The Multi-Specialty division launched differentiated public initiatives such as 'D Strong Active Life 2.0', and 'Sleep Well Wake-Up Fresh'. These campaigns were supported by experts who raised awareness about Vitamin D deficiency and sleep health. To further strengthen the pain portfolio, Brufen P (Ibuprofen + Paracetamol) was launched this year.

The vaccines category witnessed a slowdown during the year due to low patient footfalls, but we continued our patient education initiatives to increase influenza awareness among children, pregnant women, and high-risk patients with comorbidities.

The Company continues to focus on digital health solutions, data, and analytics to remain relevant and continuously improve health outcomes. We transformed our business by implementing various digital solutions to make our offerings more personalized and engage better with our doctors and patients. In order to meet increased expectations in the marketplace, we are concentrating on overall therapy growth across the care continuum through awareness, diagnostics, treatment, and compliance. Our broad portfolio of market-leading products aligns with the long-term healthcare trends in India.

## People First

A strong and dedicated sales force is vital for the effective execution of our strategies and our continued success. Their health and well-being are our top priority. We have provided innovative training, coaching resources, and programs such as the 'Transform' first-line manager orientation program, the 'BM Academy' upskilling program for future business leaders, and 'Nurture' an automated coaching platform on our internal platform, Abbworld.

To build on our inclusive culture, various Employee Resource Groups (ERG) were launched within our organization. We have shaped our policies and strategies to achieve our long-term objective of building a diverse and innovative workforce of tomorrow. We give our employees the tools and ecosystem they need to reach their greatest potential by enabling them to take charge of their overall health and well-being. We also have an Employee Assistance Program (EAP) that offers customized counseling and resource services to support employees and even their families.

## Building a Healthier Tomorrow

Our business is about helping people live healthier and better. To do that, we strive each day to ensure we are building sustainable health solutions. Our commitment to sustainable

business starts at the top of our organization and is integrated across the Company. We have a global 2030 sustainability plan focused on designing access and affordability into our life-changing technologies and products. We continue to find new solutions for chronic health conditions and infectious diseases. With consistent efforts of our Environment, Health and Safety (EHS), sustainability, commercial, HR and other colleagues, we remain committed to our Environmental, Social and Governance (ESG) goals.

Our customers trust our products, and it is crucial for us that we uphold the highest standards of quality at every stage of the process. Further, we strongly believe that driving a culture of zero non-compliance is critical for us and our business success. We are proud to have launched an internal campaign across various functions to further strengthen our compliance culture through tangible and concrete steps.

Safeguarding the environment is another area of priority for us. Evolving our operations to reduce our environmental footprint will also help us build a more resilient business for the long term. Reduced water usage, CO<sub>2</sub> emissions, and responsible waste management are focus areas where we have taken the right steps to ensure a positive change. We have installed solar panels at our Goa plant to harness clean energy, thus reducing the carbon footprint of this site. We have been able to consistently maintain zero waste to landfill, and this helps us achieve and promote our sustainability goals.

## Ensuring Sustainable Growth

Working and winning together has been fundamental to our collective success, and in the next fiscal year, we reaffirm our dedication to delivering outstanding value to our shareholders and customers. We will continue to work side-by-side with the people and communities we serve, partners, government, and other stakeholders to address health disparities, expand access and remove barriers that prevent people from living healthy lives wherever they are.

With your support, we will remain steadfast in our transformational journey toward a brighter and more successful future. Once again, I express gratitude to our partners, customers, and shareholders for the trust they have placed in us.

Sincerely,

**Vivek V Kamath**  
Managing Director

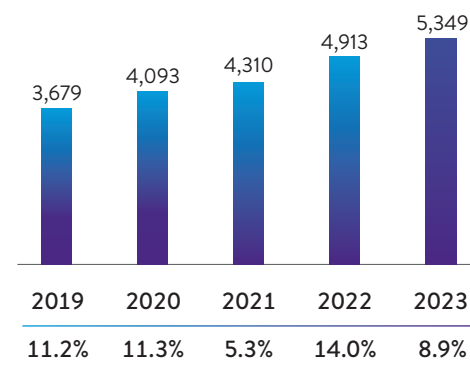


## KEY PERFORMANCE INDICATORS

# DEMONSTRATING PASSION TO OUTPERFORM

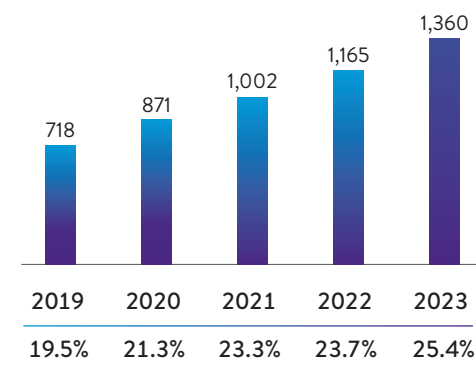
## REVENUE GROWTH 8.9%

REVENUE (₹ in Crores)



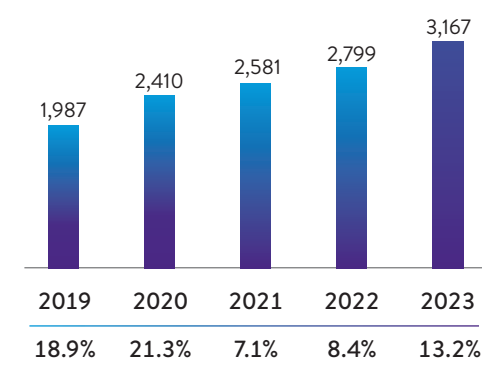
## EBITDA MARGIN\* 25.4%

EBITDA (₹ in Crores)



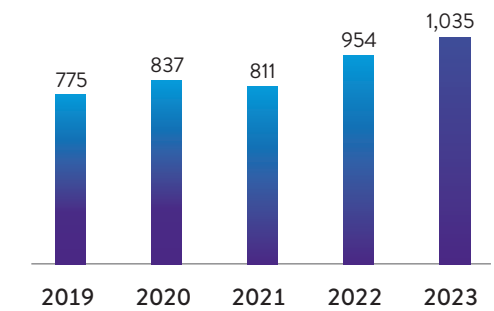
## RESERVES & SURPLUS GROWTH 13.2%

RESERVES &amp; SURPLUS (₹ in Crores)



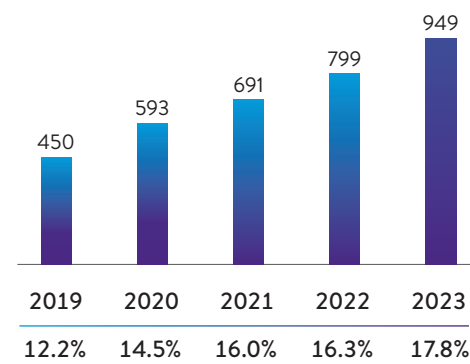
## CONTRIBUTION TO EXCHEQUER

(₹ in Crores)



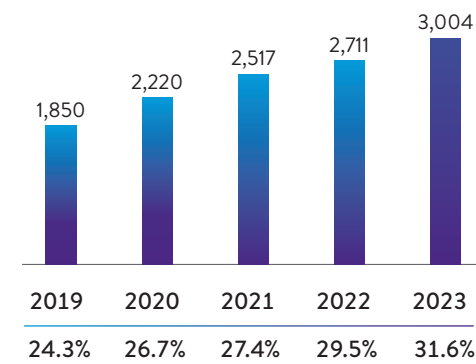
## PAT MARGIN\* 17.8%

PAT (₹ in Crores)



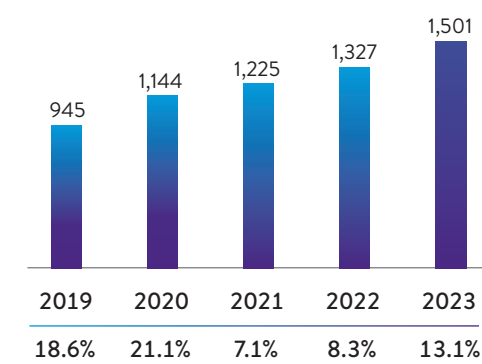
## RoCE# 31.6%

AVERAGE CAPITAL EMPLOYED (₹ in Crores)



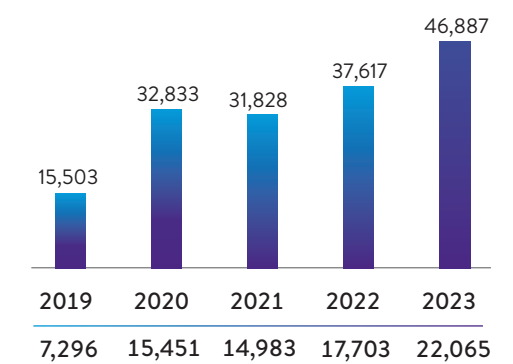
## BOOK VALUE GROWTH 13.1%

BOOK VALUE PER SHARE (₹)



## SHARE PRICE (₹) 22,065

MARKET CAPITALIZATION (₹ in Crores)



\*% To Revenue from Operations

#Return (PAT) on average capital employed





## 10 YEAR FINANCIAL HIGHLIGHTS

# BUILDING ON SOLID FOUNDATIONS

(Amounts in ₹ Crores, unless otherwise stated)

	INDIAN GAAP		IND AS <sup>@</sup>								
	2014(15M)	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>OPERATING RESULTS</b>											
Revenue from Operations*	2,309	2,317	2,646	2,939	3,307	3,679	4,093	4,310	4,913	5,349	
Other Income	49	48	50	57	117	113	114	81	83	154	
Material Cost	1,296	1,313	1,492	1,712	1,905	2,088	2,314	2,391	2,657	2,975	
Employee Benefit Expense	300	305	341	345	394	436	476	493	579	564	
Other Expenses	445	387	448	484	484	550	545	505	595	604	
Depreciation and Amortization	22	15	14	16	16	17	60	58	66	70	
Finance Cost	-	1	3	2	4	2	9	18	19	16	
Profit Before Tax and Exceptional Items	295	344	398	437	621	699	803	926	1,080	1,274	
Exceptional Items	-	-	-	-	-	-	-	-	-	-	
Provision for Taxation	97	115	143	160	220	249	210	235	281	325	
Profit After Tax and Exceptional Items	198	229	255	277	401	450	593	691	799	949	
Earnings per Share - Basic & Diluted (₹)	93.39	107.75	120.12	130.19	188.81	211.93	279.04	325.04	375.86	446.78	
Dividend per Share (₹)	23.00	31.00	35.00	40.00	50.00	50.00	107.00	120.00	145.00	180.00	
Special Dividend per Share (₹)	-	-	-	-	5.00	15.00	143.00	155.00	130.00	145.00	
<b>ASSETS EMPLOYED</b>											
Fixed Assets (Net)	100	100	111	116	84	106	271	251	272	241	
Other Assets (Net)	688	837	1,084	1,271	1,609	1,902	2,160	2,351	2,548	2,948	
<b>TOTAL ASSETS</b>	<b>788</b>	<b>937</b>	<b>1,195</b>	<b>1,387</b>	<b>1,693</b>	<b>2,008</b>	<b>2,431</b>	<b>2,602</b>	<b>2,820</b>	<b>3,189</b>	
<b>FINANCED BY</b>											
Share Capital	21	21	21	21	21	21	21	21	21	21	
Other Equity	767	916	1,174	1,366	1,672	1,987	2,410	2,581	2,799	3,168	
<b>TOTAL EQUITY</b>	<b>788</b>	<b>937</b>	<b>1,195</b>	<b>1,387</b>	<b>1,693</b>	<b>2,008</b>	<b>2,431</b>	<b>2,602</b>	<b>2,820</b>	<b>3,189</b>	
<b>SHAREHOLDERS</b>	<b>18,270</b>	<b>19,407</b>	<b>21,250</b>	<b>23,004</b>	<b>22,583</b>	<b>27,559</b>	<b>51,442</b>	<b>87,794</b>	<b>90,567</b>	<b>72,086</b>	
<b>EMPLOYEES</b>	<b>2,766</b>	<b>2,867</b>	<b>2,956</b>	<b>3,083</b>	<b>3,322</b>	<b>3,485</b>	<b>3,551</b>	<b>3,585</b>	<b>3,597</b>	<b>3,700</b>	

\* Inclusive of Excise duty on sales/ Net of GST

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

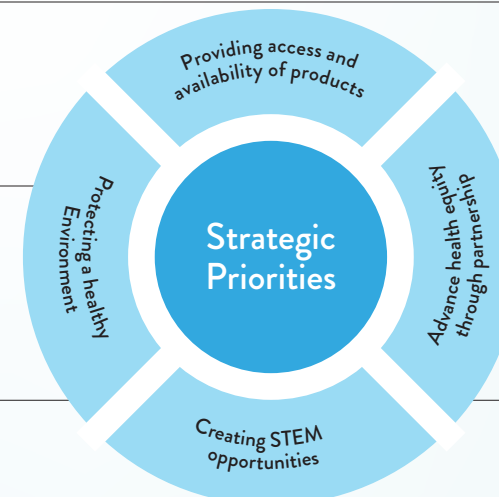


OUR BUSINESS MODEL

# MAKING A DIFFERENCE

Aligned with our purpose, our business model is designed to create sustainable value for all our stakeholders. At Abbott India, we optimize resource utilization, foster operational excellence, uphold the highest standards of responsibility and accountability to achieve consistent, industry-leading growth, and continue to make a difference.

Inputs	Management Approach	How We Create Value	Activities	Outcomes		
<b>Financial Capital</b> Sources of funds from business operations, financing or investing activities	Smart and efficient allocation of resources to expand business operations and achieve consistent growth and operational excellence over time.	<b>Purpose</b> To help people live better and healthier lives through our differentiated products and solutions.  <b>Strategic Priorities</b> <ul style="list-style-type: none"> <li>• Providing access and availability of products</li> <li>• Advance health equity through partnership</li> <li>• Creating STEM opportunities</li> <li>• Protecting a healthy Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Science-based Products</li> <li>• Strong Partnerships</li> <li>• High-quality Manufacturing</li> <li>• Effective Distribution</li> <li>• Experienced Sales and Marketing Team</li> </ul>	<b>₹ 1,360 Crores</b> EBITDA	<b>₹ 949 Crores</b> Profit After Tax	
<b>Manufactured Capital</b> Tangible and intangible infrastructure, offices and manufacturing plant	Maximizing the efficiency and productivity of manufacturing operations through process upgrades and responsible collaborations with local manufacturers, resulting in cost reduction and adherence to high-quality standards.			<b>31.6%</b> Return on Average Capital Employed (RoCE)	<b>5.4%</b> increase in liquid volume manufacturing	<b>20.1%</b> of Net Sales is manufactured in Goa
<b>Human Capital</b> Employees' skills and competencies, knowledge and experience	Create an inclusive and equitable work environment that attracts, motivates, and retains top talent while offering ample development opportunities to employees to achieve outstanding results.			<b>732</b> New joinees during the year	<b>~31,300</b> Man-hours of training imparted to frontline field force	
<b>Intellectual Capital</b> Strong heritage brands, highly experienced people, world-class technology, robust processes and systems	Consistently invest in new product development, scientific research, clinical studies, packaging improvements, and enhancing our human resources to meet the changing needs of our customers and deliver an enhanced customer experience.			<b>18</b> Medical Publications	<b>10</b> New Products Launched	
<b>Social &amp; Relationship Capital</b> Relationship with all valuable stakeholders, community development and well-being	Build trust with stakeholders, enhance the well-being of individuals in areas where we operate, and foster sustainable development by offering innovative solutions and working towards creating more resilient communities.			<b>8</b> New clinical studies conducted	<b>75</b> Primary Healthcare Centers are being upgraded to Health and Wellness Centers across 9 States	<b>4,600+</b> children empowered through STEM learning across 14 schools in Mumbai
<b>Natural Capital</b> Natural resources impacted by the Company's activities	Promote the responsible and sustainable utilization of natural resources while actively participating in efforts to combat climate change.			<b>99.3%</b> Hazardous waste generated at Goa Plant is sent for incineration with energy recovery	<b>~2000</b> MT plastic waste disposed sustainably	



- Key Therapeutic Areas**
- Women's Health
  - Gastroenterology
  - Central Nervous System
  - Metabolics
  - Multi-Specialty
  - Vaccines

- Stakeholder**
- Investors
  - Healthcare Professionals
  - Patients
  - Employees
  - Government
  - Communities
  - Suppliers

External Environment

## CUSTOMER CENTRICITY

# LEADING WITH PURPOSE

At Abbott, we truly believe that healthcare goes beyond medicines to encompass the continuum of care. In addition to delivering high-quality products that address unmet needs across therapeutic areas, we undertake a range of initiatives, such as patient education and awareness programs, disease management programs, health clinics, and personalized patient support groups to deliver the best possible health outcome.

Our commitment to enabling healthier lives is demonstrated through the diverse interventions we undertook during FY 2022-23, aiming to elevate the overall healthcare experience for the patients we serve.



## Patient Awareness Programs

Today, our customers are more informed than ever. At Abbott India, we see this as an opportunity to learn more about our customers and provide them with personalized solutions that can help improve overall health outcomes.

Delivering quality solutions across the care continuum requires a patient-first culture. We remain committed to connecting with patients and healthcare professionals to raise awareness and shape the future of health.

We launched several differentiated engagement campaigns for various therapy areas across the healthcare continuum. Some of these campaigns were recognized for their unique and wide approach on external platforms. Our integrated campaign approach includes digital, social media channels, and key offline touchpoints.

Content-led campaigns and programs were executed for therapies like Epilepsy that require reaching out to a niche audience and engaging in conversations to break the silence. Similarly, for creating awareness on Vertigo, we reached out to the patients to help them understand their balance fitness. We also developed tools, such as the “Sleep Score” that can help patients understand their sleep patterns and increase conversations with doctors about their sleep health. With the rise in flu cases in India, we collaborated with key experts to raise awareness through an integrated campaign highlighting the rising cases of flu, preventive measures, symptoms, and the importance of vaccination as a key preventive measure. Similarly, for the recent increase in conversations around Vitamin D, we continued our awareness campaigns across media. We reinforced our commitment to #MakingIndiaThyroidAware (MITA) with focused campaigns on improving awareness.

## Health Clinics

As a leading healthcare company, we ensure that we go beyond offering pills for holistic disease management. We utilize our medical expertise and resources to ensure access to awareness, diagnosis, and treatment across a range of symptomatic and asymptomatic conditions in India. Through our Fibroscan, dysmotility, and liver clinics, we offer timely diagnosis to people.

## Digital Initiatives

At Abbott, we leverage cost-effective digital marketing technologies and tools to raise therapy awareness with healthcare professionals and consumers across various digital channels.

Considering that health consumers are becoming more digitally savvy, we also leverage social listening to understand the sentiments and behavioral patterns and identify need gaps for our stakeholders. This tool helps us discover meaningful insights and help strategize differentiated digital campaigns that drive impact and engagement.

We have also digitized content for our sales teams for their communication with healthcare professionals, thus ensuring an effective and improved engagement. Digitization of CLM tools has helped us improve both sales and marketing effectiveness.

## Knowledge-Sharing Initiatives

Abbott recognizes the growing significance of evidence-based medicine in enhancing patient care and empowering healthcare professionals (HCPs). We have undertaken a range of research studies, including real-world evidence-based studies and registration studies, that have played a pivotal role in shaping our strategies and generating high-quality scientific evidence. These studies adhere to Good Clinical Practice (GCP) and regulatory requirements, contributing to the optimization of healthcare.



6

Clinical studies completed



8

New clinical studies conducted



18

Articles published in major indexed journals

PEOPLE

# LEADING TO ENABLE GOOD HEALTH EVERYDAY

We strive to be both an employer of choice and a Company that fosters shared growth. We thus invest in the growth, well-being, and development of our people. Our goal is to empower our people to help them realize their full potential, personally and professionally.



## Driving Value For Our People

Continue to strengthen our succession pipeline, by investing in development and growth capabilities

Enabling accelerated growth in the organization

Driving a high performance and inclusive culture

Strengthening capabilities

## Training and Capability Building Initiatives

Abbott is dedicated to building a diverse workforce of the future. This is reflected through career development programs for employees across all levels. Our training team has been instrumental in strengthening the field force's capabilities to effectively navigate through current and future challenges.

To establish a strong foundation of knowledge, skills, and engagement, we have implemented a comprehensive induction program. In 2022, we successfully onboarded over 660 Therapy Business Managers (TBMs) through a well-structured onboarding process.

To ensure continuous growth and development of our front-line field force, we have established a three-tier certification program. To date, more than 2,600 colleagues have been certified at various levels.

Recognizing the crucial role that first-line managers play in our organization's success, we have implemented a new supervisor orientation program called "TRANSFORM" to facilitate the smooth transition of newly promoted managers into their roles. This program was completed by 65 first-line managers.

Simultaneously, we have introduced the "AIL BM Academy", a program designed to enhance the capabilities of our second-line managers, equipping them to be future-ready.



Throughout our training initiatives, we have embraced a Phygital approach, combining both face-to-face and digital methods. This approach has proven to be highly effective, enabling us to reach a broader audience and make a greater impact.

**660+**  
Therapy Business Managers (TBMs) onboarded

**2,600+**  
frontline field force have completed the three-tier certification program



PEOPLE

**Enhancing People Skills**

At Abbott, we are committed to providing our employees with continuous opportunities to develop their careers within the Company and equipping them with the tools and resources they need to thrive. With our global presence, diverse business portfolio, and emphasis on professional growth, our employees can explore multiple career paths within Abbott.

Our initiatives to enhance skills and capabilities encompass various programs:

**Raising Future Leaders**

These programs focus on shaping key individuals in our succession pipeline across all levels of the organization. They are designed to equip participants with the skills and competencies needed for their next job.

**Executive Coaching and Mentoring**

At Abbott, we have implemented targeted interventions to support the development of our senior leaders through mentorship and external coaching. The success of these programs is evaluated based on the milestones achieved and the participants' progress toward their development goals. We also provide comprehensive training for all our people managers to enhance their coaching and mentoring abilities.



**Self-paced E-learning**

All our employees have access to a wide range of learning resources through an online portal. This allows individuals to enhance their skills and knowledge at their own pace, enabling real-time upskilling opportunities.

**Early Career Network**

This employee resource group aims to help our early career professionals explore and engage with the vast opportunities and diverse talent within Abbott.

**Abbott disAbility Network**

This network is dedicated to supporting individuals of all abilities within Abbott. We strive to empower people with disabilities to achieve their full career potential by fostering understanding, awareness, advancement, and advocacy.

**Mentoring Programs**

Our formal mentoring program enables employees to engage in structured developmental partnerships. Additionally, our culture fosters informal mentorships through regular career development interventions and networking opportunities, which promote relationship-oriented growth.

**Leading with Impact - Integrated Managerial Capability Program**

We assist managers in accelerating their development and preparing for senior leadership roles through a comprehensive program. This includes skill-building activities, experiential learning opportunities, and knowledge sharing from current leaders.

In 2021, we offered our "Leading with Impact" program to all people managers in the Company, and in 2022, we continued to reinforce the learnings through gamification, leadership messaging, and refresher sessions.

**Diversity, Equity and Inclusion (DE&I)**

At Abbott, we remain committed to diversity, equity and inclusion, recognizing these as essential components of our organization.

**Women Leaders of Abbott (WLA)**

WLA is a global employee resource group that connects, inspires, and helps women grow within our organization. WLA offers various programs aimed at enhancing leadership experiences and careers.

**Working Mothers of Abbott (WMA)**

Launched in India in 2022, WMA is an employee resource group that provides working mothers with a platform to connect, support, share, and learn from one another as they navigate the challenges of balancing work and motherhood.

**ASCENT - Abbott Second Careers Engagement Program**

This program strengthens our commitment to diversity by providing second career opportunities to veterans and women returning from career breaks.

**Unconscious Bias Training for all Managers**

We offer training to increase individual awareness of unconscious bias and its impact in the workplace.

**Happy Feet - Joy of Motherhood**

This program is designed to support and create a conducive work environment for our women employees as they transition into motherhood.

**Wo-Mentoring Program**

A dedicated initiative for high-potential women employees, this program has successfully mentored over 200 women so far with 40% of participants experiencing role rotations and promotions.

**Empower**

This initiative provides women employees with exposure to expert workshops, curated sessions, and content aimed at enhancing leadership skills such as networking, personal branding, resilience mindset, and more.

**Avenue**

Designed to support women during relocations due to personal circumstances, Avenue provides assistance and resources to ensure a smooth transition.

**Our Approach to Advance Our DE&I Efforts**

**Inclusive Workplace Policies and Practices**

We are dedicated to creating a more inclusive work environment by reviewing and enhancing our policies and practices. This includes ensuring that our organizational culture fosters inclusivity and provides equal opportunities for all employees.

**Hiring Practices**

We continuously evaluate and strengthen our hiring practices to ensure the effective recruitment of diverse talent across various functions. By monitoring our practices and approaches, we aim to attract and retain a diverse workforce that is reflective of the communities we serve.

**Capability and Mindset Development**

We recognize the importance of cultivating a managerial pipeline that embraces diverse perspectives and talent. We are committed to equipping our leaders and managers with the necessary skills and mindset to leverage diverse ideas and build high-performing, inclusive teams.

**Forums and Networks**

To foster an environment of inclusivity and engagement, we offer forums and networks that provide opportunities for employees to connect with and learn from different communities. These initiatives contribute to the development of healthy employee networks and resource groups, enabling the sharing of experiences, perspectives, and knowledge.



PEOPLE

**Ensuring the Well-Being of Our Employees**

At Abbott, we prioritize the overall well-being of our people. We offer comprehensive benefits and programs to support employees live their best lives, both personally and professionally, throughout their careers.

Abbott’s flagship India Wellness Program is designed around these four key pillars of employee well-being.

 <b>Physical Wellness</b>	 <b>Emotional Wellness</b>
 <b>Financial Wellness</b>	 <b>Social Wellness</b>

This program has been enhanced to address the challenges faced by employees in the external environment.

**Physical Wellness**

To promote physical health, we provide on-site doctors, conduct influenza vaccination drives, and organize exercise challenges. In 2022, we introduced a dedicated week focused on building mental wellness and resilience as part of our India Wellness Program.

**Emotional Wellness**

Our ‘Mind Strong’ initiative focuses on increasing awareness of the importance of mental health and providing tools to help manage stress and sleep, among other factors that can impact mental well-being. In October 2022, we observed “Mental Health Awareness Week” by organizing multiple programs and sessions by experts to encourage employees to have conversations related to mental well-being.

**Financial Wellness**

We facilitate sessions featuring financial experts to educate employees on financial planning, enabling employees to understand the concept of retirement planning, manage financial uncertainties, and effectively handle debt management.

**Social Wellness**

Our employees are passionate about making a difference, whether it is through delivering life-changing solutions or giving back to the communities we serve. Abbott offers opportunities for employees to support local causes, bringing our purpose of helping more people achieve better health to life.

**Work-Life Harmony**

We offer a range of initiatives and support systems to ensure a balanced and fulfilling life outside of work. Our programs are designed to promote work-life harmony and prioritize good health for employees and their families.

**Employee Assistance Program (EAP)**

Recognizing the vital role of employees’ families in their professional journey, Abbott has implemented the Employee Assistance Program (EAP) to provide meaningful support for the well-being of employees and their families. The EAP offers customized counseling and resource services aimed at enhancing employee and family well-being. It provides free counseling sessions, referrals to specialized services, and follow-up support.

**Listening To Our Employees – Your Voice Counts**

At Abbott, we value the opinions and feedback of our employees. To gauge the sentiments and concerns of our workforce, we regularly conduct the “Your Voice Counts” survey. This anonymous survey is distributed to a sample group of employees periodically, providing them with a platform to voice their opinions and highlight areas of importance or improvement. By actively seeking feedback, we can drive continuous improvement and address the needs of our employees more effectively.

**Blood Donation Drive**

Demonstrating our value of CARE, a blood donation camp was organized on July 1 in collaboration with the Indian Medical Association (IMA) to honor Doctors Day. The head office and Goa plant saw several employees participating in the drive and donating blood that may potentially save many lives.



**Awards and Recognitions**

**BEST USE OF VIDEO IN DIGITAL MARKETING CAMPAIGN & BEST VIDEO CONTENT BY/FOR A HEALTHCARE FIRM | INDIAN BUSINESS COUNCIL (IBC) - STREAM 2022**

E for Epilepsy

**WORLD RECORD FOR LARGEST BOTTLE MADE SENTENCE (MADE WITH ~12000 DUPHALAC BOTTLES) | GUINNESS WORLD RECORDS**

Duphalac

**INDIAN PHARMA AWARDS - EXCELLENCE IN R&D | CPHI INDIA**

Thyronorm - Flip-top dispenser pack

**DIGITAL BRAND OF THE YEAR - D STRONG ACTIVE LIFE CAMPAIGN | PRONTO CONSULTING CONSUMER AWARDS**

Arachitol

**BEST MARKETING CAMPAIGN ON RADIO FOR MENTAL HEALTH AWARENESS | MASTERS OF MODERN MARKETING (MCUBE) AWARDS 2022**

Prothiaden

**BEST MULTI-CHANNEL CAMPAIGN BY/FOR A HEALTHCARE ENTERPRISE | MASTERS OF MODERN MARKETING (MCUBE) AWARDS 2022**

Arachitol

**EXCELLENCE IN MARKETING – NEUROPSYCHIATRY | BUSINESS MINT MARKET RESEARCH**

Prothiaden

**PRODUCT OF THE YEAR – HEALTHCARE | CHANNELIER FMCG AWARDS 2022**

Arachitol

**‘PERCEPTION THAT MATTERS’ - MARKETING INITIATIVES | PRONTO CONSULTING CONSUMER AWARDS**

Thyronorm

**BEST CROSS-CHANNEL MARKETING CAMPAIGN | MASTERS OF MODERN MARKETING (MCUBE) AWARDS 2022**

Udistrong

**BEST BRAND OF THE YEAR - ACUTE CATEGORY | AWACS**

Udiliv

**EXTRAORDINARY INTERNSHIP PROGRAM IN INDIA | CHOOSEMYCOMPANY**

Abbott

**HR EXCELLENCE | GOLDEN PEACOCK**

Abbott

**TOP 10 BEST COMPANIES TO WORK FOR IN INDIA | BUSINESS TODAY**

Abbott

# LEADING TO DELIVER MEANINGFUL IMPACT

We empower low-income communities through quality healthcare and STEM education. By working with trade associations, academic institutions, healthcare professionals, and governments, we strive to address critical issues in healthcare and education. Together, we create lasting impact, transform lives and build a stronger, more equitable society.

## Building quality healthcare infrastructure and services

### Partner: AmeriCares

We partnered with AmeriCares to upgrade 75 Primary Healthcare Centers (PHCs) across 9 states to Health & Wellness Centers (HWCs) to help improve access to healthcare for low-income communities. Our program transcends mere physical enhancements, encompassing comprehensive training for PHC staff and Accredited Social Health Activists (ASHAs) and empowering communities with knowledge about communicable and non-communicable diseases (NCDs).

As a result of our collective efforts, we have witnessed an increase in footfalls at the HWCs, indicating an increased uptake of screening services for various diseases. This enables us to deliver healthcare in a timely, effective, and efficient manner. Our overarching goal is to deliver high-quality, cost-effective health services and catalyze a positive shift in the community's health-seeking behavior through early diagnosis, treatment, management, and adherence.



# 75

Primary Healthcare Centers (PHCs) are being upgraded to Health & Wellness Centers (HWCs) across 9 states

## Promoting STEM Education and Good Health

### Partner: Smile Foundation

We are dedicated to empowering children from underprivileged communities in Mumbai by providing them with access to quality education and infrastructure. Through our innovative STEM labs and smart classes, we are equipping them with crucial skills in Science, Technology, Engineering, and Mathematics, paving the way for a brighter future. Our focus on health education, including NCDs, Nutrition, Menstrual Hygiene, and Water, Sanitation and Hygiene (WASH), has led to comprehensive health awareness among these children, enabling them to lead healthier lives.

By promoting indoor and outdoor sports, we are not only enhancing their physical well-being but also fostering their social and emotional development. Our efforts have resulted in significant outcomes, including improved problem-solving and logical reasoning skills, making a meaningful impact on the lives of these children and their communities.



# 4,600+

children empowered through STEM learning across 14 schools in Mumbai

## Ensuring Quality and Affordable Healthcare Delivery

### Partner: SEWA

In collaboration with the Self-Employed Women's Association (SEWA), we are revolutionizing access to healthcare for low-income communities. Our program focuses on preventing, diagnosing, and treating (NCDs), ensuring the well-being of thousands. Through community-based clinics and telemedicine services, we are bridging the gap between underserved communities and vital healthcare. Operating in 35 districts across Gujarat, Rajasthan, Uttar Pradesh, Assam, Bihar, and Jammu & Kashmir, we have reached over 55,000 beneficiaries. Our comprehensive approach provides primary, acute, and NCD care while also creating employment and entrepreneurship opportunities for SEWA members. By forging strategic partnerships with reliable healthcare providers, we ensure sustainable impact and transformative outcomes. Together, with SEWA and our partners, we are building resilient healthcare systems, empowering communities, and offering hope to those in need. Our vision is to create a future where quality and affordable healthcare is accessible to all, regardless of economic circumstances.



# 400+

Health Master Trainers trained in NCD prevention, diagnosis, treatment, and adherence



## ENVIRONMENT

# LEADING TO SHAPE A SUSTAINABLE FUTURE

Environmental stewardship is a fundamental responsibility at Abbott. As our business expands, we have established clear objectives to reduce our environmental impact, aligning with Abbott's global sustainability goals for 2030.

## Approach

We strive to optimize the use of renewable resources and reduce carbon emissions. Our initiatives encompass a comprehensive approach to mitigate any unfavorable environmental effects. We are implementing sustainable practices and adopting environmentally friendly processes, and are actively working towards minimizing our ecological footprint and ensuring responsible management of resources. We have placed significant emphasis on energy and water conservation, waste reduction, minimizing water usage, and decreasing CO<sub>2</sub> emissions at our Goa plant and head office. Through a series of targeted initiatives, we aim to optimize processes, improve yields, and enhance overall productivity. These efforts result in increased efficiency and play a crucial role in preventing the release of raw materials and solvents into the environment.

## Waste Management and Recycling

Keeping in mind the 3 R's of waste reduction (Reduce, Reuse, Recycle), in 2023, 60% of non-hazardous waste generated on-site was sent for utilization for beneficial purposes without undergoing any recycling process. The remaining 40% of non-hazardous waste was carefully recycled, thus reducing the impact on the environment.

About 99% of the hazardous waste generated at the site was effectively disposed of through co-processing in cement factories while adhering to stringent regulations and environmental standards. A small fraction, approximately 0.7%, was subjected to incineration without energy recovery, while another 0.3% was diligently recycled, focusing on specific waste streams such as used oil and e-waste. Our collective efforts resulted in the successful collection and processing of approximately 2000 metric tons of plastic waste from various states and union territories in India, where our operations are located.

## Energy Conservation and Efficiency

At our Goa plant, we took a significant step towards embracing green energy by installing solar PV panels. This renewable energy system has proven to

be highly beneficial since it is capable of generating 314 MWh (megawatt-hour) of electricity annually, thus contributing to the overall energy requirements of the facility. This has helped us reduce our carbon emissions by 228 metric tons per year, thus aligning with our commitment to environmental sustainability. The solar PV panel system is designed to operate efficiently for 20 years.

By implementing various energy-saving ideas, the site achieved a reduction in energy consumption of 1%, which is equivalent to 180 kWh (kilowatt-hour) per day, without any additional capital expenditure (CAPEX) investments.

## Water Conservation and Regeneration

The Company has a state-of-the-art effluent treatment plant with parameters of treated effluent well within the limit set by the local State Pollution Control Board. To maximize resource utilization, the rejected water from the reverse osmosis (RO) process is redirected for use in utilities and washrooms. This innovative measure results in an annual water saving of 16,425 kiloliters.

The rainwater harvesting project continues to save water by reducing the intake of purchased water. In FY 2022-23, the effluent treatment plant was upgraded to the next level by installing a primary clarifier to remove solid particles and oil/grease. Some of the latest technologies, such as the multidisc screw press were introduced for sludge drying, which helps in removing water from sludge at a much faster rate and consumes 75% less power.

## Improving Eco-Efficiency in the Manufacturing Process

For an increased production size, we implemented Overall Equipment Efficiency (OEE) in the granulation, compression, and packaging processes, which led to a 25% reduction in changeover time, line clearance time, documentation, and testing. For Brufen reformulation, a more efficient method using pre-gelatinized starch was implemented, which eliminated the risks associated with hot surface/material contact and the potential for paste containers falling from a height.

As a result of these initiatives, there was an overall reduction in manpower hours, contributing to increased operational efficiency and productivity.

**THE GOA PLANT RETAINS ITS CERTIFICATION OF ZERO WASTE TO LANDFILL**



ETHICS AND COMPLIANCE

# LEADING TO SET BENCHMARKS

We prioritize responsible corporate governance, the highest level of compliance, and ethical conduct across every facet of our organization. These guiding principles enhance our corporate value, support our Company's long-term viability, and strengthen stakeholder trust.

## Ethics and Compliance

Abbott emphasizes ethical behavior through its Code of Business Conduct, which serves as a guide for employees. The Code highlights the Company's principles and emphasizes the significance of each employee embracing them consistently. Employees are expected to uphold the highest ethical standards, monitor business actions closely, promptly report any concerns, and conduct themselves with honesty, fairness, and integrity as outlined in the guidelines. Abbott is fully committed to complying with all relevant laws and regulations in all aspects of its operations.

## Governance Structure

Our commitment to strong corporate governance is rooted in aligning with stakeholders' interests. The Board of Directors comprehends the business dynamics, challenges, and opportunities, offering guidance, oversight, and strategic direction to the management. They ensure that strategies and plans are in line with the Company's mission of improving lives and that operations adhere to ethical standards and organizational values.

## Our Core Values

Our identity is built upon our core values, shaping our operations and how we cater to our stakeholders. It is crucial to align our organization with these values to effectively fulfill our mission and attain our business objectives.



Pioneering



Achieving



Caring



Enduring

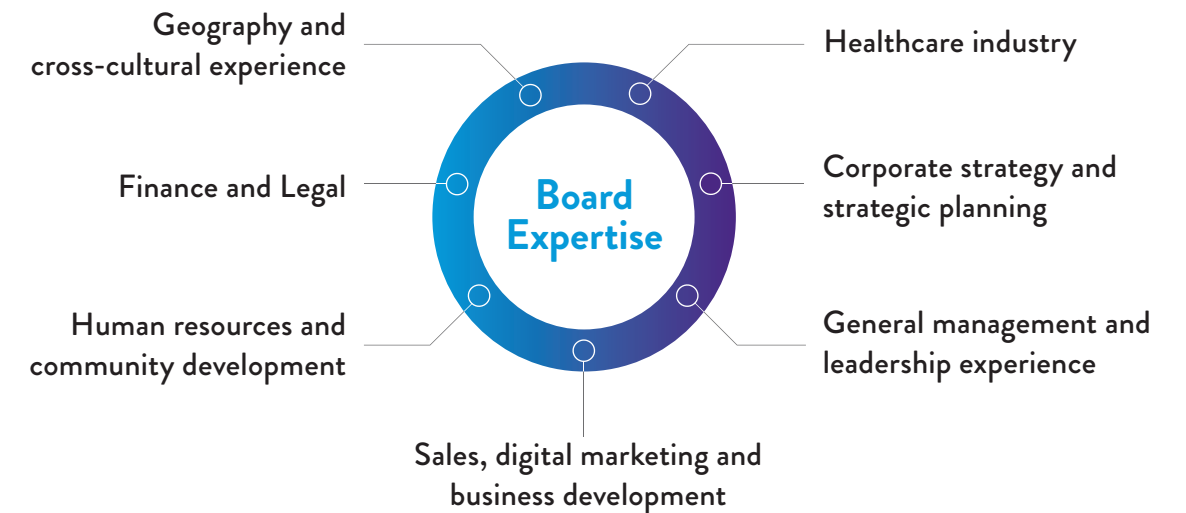
## Board Composition and Diversity

The Board comprises nine Directors, including three independent members, and embraces gender diversity with one-third representation of women. This diverse composition ensures that the Company benefits from a variety of relevant perspectives. Our Board members are highly skilled professionals with extensive expertise, diverse viewpoints, and robust business acumen.

## Board Committees

The Board Committees function within defined terms of reference that outline their roles, responsibilities, composition, and authority scope.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee



## Risk Management Approach

Our Enterprise Risk Management (ERM) process specifically addresses risks that have the potential to impact our business performance. Risk management practices are integrated into business operations, focusing on aligning risk appetite and strategy, improving risk response, and reducing operational uncertainties. Every year, we conduct a comprehensive analysis of materiality to consider the expectations of all our stakeholders regarding sustainable business practices as well as the associated risks and opportunities. Our ERM process ensures consistent evaluation of risks by assessing their likelihood, impact, and velocity, allowing us to prioritize the most significant risks and provide appropriate attention from our management team. We present risk dashboards and mitigation plans to our senior leadership team while the Board and Risk Management Committee review enterprise risks throughout the year.

## Internal Control Framework

We have implemented a robust internal control framework to protect the Company's assets and promote operational excellence. This system operates through clearly documented standard operating procedures, policies, and process guidelines. It provides a reasonable level of assurance regarding the achievement of our operational, compliance, and reporting objectives. The design of this framework is well structured and regularly assessed to ensure its effectiveness and appropriateness.



BOARD OF DIRECTORS

# LEADING TO ENRICH THE LEGACY



As on March 31, 2023

Standing (Left to right)

**Vivek V Kamath**  
Managing Director  
C M M

**Kaiyomarz Marfatia**  
Non-Executive Director  
C M

**Ambati Venu**  
Non-Executive Director  
M

**Anisha Motwani**  
Independent Director  
C M M M

**Sudarshan Jain**  
Independent Director  
C M M

**Rajiv Sonalker**  
Whole-time Director and CFO  
M M

Sitting (Left to right)

**Sabina Ewing**  
Non-Executive Director

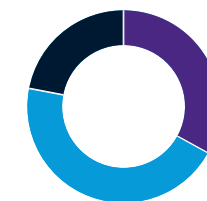
**Munir Shaikh**  
Chairman  
C M

**Shalini Kamath**  
Independent Director  
M M M M

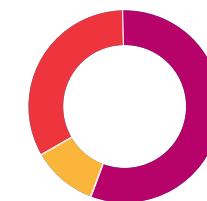
- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

- Ⓒ Chairman/Chairperson
- Ⓜ Member

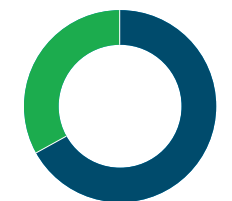
## Board Composition



- 33% Independent Directors
- 45% Non-Executive Directors
- 22% Executive Directors



- 33% 35-55 years
- 56% 56-70 years
- 11% >70 years



- 67% Male
- 33% Female



SENIOR LEADERSHIP TEAM

# LEADING TO SHAPE THE FUTURE



**Vivek V Kamath**  
Managing Director



**Rajiv Sonalker**  
Whole-time Director & CFO<sup>#</sup>



**Sridhar Kadangode**  
Director - Finance<sup>§</sup>



**Sandeep Reddy**  
Commercial Director -  
Women's Health, Metabolics  
& International Business



**Ashok Saini**  
Commercial Director -  
GenNext, Vaccine and  
NeuroLife



**Kunal Chowdhury**  
Commercial Director -  
GI Businesses



**Jejo Karankumar**  
Director - Medical Affairs



**Namita Shah**  
Associate Director - New Product  
Introductions and Therapy Area  
Strategy



**Rajan Kalantre**  
Director - Business Human  
Resources



**Krupa Anandpara**  
Associate Director - Secretarial  
& Company Secretary\*

<sup>#</sup>retired effective June 30, 2023

<sup>#</sup>appointed as Chief Financial Officer effective July 1, 2023

\*resigned effective June 30, 2023



## BOARD OF DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

### TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-ninth Report and the Audited Financial Statements of the Company for the financial year 2022-23.

### FINANCIAL HIGHLIGHTS

Particulars	₹ in Crores)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	5,348.73	4,913.32
Other Income	154.15	83.16
<b>Total Income</b>	<b>5,502.88</b>	4,996.48
Profit Before Tax	1,273.82	1,079.73
Profit After Tax	949.41	798.70
<b>Retained Earnings and Other Comprehensive Income (OCI)</b>		
Balance brought forward	2,151.57	2,014.18
Profit After Tax	949.41	798.70
OCI arising from remeasurement of employee benefits	3.62	2.92
Dividend - FY 2021-22	(584.36)	-
Dividend - FY 2020-21	-	(584.36)
Transfer to Reserves	(94.94)	(79.87)
<b>Balance carried forward</b>	<b>2,425.30</b>	2,151.57

### DIVIDEND

Your Directors have recommended a final dividend of ₹ 180/- and special dividend of ₹ 145/- per share for the year ended March 31, 2023 on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each for approval of the shareholders at the forthcoming Annual General Meeting. The said dividend, if declared will absorb a sum of ₹ 690.60 Crores.

In terms of the provisions of the Income-tax Act, 1961, 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, 2023 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, as amended from time to time ("SEBI Listing Regulations") is available on the Company's website at <https://www.abbott.co.in/investor-relations.html>. The said Policy lays down various factors which are considered by the Board while recommending the dividend for the year.

### MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### ECONOMIC OUTLOOK

In the last decade, India has been one of the fastest growing economies, and the GDP is expected to grow at 6.4% in 2023-24 as reported by Asian Development Bank. The acceleration in GDP growth can be attributed to multiple reasons, including favorable demographics, strong investment capital flows and technological efficiency and productivity gains.

#### INDUSTRY REVIEW

As per the India Brand Equity Foundation, the Indian pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% for the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research and manufacturing, biosimilars and biologics are some of the major segments of the Indian pharma industry. India also has the greatest number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 Active Pharmaceutical Ingredient (API) producers that contribute to around 8% of the worldwide API market. The domestic pharmaceutical industry includes a network of approximately 3,000 drug companies and 10,500 manufacturing units.

Indian drugs are exported to more than 200 countries in the world. As per the India Brand Equity Foundation, India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.

As the world's pharmacy, India's pharmaceutical exports have increased by 138%, rising from ₹ 37,987.68 Crores in 2013-14 to ₹ 90,324.23 Crores in 2021-22.

As per IQVIA, India's domestic pharmaceuticals market (IPM) is estimated at ₹ 2,21,922 Crores in 2023 with growth of 9.5% vs growth of 6.6% in 2022. Branded generics dominated the domestic prescription pharmaceutical market, accounting for around 80% of sales by value as per IQVIA. While there are continuous efforts to raise the regulatory bar, a company's reputation and brands are still widely regarded as indicators of quality. The market is expected to grow at a CAGR of 8.8% between 2022-2027 reaching ₹ 3,08,329 Crores by 2027, driven by economic growth, increasing penetration of health insurance and increased private sector investment.

### OPPORTUNITIES AND CHALLENGES

#### Factors which impact Industry and Company include:

- **Co-marketing Agreements** : Promotional tie-ups between foreign companies and local partners are an established feature of the market, but co-marketing deals for new drugs have been increasingly introduced over the last few years. For multinationals, these agreements enable more widespread detailing of key brands, while for local manufacturers, which have seen lesser access to new drugs, these agreements offer opportunities to broaden existing portfolios. Partnerships between Indian companies and MNCs are expected to continue to grow due to benefits provided to both parties, as well as the opportunity to make relevant patient impact.
- **E-pharmacy and Pharmacy Chains** : The retail pharmacy sector is estimated to comprise of at least 6,00,000 licensed outlets. Most are small, independent businesses, but pharmacy chains and e-pharmacies are a growing force. Pharmacy chains have expanded aggressively with MedPlus at 3,000+ stores and Apollo at 4,000 stores. In 2022, the market for online pharmacies was worth ₹ 25.50 billion. It is anticipated to expand at a compound annual growth rate (CAGR) of 22.20% from 2022 to 2027. This will increase access to organized pharmacies across the country and consequently drive increased demand and healthy competition.
- **Ayushman Bharat** : The central government's health insurance scheme, Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), is expected to drive increased public health insurance coverage. In January 2023, as per Economic Survey 2022-23, the scheme covered 22 crore beneficiaries with the provision of hospital care to an annual value of 5,00,000 per family. There are over 1.54 lakh Health and Wellness Centers (HWCs) across India, with over 135 crores footfall at

these HWCs. Further, the HWCs have also enabled over 87 crore screenings of non-communicable diseases. More than 31 crore health accounts have been created under the Ayushman Bharat Digital Mission, and over 7.5 crore health records have been linked. While coverage under the scheme itself is limited to hospital inpatient care, it will allow a growing number of patients to gain access to healthcare, increasing rates of diagnosis and raising disease awareness. This will further benefit private clinics and the retail pharmacy sector.

- **Price Controls and Regulations** : As per India Brand Equity Foundation, the National Pharmaceutical Pricing Authority (NPPA) had brought as many as 384 formulations under price control in 2022 and has now additionally fixed the ceiling price of 93 essential formulations including pain killers and drugs used to treat cancer, rheumatoid arthritis, heart disease, bacterial infections, pneumonia, tuberculosis, thyroid, epilepsy and urinary tract infections. Additional downward pressure could come from Trade Margin Rationalization to more non-scheduled drugs used for the long-term treatment of chronic conditions.
- **OTC Drug Regulations** : The OTC sector in India has been growing at a healthy rate driven by increased access to information and an evolving, and more informed consumer. The Drugs Technical Advisory Board (DTAB) approved a new OTC regulation policy in January 2022 to create an explicit OTC category and remove ambiguity from the current OTC definition. Post acceptance of the proposed amendment to the Drugs and Cosmetics Act, up to 100 drugs currently dispensed under a prescription can be shifted to the OTC category.
- **Uniform Code of Pharmaceuticals Marketing Practices (UCPMP)**: UCPMP, while currently voluntary, could become mandatory in the future. 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 above market\* in the last several years with a clear focus on providing scientific, trusted products, backed by expert clinical support. The Company's position has been enhanced through consistent scientific engagement with doctors, increasing geographic penetration, strong customer insights, innovative products and a comprehensive pill plus service approach.

\*Source : IQVIA



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

**Financial performance**

**Revenue from Operations :** Revenue from Operations for the year ended March 31, 2023, is ₹ 5,348.73 Crores in comparison to ₹ 4,913.32 Crores last year, recording a growth of 8.9%.

**Profit Before Tax :** Profit Before Tax for the year ended March 31, 2023, is ₹ 1,273.82 crores, which grew by 18.0% over the previous year.

**Key Financial Ratios :**

Particulars	2023	2022	Change
Debtors Turnover (Days)	20.6	20.0	3.0%
Inventory Turnover (Days)	82.0	96.6	(15.1)%
Interest Coverage Ratio*	80.7	57.5	40.3%
Current Ratio	2.5	3.2	(21.9)%
Debt Equity Ratio	0.1	0.1	-
Operating Profit Margin (%)	24.1	22.3	8.1%
Net Profit Margin (%)	17.8	16.3	9.2%
Return on Net Worth (%)	31.6	29.5	7.3%

\*Interest Coverage Ratio has increased because of accounting impact of Ind AS 116-Leases.

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

**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 Cost of goods sold 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 Debt Equity 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 lease 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 profit after tax 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 therapeutic areas such as Women's Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty and Vaccines.

Performance for the year under review in these therapeutic areas is highlighted below :

- **Women's Health :** This year, the Women's Health portfolio showed degrowth of 8.4%, mainly due to increased competition from generics in dydrogesterone market. The Company continued to enhance the connect with healthcare professionals through omnichannel campaigns and initiatives driving advocacy, while strengthening Duphaston's positioning in the management of miscarriages and infertility.

Further, shaping the treatment landscape for menopause in India will be another key priority area for the Company and we will continue to build Femoston in this therapeutic area over the next few years. We launched the following new products to build on our

Women's health portfolio during the year i.e., Femoston Mini (post-menopausal symptoms), Solfe extra tablet (iron deficiency anemia) and Cetropro vial (IVF).

- **Gastroenterology (GI) :** The Gastroenterology portfolio showed a robust growth of 10.5% and consolidated its market share in the segment. GI brands continued to be the key growth driver for the Company. Strong acceleration in 2022-23 was driven by the top brands in this segment, i.e., Udiliv (cholestatic chronic liver disease), Duphalac (constipation), Cremaffin Plus (constipation) and Creon (pancreatic exocrine insufficiency). These brands maintained their leadership position and market dominance with increased geographic presence, differentiated medico marketing programs and targeted micro market interventions. Other brands like Ganaton (gastrointestinal dysmotility) and Librax (irritable bowel syndrome), continued to outperform the market\*. Our commitment to focus on new launches and build the existing top brands yielded substantial results accelerated portfolio growth.

During the year, Cortirowa OD (ulcerative colitis), Digeraft XT (gastroesophageal reflux), Digeraft Plus (gastroesophageal reflux) and Cremagel-L (anal fissures) were launched. Digeraft (anti reflux antacid) continued to be one of our best performing new products in 2022-23. Several beyond the pills offerings have also been significantly scaled up with the introduction of newer services such as EGG (Electrogastrogram) for enhancing dysmotility diagnosis in India. The Company plans to stay invested in extending better diagnosis support to patients in core therapy areas.

The Company will continue to identify need gaps in core therapy areas to maintain therapy leadership, launch new products to augment portfolio offerings, and support consumers with comprehensive and differentiated service offerings, to further accelerate mid-sized brands and enable disruptive growth of new product launches. The focus will remain on integrating and building a strong, sustainable and profitable hybrid promotional model for consumer facing legacy brands like Cremaffin and Digene by strengthening targeted consumerization and ethical promotional initiatives in the laxatives and antacids category.

- **Central Nervous System (CNS) :** The largest therapy area for the CNS business is vertigo, which grew by 4.1% over the previous year with Vertin delivering a market beating growth\*. This has been made possible with the differentiated initiatives and campaigns, consistent therapy shaping initiatives, and successful product life cycle management.

- **Metabolics :** The Metabolics portfolio achieved strong double-digit growth of 14.5% driven by the success of Abbott's flagship brand Thyronorm. Thyronorm grew faster than the represented market\* and has maintained its market dominance\*. The brand is driven by digital interventions to enhance scientific engagement, therapy shaping initiatives in collaboration with reputed bodies like Association of Physicians of India, Indian Medical Association and the Indian Thyroid Society. Multi-channel awareness campaigns continue to be an important lever aiming to provide credible information around thyroid disorders and resulting symptoms. During the year, Thyronorm 200 mcg (hypothyroidism) and India's first Liothyronine (T3) molecule-Linorma T3 (hypothyroidism) were launched. Additionally, Combinorm grew faster than the market\* and continues to establish the usage of pre-probiotics in the treatment of bacterial vaginosis.

- **Multi-Specialty :** Under Multi-Specialty, the Company offers products for insomnia, vitamin D, pre-term labor and pain management. This business has grown 4.7% in 2022-23 and is consistently growing higher than represented market\*. Zolfresh (insomnia), Arachitol portfolio (vitamin D), Brufen (analgesics) and Duvadilan (preterm labor) are the key contributors to this business. Differentiated public awareness initiatives helped in creating awareness through experts. Scientific therapy initiatives in collaboration with India's leading scientific bodies, were launched during the year. Going ahead, the focus will be to establish our base brands and build them into mega brands for the company. We also want to strengthen our new products pipeline to offer an even more comprehensive portfolio to covered specialties. During the year, Brufen P (pain and fever) was launched under this business.

- **Vaccines :** The key brands in the vaccines portfolio are Influvac (influenza), Enteroshield (typhoid), Havshield (hepatitis A), Rotasure (rotavirus diarrhea), and JE Shield SD (Japanese encephalitis). Vaccine business grew by 5.5% during the year. We led robust medico-marketing and awareness plans to improve the pediatric vaccination numbers, especially for Influenza vaccination. We also launched several mother education initiatives under our Influenza flagship program and initiated several educational activities under our influenza flagship program. In partnership with US-India Strategic Partnership Forum (USISPF), Federation of Obstetric and Gynecological Societies of India (FOGSI), Indian Chest Society (ICS), guidelines for adult vaccinations

\*Source : IQVIA



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

for critical patients were drafted and launched. The Company is working with National Technical Advisory Group on Immunization (NTAGI) to further build guidelines on influenza vaccinations for adults in high-risk groups. There are focused efforts through print and social media, along with campaigns on radio and parental platforms to create awareness. 'In-Home-Vaccination' and the 'Influvac microsite' were launched specifically for healthcare professionals for better services and to improve vaccine compliance. We will continue to expand the market for both pediatric and adult populations through newer patient services and product launches to strengthen the portfolio.

### MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

Evidence-based medicine is gaining importance in empowering Healthcare Professionals (HCPs) 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 optimization of healthcare.

During the year, the Company completed 6 clinical studies and executed 8 new clinical studies and published 18 articles in major indexed journals. All the studies were conducted in compliance with Good Clinical Practice (GCP) and regulatory requirements.

### OUTLOOK

The pharmaceuticals industry is expected to grow at 9.5% in 2023. This continued economic growth, along with reduced Covid-19 impact, is expected to drive the market growth of non-Covid-19 therapies. We have also witnessed a global behavioral shift towards preventative care and remaining healthy, which is also expected to drive market growth in India. For Abbott, this market growth would present opportunities to provide relevant products and solutions to our customers.

In 2023, the Company we aim to and continue gaining share in the Indian pharmaceutical market. Some the key drivers that will help us deliver on our ambition are :

- **Therapy shaping to accelerate pillar brands :** Focused efforts are being made to accelerate growth of current brands and future launches with clearly defined strategies, developed through in-depth analysis of market trends along with our capabilities and strengths. Shaping of key therapies is critical to drive leadership and ensure consistent market beating growth.

- **Beyond-the-pill patient support :** Engaging patients directly for education, counselling or compliance support is crucial today due to their increased awareness. The Company has been at the forefront of patient support programs and has continued expansion with new programs. For example, we've worked around menopause to help women improve their quality of life. Our existing programs have shown success in ensuring therapy adoption and adherence and we plan to explore targeted partnerships with other industry players and start-ups to expand the same.
- **Multi-channel doctor engagement :** A key focus of the Company is engaging with doctors through multiple physical and digital touchpoints. This is likely to help reach a larger base of doctors. We are also constantly revamping our knowledge platforms to be able to provide more relevant information to doctors.
- **Increase portfolio depth :** We continue to focus on new launches to ensure presence in strategic therapeutic areas and leverage loss of exclusivity of critical brands. We have built a robust plan for our new product pipeline across therapies.

### RISKS AND CONCERNS

The Indian pharmaceutical industry operates under a highly regulated environment. Tighter norms for clinical trials as well as for development of new drugs and treatment may impact the industry growth, but are beneficial in the long run. Growing competition from generic medicines, dependence on imports for Active Pharma Ingredients (API), supply chain disruption due to geopolitical incidents, pose challenges to the industry and the Company. The Company remains at the forefront of these challenges and continue to develop new products at an affordable price point to meet evolving patient needs.

### 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 and segregation of duties. 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. Change in control structure is carried out to meet business needs along with control effectiveness.

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 and propose remedial measures, wherever required.

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 on a regular basis.

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.

For the year ended March 31, 2023, the Management has assessed the adequacy and effectiveness of internal controls over financial reporting and basis the assessment, believes that the processes are working efficiently and effectively. The Statutory Auditors have confirmed adequacy of the internal controls over financial reporting and its operating effectiveness.

### DIRECTORS

During the year, the Board of Directors, basis the recommendation of the Nomination and Remuneration Committee, has approved the re-appointment of Ms Shalini Kamath (DIN : 06993314), as an Independent Director of the Company for a period of 5 (five) years effective October 29, 2022, not liable to retire by rotation. This was approved by the Shareholders through Postal Ballot on November 12, 2022.

Mr Rajiv Sonalker will retire as Whole-time Director effective June 30, 2023. The Board places on record appreciation for his contribution during his tenure.

The Board, upon recommendation of the Nomination and Remuneration Committee at its Meeting held on May 19, 2023, approved the appointment of Mr Mahadeo Karnik (DIN : 02606595) as Additional Director on the Board of the Company effective July 1, 2023 subject to approval of the Shareholders at the forthcoming Annual General Meeting.

In accordance with Section 152 of the Companies Act, 2013, Mr Kaiyomarz Marfatia (DIN : 03449627) and Ms Sabina Ewing (DIN : 09201770) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### 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 ("the Act") and the SEBI Listing Regulations. All the Independent Directors have registered themselves in the Independent Director's Database managed by the Indian Institute of Corporate Affairs.

### Number of Board Meetings

Five Board Meetings were held during the year 2022-23 on May 17, 2022; August 10, 2022; November 14, 2022; February 10, 2023 and March 17, 2023. The intervening gap between the Meetings was within the period prescribed under the Act, Rules framed thereunder read with the Secretarial Standards issued by the Institute of Company Secretaries of India 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 Act and the Rules framed thereunder. The said Policies are available on the Company's website at <https://www.abbott.co.in/investor-relations.html>.



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

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

The Policy lays down :

- i. criteria, 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 Director, 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 based on recommendation of the Nomination and Remuneration Committee, which sets a mechanism and criteria for evaluation of the Board, Board Committees and Directors, including Independent Directors. The same is available at <https://www.abbott.co.in/investor-relations.html>.

Every year, Directors evaluate the effectiveness of the Board and its Committees in performing its governance and oversight responsibilities. Directors assess the performance of their peers, as well as the full Board of Directors and each of the Committees on which they serve through online questionnaire.

Online Evaluations solicit feedback on various parameters described below :

For Board : Structure and composition of the Board, frequency and number of meetings, devotion of time for important business matters-financials, monitoring internal controls/code of conduct/insider trading policy/risk management framework and emerging risks/governance and compliance issues, adequate access to information for effective decision-making, strategic guidance to management through regular interactions and cohesiveness in the overall working that facilitates open discussion.

For Committees : Structure and composition of the Committees, adequacy of charter and working procedure, frequency of meetings, if the Committee is functioning as per the charter and if the Committee recommendations contribute effectively to the Board decision-making.

For Directors : skill set, knowledge, 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.

Review and discussions :

- Results are presented in the form of anonymized reports;
- The Nomination and Remuneration Committee reviews peer and Board Reports;
- Reports are then shared with the Board for review and discussions.

Feedback incorporation :

- Basis the feedback, enhancement opportunities are identified and implemented as appropriate;
- The Chair of the Nomination and Remuneration Committee discusses peer evaluation results with individual directors as needed.

During the year 2022-23, evaluation of the Board, Committees and Directors was conducted as per the process described above. Also, the Independent Directors conducted separate assessment of the Board, Non-Independent Directors and the Chairman basis the feedback from the other Board Members.

### KEY MANAGERIAL PERSONNEL

Mr Vivek V Kamath, Managing Director, Mr Rajiv Sonalker, Chief Financial Officer and Ms Krupa Anandpara, Company Secretary, are the Key Managerial Personnel of the Company as on March 31, 2023.

Mr Rajiv Sonalker will retire as Chief Financial Officer of the Company effective June 30, 2023. The Board upon recommendations of the Audit and Nomination and Remuneration Committees, approved the appointment of Mr Sridhar Kadangode as Chief Financial Officer of the Company effective July 1, 2023.

Ms Krupa Anandpara has resigned and will cease as Company Secretary and Compliance Officer of the Company effective June 30, 2023.

### AUDIT COMMITTEE

The Audit Committee comprises of Ms Anisha Motwani (Chairperson), Mr Munir Shaikh, Mr Sudarshan Jain and Ms Shalini Kamath. Role of the Committee is provided in the Corporate Governance Report, forming part of this Report. 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.

A report indicating the number of cases reported, investigations conducted including the status update is presented before the Audit Committee, on a quarterly basis.

The said Policy is available on the website of the Company at <https://www.abbott.co.in/investor-relations.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 Act, your Directors state that :

- a) in the preparation of the Annual Accounts for the year ended March 31, 2023, 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, 2023 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 Act, 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 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 Act and the SEBI Listing Regulations. The said Policy is available on the Company's website at <https://www.abbott.co.in/investor-relations.html>.

As per the said Policy, all Related Parties Transactions are pre-approved by the Independent Directors, Audit Committee and Board, as and when required as per the requirements under the Act and SEBI Listing Regulations. The details of actual transactions are reviewed by the Audit Committee on a quarterly/annual basis. Material transactions, if any, with the Related Parties 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 entered into during the financial year 2022-23 were pre-approved by the Independent Directors and Audit Committee. Actual Transactions are placed before the Audit Committee on a quarterly basis. Material Related Party Transactions are approved by the Shareholders, as and when required. The details of the same are provided in Note 38 to the Financial Statements.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, the Company has filed half yearly reports on Related Party Transactions with the BSE Limited.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Section 124 and other applicable provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all dividends which remain unpaid or unclaimed for a period of seven years, are required to be



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

transferred by the Company to the IEPF, established by the Government of India. 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.

In accordance with the said requirements, during the year, the unpaid dividend and shares were transferred to IEPF. The details of the same are provided in the Corporate Governance 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.html>.

#### CSR Programs/Activities undertaken during the financial year 2022-23

The Company spent an amount of ₹ 19.36 Crores on various CSR programs during the financial year 2022-23. The Annual Report of the CSR activities undertaken by the Company is annexed as "Annexure I" and forms part of this Report.

### RISK MANAGEMENT

The Company has formulated a "Risk Management Policy" which includes :

- Risk identification framework (including Environment, Sustainability and Governance related risks [ESG]);
- Risk mitigation measures ;
- Business Continuity Plan (BCP).

The framework above covers financial, operational, HR, reputational, sectoral, cybersecurity, ESG and any other risk determined by the Risk Management Committee (RMC).

#### 1. Objective

Risk Management Policy is directed to enable Management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. Broadly, the Policy Framework encompasses :

- Aligning risk appetite and strategy considering the risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks;
- Enhancing risk response decisions and select among alternative risk responses-risk avoidance, reduction, sharing and acceptance;

- Reducing operational surprises and losses by identifying potential events and resultant responses, thus reducing surprises and associated costs or losses;
- Identifying and managing multiple and cross-enterprise risks;
- Seizing opportunities by considering a full range of potential events and thus identify and proactively realize opportunities;
- Improving deployment of capital through robust risk information to effectively assess overall capital needs and enhance capital allocation.

These capabilities inherent in this Framework help in achieving the performance and profitability targets and prevent loss of resources.

This Risk Management Framework is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the Company's reputation and associated consequences.

Risk Management Framework enables the Company to avoid pitfalls and surprises along the way.

#### 2. Roles and Responsibilities

- Board of Directors

The Board provides oversight about Risk Management and is responsible for approving Risk Management Framework. The Board has constituted Risk Management Committee with defined roles and responsibilities.

- Audit Committee

Audit Committee conducts evaluation of Risk Management systems and such other functions as may be assigned by the Board from time to time.

- Risk Management Committee

Key roles and responsibilities are outlined below :

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

- Understands the significant or high risks affecting Company and ensures that processes to mitigate them are effective;
- Reviewing and amending Risk Management Framework from time to time;
- Such other functions as may be delegated by the Board from time to time.

- Risk Management Core Team

The Risk Management Team oversees the process by which business division/function management identifies and assesses risks and determines appropriate responses. It addresses organizational risks and sets performance measure goals and key risk indicators for those risks. It takes care of the following :

- Design, develop and periodically update the Risk Management framework and procedure;
- Ensure appropriateness of risk culture and understanding across the Company at all levels;
- Plan and organise risk management programs;
- Ensure adherence to Risk Management policies and procedures within Abbott;
- Facilitate validators in preparation and execution of control validation plan;
- Conduct adequate awareness;
- The Core Team along with the concerned Division/Function heads identifies risks faced/perceived by the Company and mitigation plans. The core team further evaluates whether the mitigation measures have helped bringing down the scale and magnitude of risk, from time to time.

### 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.

### AUDITORS' REPORT

The Auditors' Report for the financial year 2022-23 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 the Cost Auditors of the Company for the financial year 2022-23.

M/s Kishore Bhatia & Associates are appointed as Cost Auditors of the Company for the financial year 2023-24 at a remuneration of ₹ 0.08 Crores 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 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 2021-22, issued by M/s Kishore Bhatia & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs on August 25, 2022 (due date of filing was September 8, 2022).

### 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 2022-23.

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary for the financial year ended March 31, 2023, 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 on the website of the BSE Limited for having foreign investment in excess of prescribed sectoral cap.

In this connection, the Company had received post-facto approval from the Department of Pharmaceuticals permitting the increase in foreign shareholding in excess of 75.11% from October 19, 2012 to January 14, 2021, which was subject





## Board of Directors' Report and Management Discussion and Analysis (Contd.)

to compounding with the Reserve Bank of India for the contravention of applicable rules under the Foreign Exchange Management Act, 2000.

The Company has filed the compounding application with the Reserve Bank of India and taking adequate steps in this regard.

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

### REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act.

### HUMAN RESOURCES

Abbott is an innovative and great place to work, that cares about and values its employees. The purpose and mission is to provide employees with the opportunity to change people's lives for the better, while living their own best lives personally and professionally. As they drive growth for the Company, the Company provides a supportive, inclusive culture and programs that help ensure their continued development and encourage them to build a successful career. The Company offers a variety of benefits and development opportunities that allow employees to build thriving workplace relationships and careers, along with financial security for themselves and their families.

The Company has 3,700 employees as on March 31, 2023. They are the pillars of the Company's growth and success. Employee well-being is a key priority and the Company is committed to protecting it.

The Company offers career development programs for employees from all levels of the organization to build a diverse, innovative workforce of the future. This is done with a particular focus on diversity, equity and inclusion.

All efforts resulted in Abbott being recognized amongst the 'Top 10 Best Companies To Work For in India,' by Business Today-one of the leading business magazines.

### Talent Strategy

A strong talent strategy has been developed to help attract and retain the right talent and emerge as the employer of choice in the Indian Healthcare Industry. The Company believes in motivating and engaging employees through shared goals, capability building initiatives, career growth opportunities and providing an environment of transparency, accountability and positive reinforcement.

### Training and Capability building initiatives

#### 1. Training and Development Resources

The Abbott Global Training Site provides variety of materials and resources to meet the development and functional training needs of employees including role-based trainings, in-person trainings, eLearning (online training) and articles, accessible on real-time basis calendarized and localized programs are additionally designed basis need identification. The Learning and Development team caters to customized training requests from business in parallel to the open enrollments. E-Learning and virtual learning play an integral role in learning offerings and provides employees the flexibility they need. The Career Connect Platform helps employees to engage in new experiences, discover innovative ways to connect with colleagues globally and take advantage of personalized resources to create a high-impact development plan. Employees also have opportunities to work on Learning Gigs-an innovative concept facilitating voluntary project-based learnings with teams across any country within Abbott.

#### 2. Leadership Pipeline Building Programs

**Talent Management Reviews :** These programs focus on the development of key personnel who are part of the succession pipeline at various levels. They focus on building skills and capabilities required for the next level roles.

**Transition Programs :** These training programs are very specific to the employees who are getting into their new roles. As an employee transitions from being an individual contributor to a manager, this program provides the necessary support in navigating the complexity of being a manager.

The program focuses on building people manager leadership competencies and comes with three levels :

- Individual Contributor to People Manager;
- Manager to Director;
- Director to General Manager.

Key talent programs like In-Stride and Future Leaders Development Program aim at developing future leaders and accelerate their readiness into critical roles. The 12-month development journey consists of cross-functional mentoring, classroom trainings, digital learning, leadership and business simulations, campus immersion at top class academic institutes and exposure to senior leaders to review development progress.

#### 3. Executive Coaching and Mentoring

Executive coaching and mentoring are used as development interventions for senior leaders. They are based on the needs identified for senior leaders and a 6-12 months' engagement with an external senior coach is established. The goals are set up and agreed to by the coachee, coach and the manager. Success is measured by the achievement of milestones and development goals achieved by the coachee.

#### 4. Mentoring Programs

Leaders like the vice presidents, general managers, senior directors and functional leaders actively engage in mentoring talent across the organization. Mentoring develops employees to drive new, cross functional expertise and perspectives. Mentors are identified and a panel is created with expertise in a variety of areas of development to address the needs of our talent with respect to business and professional growth. The mentor-mentee pairs and groups are assigned based on need, expertise and personal attributes. Tools and guidelines to maximize learning are provided.

#### 5. Leading with Impact-Integrated Managerial Capability Program

The Company helps managers accelerate their development and transition into senior leadership roles through skill building, experiences, and learnings from current leaders. The "Leading With Impact" program was offered to all people managers in the Company in 2021 to help them effectively lead people and the group underwent refresher programs on the same in 2022. The 12-week module consisting of online learning and simulations, on the job experiences, discussion with peers on the learnings, coaching from certified global coaches and pre and post program leadership effectiveness surveys, outlined modules such as See, Hear, Speak, Coach and Develop and is considered to be highly effective. Leading with Impact efforts are sustained through various initiatives like Pop Up quiz on Intranet portal, quarterly mailers related to employee life cycle processes, leader panel sessions, etc.

### Diversity, Equity and Inclusion (DE&I) :

Diversity is fundamental at Abbott-in people, mindsets and business models. It's core to fulfilling the purpose and is embedded in values and is driven across leadership levels. Diversity is built into Abbott's worldview, workplaces and customer bases. The Company strives to create and provide

the work environment where every employee feels welcome and able to bring their whole self to work. This means integrating diversity, equity and inclusion in all areas of business and building teams reflective of the communities the Company serves.

Some key focus areas to help bring the Diversity, Equity and Inclusion vision at Abbott to life include :

- **Equal Employment Opportunities :** The Company's Equal Employment Opportunity Policy reinforces the commitment in ensuring that workplace is free from discrimination and employment is based solely on merit during external hiring and internal job movements. Opportunities are provided without discrimination on the basis of race, sex/gender, religion/caste/creed, social or ethnic origin, color, age, differently abled (including physical medical conditions), sexual orientation, domestic partnership status, gender identity or expression, marital status, ancestry, genetic information or any other reason prohibited by laws in the country.
- **Capability and Mindset :** Initiatives to continue building managerial capability to leverage diverse ideas and talent and build high performing, inclusive teams are pivotal.
- **Forums and Networks :** Provide opportunities for employees to engage with and learn from different communities creating robust, extensive employee networks and resource groups.

All of these is reinforced by continuous communication and awareness to ensure we build sensitization and advocacy for an inclusive workplace.

There are various interventions for DE&I undertaken and promoted during the year :

- **Women Leaders of Abbott (WLA) :** WLA takes a proactive role in connecting women within the organization and offers dynamic programs and initiatives to enhance leadership experiences and career development of women. It acts as a platform for attracting, retaining and advancing women in the organization, thereby becoming an Employer of Choice for Women.
- **Working Mothers of Abbott (WMA) :** WMA is an employee resource group launched in Abbott India in 2022 to provide working mothers an avenue to connect, support, share and learn from each other as they strongly navigate expectations of balancing work and motherhood.



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

- **Happy Feet-Joy of Motherhood :** Happy Feet is a program designed to support and provide a conducive work environment for our women employees as they step into the phase of motherhood. The document is shared with women employees who are expecting and also provide details of preparing for maternity leave and provide support before, during and after pregnancy.
- **ASCENT-Abbott Second Careers Engagement Program :** This program aims to strengthen our diversity commitment by providing second career opportunity to veterans and women returning from career breaks. ASCENT aims at empowering these professionals with relevant opportunities and providing the required support and flexibility to ensure a seamless transition.
- **Unconscious Bias Training for all Managers :** Building individual awareness of unconscious bias and their understanding of its impact at work.
- **Wo-Mentoring Program :** One of our key focus is the development of our key women talent and creating women leaders across levels. Our Wo-Mentoring program provides an accelerated development experience through a mentoring opportunity for identified key women talent over a nine-month mentoring program. The Wo-mentoring program which started in our head office, now extends to manufacturing and sales employees. We have mentored 200 women employees so far and of these 40% have had a role rotation, promotions and transfers.
- **Empower :** As a part of this initiative, women employees receive exposure to best-in-class expert workshops/curated session as well as content that includes theme specific webinars, videos, articles and podcasts to sharpen and enhance their leadership skills like networking, building personal brands, resilience mindset, etc.
- **Avenue :** Avenue is an offering designed to support women during any relocation requirement due to a change in personal circumstances.
- **Early Career Network :** This employee resource group set up in India has been launched with the purpose to help our early career professionals explore the mammoth organization that Abbott is, engage and network with leaders and diverse talent across the organization. The aim is to help these individuals evolve as professionals resulting in long and meaningful careers with Abbott.

- **Abbott Disability Network :** To be a best-in-class network supporting people of all abilities within Abbott. We empower people with disabilities to reach their fullest career potential. We create a culture of understanding, awareness, advancement and advocacy for individuals with disabilities through education, training, outreach, volunteer events and collaboration.

### Prevention of Sexual Harassment (POSH) 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 under POSH is imparted to employees regularly. This training also forms part of the new Employee Orientation program.

During the year 2022-23, all the employees have undergone and completed the aforesaid mandatory training program.

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

### HEALTH, SAFETY AND ENVIRONMENT

The Company is committed to the protection of human health, safety and the environment. This commitment forms the basis for our EHS management systems and governance. Attainment of our long-range targets to reduce worker injuries and the environmental impacts of our business across our value chain is a priority. Meeting our targets, along with our EHS objectives, is the continuation of a long legacy of responsible business practices at Abbott that reflect our core values : Pioneering, Achieving, Caring and Enduring.

#### Health and Safety :

During the year, Goa plant received the prestigious Abbott Global EHS Excellence award for upgrading occupational health and fire protection facilities at site.

Site Safety Committee is formed at the plant having representation from both supervisory and non-supervisory staff. Committee meets at regular frequency to discuss and resolve EHS issues.

On-job, Classroom and Online EHS trainings are regularly arranged for employees. Training topics cover applicable EHS regulations, Abbott's EHS technical standards, firefighting, hazardous chemical and waste handling, Slip/Trip/Fall, Machine Guarding, Material Handling and emergency preparedness.

State of art centralized dust collection system is provided in the manufacturing facility which removes the dust generated during the process thus preventing employees from dust exposure. The dust which is also explosive in nature is vented out effectively with this dust collection unit as this system by design has features to protect the equipment and area around in event of explosion. Thus, ensuing safety of personnel and workplace in event of dust explosion.

Automatic sprinkler system is installed in raw material, packing material and finished goods store, thus providing 100% sprinkler coverage to entire warehouse which is the most expensive block at site. In event of fire the sprinklers will automatically get activated, extinguish the fire and also to prevent the spread of fire in adjacent areas, thus providing protection even during non-working hour. Total 25% of sites built up area has coverage of automatic sprinklers system.

Hazardous Area Classification (HAC) study was carried out for Plants where the chemical Flash Point (FP) is less than 65° C as per IS5572/2009 (Class A and B liquids). Hence all plants/areas where any chemical stored/handled has a FP less than 65° C will be considered for this Hazardous Area Classification Study. Chemicals handled above their flash point were also included, as they are considered as flammable at elevated temperatures above their flash point.

Special focus is maintained on critical safe work initiatives like contractor safety, hand safety, hot work and working on heights.

Mass awareness programs such as celebration of National Safety Week and Abbott EHS week were conducted to help build a sustainable EHS culture.

For EHS cultural enhancement, we are running Behavior Based Safety-BBS program which includes observation and correction of unsafe acts. There also exists system for reporting of unsafe conditions and near miss. Such initiatives have greatly helped improve positive EHS culture.

#### Road Safety :

Various Road Safety programs were conducted for field employees during the year :

- 100% of the sales employees completed the online defensive riding refresher training module;
- 611 new sales employees were trained virtually on defensive riding skills and behaviors and COVID-19 Safety guidelines and behaviors, within 60 days of joining;
- 639 new sales employees were provided with 2 helmets (one for self and one for the pillion rider) as a part of the joining kit;

- A new online defensive driving refresher training module will be rolled-out to all field employee. This module covers all the new risks that a driver faces post COVID-19.

To further enhance employee engagement on road safety and defensive riding, a series of initiatives like quizzes and creative competitions were rolled-out with good participation from employees.

#### Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavor to minimize the use of renewable resources and cut down on carbon emission.

In all our initiatives, a holistic approach is adopted and efforts are made to curtail adverse environmental impact, if any. The Goa plant continued to implement multiple energy, water conservation and emission reduction projects.

The Company has a state-of-the-art effluent treatment plant with parameters of treated effluent well within the limit set by the local State Pollution Control Board. The rainwater harvesting project continues to save water by reducing the intake of purchased water.

In 2022-23 the effluent treatment plant was upgraded to next level by installing primary clarifier to remove solid particles and oil/grease. This will further improve the quality of treated water.

Multidisc screw press was introduced for sludge drying which is latest technology available in market. This helps in removing water from sludge at much faster rate and consumes 75% less power.

The transparent roofing sheet over sludge drying beds will prevent the ingress of rainwater during monsoon and also facilitates the sun drying of sludge. Hence efficient drying will reduce the total quantity of sludge generated which is disposed off as hazardous waste.

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

Out of total non-hazardous waste generated at site, 60% of the waste is used for the beneficial purpose without undergoing any recycling process. Remaining 40% of waste is sent for recycling.



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

Out of total hazardous waste generated at site, 0.7% of the waste is incinerated without energy recovery, 0.3% is sent for recycling (used oil and e-waste). Rest 99 % of hazardous waste is disposed off through co-processing (in cement industries).

During the year, World Environment Day was celebrated as EHS mass awareness program.

Goa plant is certified as Zero Waste to Landfill facility which means no waste is disposed off through landfill.

### Plastic Waste Management :

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Ministry of Environment, Forests and Climate change.

As a responsible organization, we collected and reprocessed 100% of plastic packaging. We entered into agreement with waste management agency for this purpose and collected and processed 2,000 MT plastic packaging waste, from the states and union territories of India where we operate.

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

The required information under the provisions of Section 134(3)(m) of the Act 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 as on March 31, 2023 has been placed on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

### 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 Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure IV" and 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](mailto:investorrelations.india@abbott.com).

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Business Responsibility and Sustainability Report as required under Regulation 34 of the SEBI Listing Regulations forms part of this Report.

### 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 SEBI Listing Regulations, form 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 (SSI and SS2) respectively relating to Meetings of Board, 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.

The Company had received post-facto approval from the Department of Pharmaceuticals permitting the increase in foreign shareholding in excess of 75.11% from October 19, 2012 to January 14, 2021, which was subject to compounding with the Reserve Bank of India for the contravention of applicable rules under the Foreign Exchange Management Act, 2000. The Company has filed the compounding application with the Reserve Bank of India and taking adequate steps in this regard.

### INDUSTRIAL RELATIONS

The Company has overall cordial industrial relations. The Company continues to receive strong support from distributors, suppliers, vendors, stockists and other partners.

### 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.
4. There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.
5. There are no instances of one-time settlement during the financial year.

### ACKNOWLEDGEMENT

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

**For and on behalf of the Board**

Mumbai  
May 19, 2023

**Vivek V Kamath**  
Managing Director  
DIN : 06606777

**Sudarshan Jain**  
Director  
DIN : 00927487



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

**ANNEXURE I****Annual Report on CSR activities for the financial year 2022-23**

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

**1. Brief outline on CSR Policy of the Company**

At Abbott, we are committed to supporting the disadvantaged, marginalized and vulnerable populations and to developing novel solutions to societal challenges facing them that are financially and operationally sustainable and demonstrate scalability. We strive to improve access to quality and affordable healthcare and improve awareness, diagnosis and adherence. Through our CSR interventions, we continuously work towards improving health education, reaching low-income communities in both urban-rural and rural areas. In India, we intend to go about our work in a manner that is responsible, respectful and in keeping with the rich traditions of our operations in the country and elsewhere in the world. Dialogue and engagement are also vital to ensure that our CSR strategy resonates with key external and internal stakeholders.

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

- Improving access to quality and affordable healthcare for low-income communities; conducting wellness clinics for improving lives of the disadvantaged communities;
- Promoting STEM learning and healthy living among young children;
- Charitable donations and educational grants for serving the deserving sections of society;
- Reaching out to the 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;
- Environmental Protection measures;
- Such other projects that fall within the purview of the activities included in Schedule VII of the Act and Rules made thereunder, as amended from time to time.

**2. Composition of the CSR Committee :**

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Munir Shaikh (Chairman)	Non-Executive Director	4	4
2.	Vivek V Kamath	Managing Director	4	4
3.	Anisha Motwani	Independent Director	4	4
4.	Shalini Kamath	Independent Director	4	4
5.	Rajiv Sonalker	Whole-time Director	4	4

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company :**

Composition of CSR Committee at <https://www.abbott.co.in/investor-relations.html>.

CSR Policy at <https://www.abbott.co.in/investor-relations.html>.

CSR Projects at <https://www.abbott.co.in/investor-relations.html>.

**4. Executive Summary along with web link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable :**

Following CSR projects were eligible for Impact Assessment during the year :

- Quality and Affordable Healthcare Delivery Program in partnership with Self-Employed Women's Association  
Duration : **November 11, 2019 to October 31, 2020**  
Impact Assessment carried out by CSRBOX
- Improving Access to Healthcare through Health Clinics  
Duration : **April 1, 2019 to March 31, 2021**  
Impact Assessment carried out by Goodera

Impact Assessment for the above CSR projects is available at <https://www.abbott.co.in/investor-relations.html>.

- (a) Average net profit of the Company as per sub-section (5) of section 135 : ₹ **937.04 Crores**
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 : ₹ **18.74 Crores**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **NA**
- (d) Amount required to be set-off for the financial year, if any : **NA**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ **18.74 Crores**
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ **18.40 Crores**
- (b) Amount spent in Administrative Overheads : ₹ **0.83 Crores**
- (c) Amount spent on Impact Assessment, if applicable : ₹ **0.13 Crores**
- (d) Total amount spent for the financial year [(a)+(b)+(c)] : ₹ **19.36 Crores**
- (e) CSR amount spent or unspent for the financial year :

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹ Crores)					
	Total amount transferred to Unspent CSR Account as per sub-section (6) of section 135			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Name of the Project	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 19.36 Crores	Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares	7.35	April 26, 2023			
	Quality and Affordable Healthcare Delivery Program in partnership with Self-Employed Women's Association	1.40	April 28, 2023		NA	
	<b>Total</b>	<b>8.75</b>				



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

(f) Excess amount for set off, if any :

Sr. No.	Particulars	Amount (in ₹ Crores)
1.	Two percent of average net profit of the Company as per sub-section (5) of section 135	18.74
2.	Total amount spent for the financial year	19.36
3.	Excess amount spent for the financial year [(2)-(1)]	0.62
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set-off in succeeding financial years [(3)-(4)]	0.62

## 7. Details of Unspent CSR amount for the preceding three financial years :

(₹ in Crores)

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2021-22	8.86	NIL	3.56	NIL	NIL	5.30	NIL
2	FY 2020-21	NA	NA	NA	NA	NA	NA	NA
3	FY 2019-20	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year : **No**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) : **NA**Mumbai  
May 19, 2023

**Munir Shaikh**  
Chairman, CSR Committee  
DIN : 00096273

**Vivek V Kamath**  
Member, CSR Committee  
DIN : 06606777

## ANNEXURE II

## Secretarial Audit Report for the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration 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, minutes 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, 2023 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, 2023 according to the provisions of :

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

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
- 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 :

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

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 continues to appear in the breach list displayed on the website of the Depositories and BSE Limited for having foreign investments in excess of sectoral cap. In this connection, the Company had received post-facto approval from the Department of Pharmaceuticals permitting the increase in foreign shareholding in excess of 75.11% from October 19, 2012 to January 14, 2021, which was subject to compounding with the Reserve Bank of India for the contravention of applicable rules under the Foreign Exchange Management Act, 2000. The Company has filed the compounding application with the Reserve Bank of India and taking adequate steps in this regard.

## 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 :

- Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945, as amended from time to time;
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

- 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.

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 A and forms integral part of this report.

Place : Mumbai  
Date : May 19, 2023  
UDIN : F009492E000334047  
Peer reviewed No : 1012/2020

**Neena Bhatia**

Practicing Company Secretary

Membership No. : FCS 9492

Certificate of Practice No. : 2661

**Annexure A to the Secretarial Audit Report of Abbott India Limited for the financial year ended March 31, 2023**

To,  
The Members  
Abbott India Limited

- Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on my audit. I have taken declaration from the management regarding the said compliances.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai  
Date : May 19, 2023  
UDIN : F009492E000334047  
Peer reviewed No : 1012/2020

**Neena Bhatia**

Practicing Company Secretary

Membership No. : FCS 9492

Certificate of Practice No. : 2661

**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**

Following energy and water conservation measures were undertaken during the year :

**i. Energy conservation measures :**

- Installation of solar PV panel to harness green energy. Following were the benefits derived from the project :
  - System is capable to generate approx. 314 MWH/annum;
  - Carbon emission is reduced to approx. 228 MT/annum;
  - Guaranteed generation for 20 years.
- Project was undertaken at the Goa plant for reducing energy consumption under A3 Program. Brainstorming was done for a week and implemented these ideas generated to reduce daily energy consumption by 1% i.e., 180 KWH/day without CAPEX investments.

**ii. Water conservation measures :**

Reduction in tanker water consumption :

- The site is supported by three sources of water i.e., tanker, raw water and treated wastewater. The tanker water is used only for de-mineralized plant/purified water system water generation. Raw water and treated wastewater are used for all other purposes in the plant. Earlier, there was more dependence on the expensive tanker water, which has now reduced by approximately two tankers everyday leading to a cost saving of ₹ 0.04 Crores/annum.
- The reject water from the Reverse Osmosis (RO) is utilized back in utilities and washroom. With this 16,425 KL of water will be saved annually.

**iii. The steps taken by the Company for utilizing alternate sources of energy** – Harnessed solar power by installing Solar Photovoltaic (PV) cells.

**iv. The Capital Investment on Energy Conservation Equipment** – ₹ 1.5 Crores for installing solar Photovoltaic (PV) panels.

**B. Technology Absorption**

**i. Efforts made towards Technology Absorption and the benefits derived like product improvement, cost reduction, product development or import substitution :**

Following pioneering and innovative changes were initiated during the year in solid manufacturing process :

- Increase in Digene batch size due to Overall Equipment Effectiveness (OEE) improvement by in granulation, compression and packaging. This resulted in reduction in changeover time, line clearance time, documentation and testing by 25%.
- Implemented a method of reformulating Brufen using pre-gelatinized starch. The process of preparing starch paste and adding into the granulation process was eliminated. The pre gelatinized starch in powder form was directly added in rapid mixer granulator during granulation. This resulted in eliminating the risk of contact to hot surface/material and fall of paste container from height.

The above initiatives led to overall reduction in manpower.

**ii. Details of Technology imported during last three financial years**

- The details of technology imported : **NIL**



## Board of Directors' Report and Management Discussion and Analysis (Contd.)

- The year of import : **NA**
- Whether the technology been fully absorbed : **NA**
- If not fully adsorbed, areas where adsorption has not taken place and the reasons thereof : **NA**

**iii. Expenditure on Research and Development**

Particulars	₹ in Crores
Capital	0.09
Recurring	0.79
<b>Total</b>	<b>0.88</b>
<b>Total R&amp;D expenditure as a Percentage of total turnover</b>	<b>0.02%</b>

**C. Foreign Exchange Earnings and Outgo**

Particulars	₹ in Crores
<b>A. Total Foreign Exchange used</b>	
a. On import of raw materials, finished goods, consumable stores and capital goods	576.48
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	5.27
<b>Total</b>	<b>581.75</b>
<b>B. Total Foreign Exchange earned</b>	
a. Exports of goods	22.12
b. Service income	8.48
c. Recovery of expenses	0.38
<b>Total</b>	<b>30.98</b>

For and on behalf of the Board

**Vivek V Kamath**  
Managing Director  
DIN : 06606777

**Sudarshan Jain**  
Director  
DIN : 00927487

Mumbai  
May 19, 2023

**ANNEXURE IV**

**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, as amended from time to time**

- 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 2022-23 :**

Name of the Director/KMP	(a) % Increase in the remuneration	(b) Ratio of remuneration of each Director/ to median remuneration of employees
Munir Shaikh* (Non-Executive Director)	-	3.2
Sudarshan Jain* (Independent Director)	-	2.9
Anisha Motwani* (Independent Director)	-	3.1
Shalini Kamath* (Independent Director)	-	3.1
Kaiyomarz Marfatia* (Non-Executive Director)	-	2.3
Vivek V Kamath (Managing Director)	NA	67.2
Rajiv Sonalker# (CFO and Whole-time Director)	(5.9%)	38.5
Krupa Anandpara§ (Company Secretary)	7.9%	NA

\*Entitled for Sitting fees of ₹ 1 Lakh for attending each Board, Audit Committee and Independent Directors Meetings and ₹ 0.5 Lakh for attending each other Committee Meetings. The Non-Executive Directors (other than directors who are in employment with Abbott group of companies) are entitled for Commission @ ₹ 15 Lakhs per annum and additional ₹ 5 Lakhs for Board Chairman from the financial year 2022-23 onwards.

#will retire as CFO and Whole-time Director effective June 30, 2023.

§will cease as Company Secretary and Compliance Officer effective June 30, 2023.

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

(4.90%)

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

3,700

- 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 :**

(2.10%)

- 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.**

For and on behalf of the Board

Mumbai  
May 19, 2023

**Vivek V Kamath**  
Managing Director  
DIN : 06606777

**Sudarshan Jain**  
Director  
DIN : 00927487



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A : GENERAL DISCLOSURES

### I. Details of the Company

1.	Corporate Identity Number (CIN) of the Company	L24239MH1944PLC007330
2.	Name of the Company	Abbott India Limited
3.	Year of incorporation	1944
4.	Registered office address	3, Corporate Park, Sion-Trombay Road, Mumbai-400 071
5.	Corporate office address	15-16 <sup>th</sup> Floor, Godrej BKC, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
6.	E-mail	investorrelations.india@abbott.com
7.	Telephone	+91 022 5046 1000/2000
8.	Website	www.abbott.co.in
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	₹ 21,24,93,020/-
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report	<b>Name :</b> Vivek V Kamath <b>Designation :</b> Managing Director <b>Telephone No. :</b> +91 022 5046 1000/2000 <b>E-mail ID :</b> investorrelations.india@abbott.com
13.	Reporting boundary	Standalone basis

### II. List of Products/Services

#### 14. Details of business activities (accounting for 90% of the Turnover) :

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Pharmaceuticals	Manufacturing, marketing, sale and distribution of Pharmaceuticals	100%

#### 15. Products/Services sold by the Company (accounting for 90% of the Company's Turnover) :

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Pharmaceuticals	21002	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the Company are situated :

Location	Number of Plants	Number of Offices	Total
National	1	7	8
International	NA	1	1

#### 17. Markets served by the Company :

##### a. Number of locations

Locations	Number
National (No. of States)	28 States, 8 Union territories
International (No. of Countries)	4 Sri Lanka, Nepal, Maldives and Bhutan

##### b. What is the contribution of exports as a percentage of the total turnover of the Company?

1.3%

### c. A brief on type of customers

Customers are the key stakeholders for the Company. Our customers include distributors, stockists, healthcare professionals, hospitals, government institutions and online pharmacies.

## IV. Employees

### 18. Details as at the end of financial year : 2022-23

#### a. Employees and Workers (including differently abled) :

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	3,472	3,140	90.4%	332	9.6%
2.	Other than Permanent (E)	-	-	-	-	-
<b>3.</b>	<b>Total Employees (D + E)</b>	<b>3,472</b>	<b>3,140</b>	<b>90.4%</b>	<b>332</b>	<b>9.6%</b>
<b>Workers</b>						
4.	Permanent (F)	228	211	92.5%	17	7.5%
5.	Other than Permanent (G)	149	118	79.2%	31	20.8%
<b>6.</b>	<b>Total Workers (F+G)</b>	<b>377</b>	<b>329</b>	<b>87.3%</b>	<b>48</b>	<b>12.7%</b>

#### b. Differently abled Employees and Workers :

The Company does not seek or track this data.

### 19. Participation/Inclusion/Representation of Women :

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	3	33.3%
Key Management Personnel	3	1	33.3%

### 20. Turnover rate for Permanent Employees and Workers :

	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.8%	22.3%	17.3%	9.7%	17.9%	10.5%	4.8%	10.1%	5.2%
Permanent Workers	0.5%	-	0.4%	0.5%	-	0.4%	-	-	-

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of Holding/Subsidiary/Associate Companies/Joint Ventures :

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by the Company	Does the Company indicated at Column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Abbott Capital India Limited, UK	Holding	50.45%	No

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes

(ii) Turnover (in ₹) : ₹ 5,284.86 Crores

(iii) Net worth (in ₹) : ₹ 3,188.54 Crores





## Business Responsibility and Sustainability Report (Contd.)

## VII. Transparency and Disclosures Compliances

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct :

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	Yes	-	-	-	-	-	-
Shareholders	Yes The Investor Grievance Redressal Mechanism is available on the website of the Company at <a href="https://www.abbott.co.in/investor-relations.html">https://www.abbott.co.in/investor-relations.html</a>	18	-	-	17	-	-
Employees and Workers	Yes The same is available on Company's intranet portal.	38	4	-	29	6	-
Customers	Yes	446*	-	-	570*	-	-
Value Chain Partners	Yes	-	-	-	-	-	-

\*Complaints/Correspondence from patients received through website, e-mail and healthcare professionals etc., are also included.

## 24. Overview of the Company's material responsible business conduct issues :

Sr. No.	Material issue identified	Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
1.	Innovating for access and affordability	Opportunity	Build an innovative portfolio to address unmet health needs at an accessible price point, to reach more people across geographies.	<p>We continue our focus on building comprehensive product portfolios through lifecycle management of current brands to address the health needs of more people. We are looking to expand into allied therapy areas and entering various new therapies in the segments where we are currently present.</p> <p>We strive to be among the first to launch new off-patent and differentiated medicines as well as continuing to expand a pipeline of products in key therapeutic areas.</p>	Positive

Sr. No.	Material issue identified	Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
				<p>For example, excessive bleeding after childbirth accounts for nearly 20% of maternal deaths in India. The existing treatment of choice needed to be kept in cold storage, which can prove difficult in rural areas in India. To address this challenge, in 2020 Abbott partnered with Ferring to release a novel, room temperature stable, single-dose formulation of the medicine of choice for excessive post-birth bleeding, carbetocin.</p>	
2.	Water and Wastewater Management	Risk	Abbott is committed to responsible water use in the communities where we operate. We work to minimize the impact we have on the quality and quantity of local water sources at our plant and offices. We aim to establish initiatives that address the most pressing local needs whether that's quality, quantity or other concerns for those who rely on this precious natural resource.	<p>We perform an annual mapping process to understand where the water we use comes from, how it is treated and discharged and the impacts our operations have on local basins. We reduce withdrawals by recycling and reusing water and we have developed a comprehensive approach to water management. For example, our Goa plant treats its wastewater and reuses it for our own gardening purpose.</p> <p>Our process centers around four principles :</p> <ul style="list-style-type: none"> <li>Reduce : Work to improve water use efficiency in our operations;</li> <li>Prevent : Manage water discharges that could adversely impact human health or the environment;</li> <li>Educate : Emphasize on educating our employees and suppliers the importance of protecting groundwater and other water resources vulnerable to overuse or contamination and the role they play in doing so;</li> <li>Engage : Develop and apply key water management principles and best practices across our Company.</li> </ul>	Negative



## Business Responsibility and Sustainability Report (Contd.)

Sr. No.	Material issue identified	Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
3.	Packaging and Waste Management	Opportunity	<p>We recognize the impact our packaging can have on the environment and we work to reduce the impact of our products and services, including the waste they produce throughout their lifecycle.</p> <p>Responsibly handling the waste we create is a central tenet of Abbott's commitment to extended the waste management responsibility.</p>	<p>Our waste management strategy commits us to finding ethical, economical and efficient ways to reduce the volume and potential hazardous characteristics of our waste and helps ensure proper disposal practices.</p> <p>It also goes further, with a commitment to maximize recovery of resources and improve operating efficiency while reducing environmental risks and impacts.</p> <p>Our aim is to design to reduce waste and minimize consumption of raw materials. We are working to extract additional value from waste materials through processes such as incineration for energy, recycling and beneficial use.</p> <p>We maintain a comprehensive approach to managing and reducing our waste footprint. At the same time, those responsible for working with waste in manufacturing are trained in handling materials safely and mitigating negative impacts.</p> <p>Our plant is certified as Zero Waste to Landfill (ZWL) facility which means no waste is disposed off through landfill. Mumbai BKC office was certified under non-manufacturing ZWL Program in 2022.</p>	Positive
4.	Energy and Emissions Management	Opportunity	<p>Reducing climate impact is important for a healthy planet. We are working to deliver results against near-term science-based targets to reduce carbon emissions.</p> <p>Our operational activities produce Scope 1 (direct) and 2 (indirect) emissions. Abbott India is also supporting the science-based environmental targets set for Abbott globally for 2030.</p>	<p>We maintain a comprehensive program for recording and reducing energy and air emissions.</p> <p>These programs focus on energy efficiency in manufacturing operations, low-carbon energy investments, transportation fleet efficiency and supply chain carbon footprint.</p>	Positive

Sr. No.	Material issue identified	Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
				<p>We carry out air emission monitoring and ambient air monitoring through Government approved third parties.</p> <p>We have switched over from diesel to diesel + natural gas (dual fuel) as cleaner fuel.</p>	
5.	Product Quality	Opportunity	<p>People depend on Abbott products to get and stay healthy; we must build and retain their trust, so delivering high quality, safe products is our number one priority.</p>	<p>We have quality processes in place for our products and services and we are committed to continually assessing and improving those processes as information, technologies and practices evolve. We also work with our suppliers to promote the same commitment to quality and safety, through qualification programs, audits and other tools.</p> <p>Abbott's Quality Management System (QMS) model and metrics are reviewed to track site, business and company-level performance. We analyze root causes for performance indicators and take appropriate corrective actions, as and when needed.</p>	Positive
6.	Talent-Build the diverse, innovative workforce of tomorrow	Opportunity	<p>Our ability to build a healthy, sustainable future, depends on the innovative ideas, execution and dedication of a diverse workforce. In return, Abbott provides an environment that helps all employees learn and grow in careers that matter, where they can bring their best selves to work each day.</p>	<p>Our talent management approach focuses on attracting, retaining, engaging and developing a diverse workforce ready for tomorrow's challenges. When you join Abbott, you are part of a community of employees doing purposeful work in an environment where everyone can bring their true self to work every day.</p>	Positive
7.	Advance health equity through partnership.	Opportunity	<p>In India, we are working towards advancing access to quality and affordable healthcare through operationally and financially sustainable models of care. Towards our goal of helping people live healthier and fuller lives, we strive to find measurable ways to improve access and health outcomes with scientific and technical expertise.</p>	<p>In partnership with Self-Employed Women's Association and AmeriCares, we are building physical and tech-enabled healthcare infrastructure to serve low-income communities, improving community awareness of infectious and non-communicable diseases and providing training and resources to help decentralize care and bring people into the care system early.</p>	Positive



## Business Responsibility and Sustainability Report (Contd.)

Sr. No.	Material issue identified	Risk or Opportunity	Rationale for identifying the Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
8.	Removing barriers to health	Opportunity	Our goal is to break down barriers that may keep people from living healthy.  We work to remove barriers to health such as living in a rural area to make it easier for you to see a doctor, get the care you need and better understand how to live healthy.	By 2025, there will be 1.1 billion women experiencing menopause in the world. We recently launched a campaign to debunk misconceptions and spark more conversations about menopause. Abbott invited women to share their experiences of menopause in The Next Chapter, a collection of stories from women living in China, India, Mexico and Brazil. There have been 3,10,000+ visits to The Next Chapter digital hub and 70,000+ downloads of the e-book. We also developed materials to support healthcare professionals in changing the conversation on menopause.  Also, Abbott supports independent menopause centers in India to empower women going through menopause. The centers (India : 780) include information to help women navigate menopause, from live educational sessions driven by doctors to brochures and webinars and these women can get care by doctors specialized in women's health.	Positive

## SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements.

The NGRBC has brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below :

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management processes</b>									
<b>1. a. Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web-link of the policies, if available</b>	These policies are available on <a href="https://www.abbott.co.in/investor-relations.html">https://www.abbott.co.in/investor-relations.html</a> . Policies pertaining to P1, P3 and P9 are uploaded on the intranet portal of the Company.								
<b>2. Whether the Company has translated the policy into procedures. (Yes/No)</b>	Yes								
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Some of our policies, depending upon relevance, are extended to partners.								
<b>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) Standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.</b>	No								
<b>5. Specific commitments, goals and targets set by the Company with defined timelines, if any.</b>	As per Annexure 1								
<b>6. Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	As per Annexure 1								
<b>Governance, Leadership and Oversight</b>									
<b>7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements :</b>	At Abbott, our approach to sustainability starts with the people we serve. As a healthcare Company, the biggest impact we can have is living our purpose to help people live better and healthier lives. We achieve this through the way we operate and by providing quality products and offerings. We aim to deliver sustainable and responsible growth that improves lives and creates value in communities around the world.  Our Abbott global 2030 Sustainability Plan ( <a href="https://www.abbott.com/responsibility/sustainability.html">https://www.abbott.com/responsibility/sustainability.html</a> ) is focused on designing access and affordability into our life-changing technologies and products. Our goal is to improve the lives of more than 3 billion people by decade's end-reaching 1 billion more than we do today, each year. That will require innovating for access and affordability from the first day of research and development. We are also working across our business and in partnership with others to break down barriers and bring these innovations to the people who need them. Abbott India is aligned to contribute to said Sustainability Plan.								
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</b>	Vivek V Kamath Managing Director								
<b>9. Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.</b>	Yes Vivek V Kamath Managing Director								



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10. Details of review of NGRBCs by the Company :

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/ any other Committee									Frequency (Annually/Half yearly/Quarterly/any other-please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action					Yes														Annually at the time of approval of Business Responsibility and Sustainability Reporting
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					Yes														Annual basis

11. Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Our policies are reviewed internally on a periodic basis. No review is conducted through external agency.

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated :

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The Company does not consider the principles material to its business (Yes/No)									
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The Company does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURES

Principle 1 : Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year 2022-23 :

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (“BOD”)	8	As a part of Board familiarization programs, sessions are held during the year on the strategy, business operations, ethics and compliance policies, financials, risk management, internal controls and compliances, CSR and ESG and EHS initiatives and projects.	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel Employees other than BOD and Key Managerial Personnel	1	<ul style="list-style-type: none"> <li>Code of Business Conduct</li> <li>Global Anti-Corruption</li> <li>Product Quality Complaint and Adverse Event Reporting at Abbott</li> <li>Protecting Sensitive Data</li> <li>Understanding Trade Sanctions (training on this topic allocated to select eligible employees)</li> <li>Abbott Enterprise Cybersecurity</li> <li>Certification for Code of Business Conduct, Confidential Information and Conflict of Interest</li> </ul>	100%
Workers	1	Certification for topics as under : <ul style="list-style-type: none"> <li>Code of Business Conduct</li> <li>Confidential Information</li> <li>Conflict of Interest</li> </ul>	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the Company or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year :

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed :

Case Details	Name of regulatory/enforcement agencies/judicial institutions
-	-

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy :

Yes. Abbott India has adopted Abbott global Anti-Corruption policy and the same is available on the intranet portal of the Company.

Our Code of Business Conduct, available in 29 languages, is foundational to ethical conduct at Abbott. Every employee is required to read and certify adherence to the code annually. This and other policies are designed to align with laws, regulations and industry guidelines. Our Global Anti-Corruption Policy, which has been adopted locally by Abbott India, prohibits bribery and corruption in any form. Employees complete annual training on this and other related policies. All third parties (for example, distributors, dealers, wholesalers, resellers and marketing partners promoting and selling Abbott products) with whom Abbott works are expected to hold themselves to the same ethical and legal compliance standards as Abbott does; and we detail our expectations in our Third-Party Guidelines. Our process requires Abbott businesses, subsidiaries and affiliates outside the U.S. to complete diligence before engaging third parties, including screening suppliers, identifying high-risk partners and monitoring and mitigating potential risks.



## Business Responsibility and Sustainability Report (Contd.)

**5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption :**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

**6. Details of Complaints with regards to Conflict of Interest :**

	FY 2022-23		FY 2021- 22	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
No. of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest :**

NIL

**Principle 2 : Businesses should provide goods and services in a manner that is sustainable and safe**
**Essential Indicators**
**1. Percentage of R&D and Capital Expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively :**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	NIL	NIL	-
Capex	53%	25%	<b>For FY 2022-23</b> <ul style="list-style-type: none"> <li>- Solar PV panel for Green power resulted in reduction of CO2 emissions and cost;</li> <li>- Additional dust extraction systems to help reduce safety explosion risk along with improved industrial hygiene of shop floor employees;</li> <li>- Close loop powder transfer system to help enhance industrial hygiene of shop floor employees;</li> <li>- ETP upgrade with pretreatment and multi disk screw press to help ensure better control of parameters and reduction in moisture content of sludge help us to reduce cost;</li> <li>- Brine chiller with Eco friendly refringent having a lower global warming potential;</li> <li>- Sprinkler system for material store.</li> </ul> <b>For FY 2021-22</b> <ul style="list-style-type: none"> <li>- Dust extraction system to help reduce safety explosion risk along with improved industrial hygiene at shop floor;</li> <li>- New occupational health center with ambulance containing medical equipment;</li> <li>- New granulator with 12 pressure rating and closed powder transfer system to help increase industrial hygiene;</li> <li>- New coating machine with emission control devices;</li> <li>- Converted existing diesel power generator to use natural gas partially to help reduce carbon emissions.</li> </ul>

**2. a. Does the Company have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Abbott 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 pre-sleeved and procured locally from a vendor close to the plant. There has been increasing focus on localizing the supply chain through the alternative vendor development process.

**b. If yes, what percentage of inputs were sourced sustainably?**

Approximately 27% of the materials were purchased from local suppliers at Goa.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Abbott focuses on the 3Rs—namely reduce, recycle and reuse. Hazardous waste and sludge are dispatched to cement factories which utilize these as fuel for manufacturing cement, thereby recovering energy. Other non-hazardous waste like paper, glass, metals, etc., are sent to approved vendors for recycling. The Goa plant retains its certification of Zero Waste to Landfill (ZWL) which means no waste is disposed of through landfilling, protecting the environment from degradation.

The Company has engaged an authorized recycler for E-waste disposal. Other waste such as biomedical waste is sent to a vendor authorized by the Pollution Control Board.

The Company adheres to the requirements of the Plastic Waste Management Rules, 2022 as laid down by the Ministry of Environment, Forests & Climate change. The Company has entered into an agreement with waste management agencies for collecting and processing plastic packaging waste, across the states and union territories of India where it operates.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to Abbott's activities and a waste collection plan has been submitted to the Central Pollution Control Board in line with EPR.

**Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains**
**Essential Indicators**
**1. a. Details of measures for the well-being of Employees :**

The Company cares for and is concerned about the health and well-being of its employees.

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

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

The India Wellness Program is a flagship program that covers initiatives around emotional, physical, financial and social wellness as the four key pillars of employee well-being and we continue to amplify it year on year.

Physical Wellness : Health check-ups, on-site doctor, vaccination drives and exercise challenges are programs that are provided for employees to focus on their physical health. We have an annual team challenge known as "Exercise Across Abbott" encouraging employees to form teams and publish daily exercise accomplishments.

Emotional Wellness : Wellness of the mind is as significant and essential as our overall wellness. The Company 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 programs addressing various aspects of emotional well-being. MindStrong—a program targeted at building mental wellness and resilience, was launched as part of the India Wellness Program and has seen major success in 2022. In 2022, the initiative targeted sensitive issues like dealing with stress, sleep management, anger management, family and time management. A week in October 2022 was designated as the "Mental Health Awareness Week" wherein multiple programs and sessions were executed that encourage employees to be more open about mental wellness issues.

We also provide employees a dedicated Employee Assistance Program (EAP).

At Abbott, we recognize that the right help at the right time can help manage challenges or crises life may bring.



## Business Responsibility and Sustainability Report (Contd.)

The EAP was started with this aim in mind. It is an independent counselling and resource service sponsored by Abbott for its employees. Its features include :

- 24/7 availability for employees and their families via phone, e-mail or live chat;
- All calls answered by psychologists;
- Assistance for personal issues that could affect health;
- 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 to enable them to understand the basics of retirement planning or planning for financial uncertainties/debt management, personal income tax awareness, etc.

**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 the corporate social responsibility agenda.

Some initiatives under health and well-being in addition to the above-mentioned initiatives are :

1. **Work Life Harmony :** The Company offers flexible work schedules to enable employees achieve balance in their work and personal responsibilities. We view these initiatives not only as important tools for talent attraction and retention, but also as key components in our approach to diversity, equity and inclusion.
2. **Listening to our employees : Your Voice Counts.** At Abbott, it is important for us to get the pulse of how our employees feel. With this objective in mind the Company introduced “Your Voice Counts” survey. The survey is crucial to the Company as it helps to identify areas that our employees think are important. The survey is anonymous and is released to a sample set of employees on a quarterly basis.

### Health and Safety

We are committed to keep our employees safe by preventing incidents in and around the workplace. We strive to maintain high standards of Environment, Health and Safety (EHS) practices. The Company has 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.

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. C	% (C/A)	No. (D)	% (D/A)	No.(E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	3,140	3,140	100%	3,140	100%	NA	3,140	100%	183	5.8%	
Female	332	332	100%	332	100%	332	100%	NA	129	38.8%	
<b>Total</b>	<b>3,472</b>	<b>3,472</b>	<b>100%</b>	<b>3,472</b>	<b>100%</b>	<b>332</b>	<b>100%</b>	<b>3,140</b>	<b>100%</b>	<b>312</b>	<b>9%</b>
<b>Other than Permanent Employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	
Female	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### b. Details of measures for the well-being of Workers :

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. C	% (C/A)	No. (D)	% (D/A)	No.(E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Workers</b>											
Male	211	211	100%	211	100%	NA	211	100%	23	11%	
Female	17	17	100%	17	100%	17	100%	NA	16	94%	
<b>Total</b>	<b>228</b>	<b>228</b>	<b>100%</b>	<b>228</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>211</b>	<b>100%</b>	<b>39</b>	<b>17%</b>
<b>Other than Permanent Workers</b>											
Male	118	118	100%	118	100%	NA	77	65%	-	-	
Female	31	31	100%	31	100%	31	100%	NA	12	38.7%	
<b>Total</b>	<b>149</b>	<b>149</b>	<b>100%</b>	<b>149</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>77</b>	<b>65%</b>	<b>12</b>	<b>8%</b>

### 2. Details of retirement benefits, for current financial year and previous financial year :

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	NA	NA	NA	NA	1.3%	Yes

### 3. Accessibility of workplaces :

**Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.**

Abbott is an Equal Opportunity Employer. We hire employees on merit and basis suitability to the role. We have a global Disability Network which aims to be a best-in-class support for people of all abilities. The Company empowers people with disabilities to reach their fullest career potential through a culture of understanding, awareness, advancement and advocacy for individuals with disabilities.

The Company's head office in Mumbai as well as the Plant at Goa are equipped with basic requirements such as ramps, washrooms and IT assets that are PWD (Persons with Disabilities) friendly, for the employees and workers with physical disability.

The Company consistently works towards identifying the need of differently abled employees and proactively supporting them on the same. For an in-depth understanding about the infrastructure required to support such employees, the Company has engaged an agency for an infrastructure audit. Basis the findings in the report, suitable actions will be taken to further strengthen the facilities and to meet the highest standards possible. The Company has also engaged an agency dedicated to Individuals with special need, to conduct sensitivity workshops for all head-office based employees including contract, housekeeping and admin support staff.

### 4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?

Yes, the Company has a comprehensive Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. The Policy is available on <https://www.abbott.co.in/investor-relations.html>.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave :

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88%	100%	100%
Female	87%	100%	100%	100%
<b>Total</b>	<b>99%</b>	<b>89%</b>	<b>100%</b>	<b>100%</b>

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief :

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	-

Abbott is committed to building a cordial work atmosphere that fosters trust and collaboration, by resolving grievances in a systematic, fair and timely manner. We have a Grievance Redressal Policy where the procedure, committee and individuals involved as part of a resolution process are specified. The Grievance Redressal Committee is involved in resolving issues and the Grievance Process helps maintain a fair and equitable process.



## Business Responsibility and Sustainability Report (Contd.)

**7. Membership of Employees and Worker in association(s) or unions recognized by the Company :**

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Unions (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Unions (D)	% (D/C)
Male	3,140	-	-	3,031	-	-
Female	332	-	-	329	-	-
<b>Total Permanent Employees</b>	<b>3,472</b>	<b>-</b>	<b>-</b>	<b>3,360</b>	<b>-</b>	<b>-</b>
Male	211	211	100%	220	220	100%
Female	17	17	100%	17	17	100%
<b>Total Permanent Workers</b>	<b>228</b>	<b>228</b>	<b>100%</b>	<b>237</b>	<b>237</b>	<b>100%</b>

**8. Details of training given to Employees and Workers :**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Permanent Employees</b>										
Male	3,140	2,818	89.75%	2,818	89.75%	3,031	2,576	84.99%	2,576	84.99%
Female	332	242	72.89%	242	72.89%	329	212	64.44%	212	64.44%
<b>Total</b>	<b>3,472</b>	<b>3,060</b>	<b>88.13%</b>	<b>3,060</b>	<b>88.13%</b>	<b>3,360</b>	<b>2,788</b>	<b>82.98%</b>	<b>2,788</b>	<b>82.98%</b>
<b>Permanent Workers</b>										
Male	211	186	88.15%	186	88.15%	220	186	84.55%	186	84.55%
Female	17	1	5.88%	1	5.88%	17	1	5.88%	1	5.88%
<b>Total</b>	<b>228</b>	<b>187</b>	<b>82.02%</b>	<b>187</b>	<b>82.02%</b>	<b>237</b>	<b>187</b>	<b>78.90%</b>	<b>187</b>	<b>78.90%</b>

All employees are compulsorily trained on EHS and on Skill development through induction program and sites standard operating procedures. The training is conducted at time of joining and on regular intervals.

**9. Details of Performance and Career Development reviews of Employees and Workers :**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	3,140	3,140	100%	3,031	3,031	100%
Female	332	332	100%	329	329	100%
<b>Total</b>	<b>3,472</b>	<b>3,472</b>	<b>100%</b>	<b>3,360</b>	<b>3,360</b>	<b>100%</b>
<b>Workers</b>						
Male	211	211	100%	220	220	100%
Female	17	17	100%	17	17	100%
<b>Total</b>	<b>228</b>	<b>228</b>	<b>100%</b>	<b>237</b>	<b>237</b>	<b>100%</b>

**10. Health and safety management system :****a. Whether an occupational health and safety management system been implemented by the Company? (Yes/ No). If yes, the coverage of such system?**

Yes, the Company has implemented an occupational health and safety management system and is covered at all levels at the Goa plant and offices.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?**

The Company has deployed a risk assessment tool, gap assessment tool, incident reporting and investigation and trend analysis to identify work-related hazards and assess risks on a routine and non-routine basis.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, Program of Behavior Based Safety, which includes observation and correction actions. There also exists a system for reporting of unsafe conditions and near misses. Such initiatives have helped to improve positive safety matrices. The Site Safety Committee is active and responsible for reporting and minimizing work-related hazards.

**d. Do the employees/worker of the Company have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, non-occupational medical services are offered to all employees/worker at Occupational Health Center. All our office employees are covered under the medical insurance.

**11. Details of safety related incidents :**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.37	0.66
	Workers	-	-
Total recordable work-related injuries	Employees	26	23
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the Company to ensure a safe and healthy workplace :**

We are committed to supporting a safe and healthy workplace for our employees, visitors and contractors. We have implemented several measures to help ensure safety and well-being at the workplace. Here are some of the measures taken by us :

- **Implementing safety policies and procedures :** We have defined safety policies and procedures in place that are regularly updated to help ensure compliance with local laws and regulations. We provide regular safety training to employees to help ensure that they are aware of the safety protocols and standards to be followed.
- **Conduct regular safety inspections :** We conduct regular safety inspections of our facilities to identify potential hazards and risks and take corrective measures to try to mitigate the identified risks to provide a safe working environment.
- **Providing Personal Protective Equipment (PPE) :** We provide appropriate PPE to employees based on their work requirements. We also take steps to ensure that the PPE provided is of high quality and meets safety standards. We provide training to employees on the proper use, maintenance and disposal of PPE.
- **Promoting a culture of safety :** We encourage our employees to report any safety concerns or hazards without fear of retaliation. We have also established a reporting mechanism for safety concerns and the Company takes prompt action to address any concerns raised.



## Business Responsibility and Sustainability Report (Contd.)

**13. Number of Complaints on the following made by Employees and Workers :**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health and Safety	-	-	-	-	-	-

**14. Assessments for the year :**

	% of your plants and offices that were assessed (by Company or statutory authorities or third parties)
Health and safety practices	-
Working Conditions	Vendor Labor compliance audit has been conducted for head office

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions :**

Various trainings are conducted such as Business To Business/Business To Work, Annual Refresher EHS Training, High Risk Driver Training, Commentary Drive Training and Post Incident Coaching for field employees. EHS training are imparted to all head office employees at the time of onboarding.

**Principle 4 : Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the Company :**

The Company recognizes that listening to its stakeholders and responding thoughtfully to their concerns and ideas are vital to its success as a business and to its progress as a global corporate citizen. Understanding stakeholder insights helps the Company to develop new products to address unmet health needs; educate patients; engage healthcare professionals and understand how and where our Company can make a real difference. The Company engages with a broad range of stakeholders including Patients, Consumers and Customers; Governments and Regulators; Healthcare Professionals; Employees; NGOs; Local Communities; Suppliers and Shareholders. Stakeholder engagement is conducted, through many associations and partnerships of which the Company is a member. The Company also seeks to engage with stakeholders more informally, through networks and organizations in which it participates.

**2. List stakeholder groups identified as key for your Company and the frequency of engagement with each stakeholder group :**

Stakeholder Group	Whether identified as Vulnerable	Channels of Communication (E-mails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website, Others)	Frequency of Engagement (Annually/ Half-yearly/ Quarterly/ Others, please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Shareholders/ Investors	No	- Annual Shareholders' Meetings - Investor Group Meetings - Annual Report - Investor section under Company's website at <a href="http://www.abbott.co.in">www.abbott.co.in</a> - Through Stock Exchange intimations	Annual/ Quarterly/ need basis	Providing adequate and timely information about the financial performance of the Company and other updates relevant to them

Stakeholder Group	Whether identified as Vulnerable	Channels of Communication (E-mails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website, Others)	Frequency of Engagement (Annually/ Half-yearly/ Quarterly/ Others, please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Healthcare Professionals (HCPs)	No	- Sales Team visits - Continuing Medical Education and Workshops - Medical Conferences - Patient support or education programs - Digital Therapy updates through e-mails - Abbott Therapy websites - Scientific Knowledge platform	Regular	- Inform HCPs about Abbott Therapies / Brands / Evidence based Science - Updating scientific knowledge and skills of HCPs through CMEs and Workshops - Clinical research and Publications with HCPs - Responding to scientific medical queries of HCPs - Support conduct of Patient Education/Diagnosis programs - Seek insights from HCPs on Challenges/Needs in clinical practice
Patients	No	Therapy websites	On as needed basis	- Patient Information materials for reference - Responding to the questions/ correspondence received through Company website/e-mails
Employees	No	Employee surveys, Monthly Townhalls, All-employee e-mails and newsletters, Employee networks, Abbott World intranet aLIVE smartphone app, Yammer® groups, Employee Giving Campaign	Regular	- Employee Health, Safety, Mental Health and Wellbeing programs - Employee engagements to seek feedback and inputs - Training/skill development programs - Communication about the policies and processes - Organization updates
Communities	Yes	Community engagement programs with SEWA, AmeriCares and Smile Foundations, Health Clinics	Regular	Community engagement programs
Suppliers	No	Supplier Guidelines published in multiple languages, Supplier Social Responsibility Program, including surveys, Supplier audit programs, e-mails and other communication	Periodically	- Supplier Evaluation - Supplier Meetings
Government	No	- Trade Associations/Chambers - Direct engagements	Periodically	Partner with Government to support Indian National policies or programs





## Business Responsibility and Sustainability Report (Contd.)

**Principle 5 : Businesses should respect and promote human rights****Essential Indicators****1. Employees and Workers who have been provided training on human rights issues and policy(ies) of the Company :**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employee/workers covered (B)	% (B/A)	Total (C)	No of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	3,472	3,472	100%	3,360	3,360	100%
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>3,472</b>	<b>3,472</b>	<b>100%</b>	<b>3,360</b>	<b>3,360</b>	<b>100%</b>
<b>Workers</b>						
Permanent	228	228	100%	237	237	100%
Other than permanent	149	149	100%	172	172	100%
<b>Total Workers</b>	<b>377</b>	<b>377</b>	<b>100%</b>	<b>409</b>	<b>409</b>	<b>100%</b>

**2. Details of minimum wages paid to Employees and Workers :**

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	3,140	-	-	3,140	100%	3,031	-	-	3,031	100%
Female	332	-	-	332	100%	329	-	-	329	100%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	211	-	-	211	100%	220	-	-	220	100%
Female	17	-	-	17	100%	17	-	-	17	100%
<b>Other than Permanent</b>										
Male	118	-	-	118	100%	121	-	-	121	100%
Female	31	-	-	31	100%	51	-	-	51	100%

**3. Details of remuneration/salary/wages :**

(₹ in Crores)

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	0.30	3	0.30
Key Managerial Personnel (KMP)	2	5.06	1	1.16
Employees other than BoD and KMP	3,138	0.08	331	0.09
Workers	211	0.10	17	0.05

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Company offers several channels where individuals can ask questions and raise concerns. Employees can report to management through traditional communication channels but also have access to a web portal and phone line through our “Speak Up” portal. Our multilingual Ethics and Compliance Helpline is available globally 24/7 to voice concerns about a potential violation of our Company’s values and Company’s Code of Business Conduct.

Abbott is committed to providing a cordial work atmosphere for employees to foster trust and collaboration, by resolving grievances in a systematic, fair and timely manner. The Grievance Redressal Policy is laid out wherein the procedure, committee and individuals involved as part of the resolution process are specified. The Grievance Redressal Committee resolves issues through effective communication, initiative and sound judgement.

There are various leadership touch points created for employees through town halls, cycle meets, field visits and various other forums to enable a culture of open communication. The “Your Voice Counts” survey feedback is reviewed by the leadership on regular basis, to further strengthen the employee experience.

Abbott has various initiatives and policies that help provide support systems to employees like 24x7 Employee Assistance Programs, Distress Management Protocol, Project Respect, Employee Health and Safety Processes and policies like Equal Opportunity Employer Policy, Prevention of Sexual Harassment, Prevention of Workplace Harassment which helps foster a positive work environment.

For addressing matters pertaining to sexual harassment, there is a policy as laid down under the law, under which an Internal Complaints Committee has been established, which investigates such matters. Also, mandatory annual refresher training is given to all employees and contract staff.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

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 policies.

We contribute to the fulfilment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. We take steps to prohibit illegal and inappropriate labor conditions and inhumane treatment in our workplaces and, also in connection with our business activities. Our global guidelines include :

- Providing a healthy and safe working environment;
- 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 as well as complying with child labour laws;
- Encouraging open communication between the management and employees.

Abbott maintains 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 offers several channels where individuals can ask questions and raise concerns. Employees can report to management through traditional communication channels but also have access to a web portal and phone line through our “Speak Up” portal. Our multilingual Ethics and Compliance Helpline is available globally 24/7 to voice concerns about a potential violation of our Company’s values and Company’s Code of Business Conduct.

By creating open channels of communication, Abbott promotes a positive work environment, while also fostering a culture of integrity and ethical decision-making. “SpeakUp” provides an avenue for employees and/or others to raise concerns perceived or known in the work environment.

Abbott is committed to providing a cordial work atmosphere to foster trust and collaboration, by resolving grievances in a systematic, fair and timely manner.



## Business Responsibility and Sustainability Report (Contd.)

In cases where an informal resolution could not be achieved, the Grievance Redressal Policy is laid out wherein the procedure, committee and individuals involved as part of the resolution process are specified. Grievance Redressal Committee is involved in resolving issues through effective communication, initiative and sound judgment.

As a preferred employer, Abbott is committed to provide equal employment opportunity. Abbott views the unique differences and perspectives that individuals bring to the workplace as integral to our success in business.

Abbott has an Employee Assistance Program (EAP) to help our employees get the right help from expert psychologists at the right time to help manage personal or professional challenges. It is an independent counselling and resource service sponsored by Abbott for its employees and their families.

A Distress Management Protocol exists to enable managers and HR business partners to gauge a distress situation and proactively offer support to the employee, where possible, in a timely, empathetic and judicious manner.

Employee Health and Safety is of paramount importance and we are committed to helping our employees stay safe by preventing incidents in and around the workplace. We strive to maintain high standards of Environment, Health and Safety (EHS) practices. The Company has global policies and standards regarding how we manage employee health and safety.

In their day to day working, employees may encounter work related queries and issues. A dedicated "1 Point" Team has been established to enable employees to log their queries through a system and get a time bound response to the same.

### 6. Number of complaints made by Employees and Workers :

Complaints	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	-		1	-	
Discrimination at workplace	-	-		1	-	
Child Labour	-	-		-	-	
Forced Labour/Involuntary Labour	-	-		-	-	
Wages	-	-		-	-	
Other Human Rights related issues	--	-		-	-	
<b>Total</b>	<b>1</b>	<b>-</b>		<b>2</b>	<b>-</b>	

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company does not tolerate retaliation against anyone who reports a violation of Company policy in good faith. These policies are well publicized and enforced throughout the Company. 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. In line with the Grievance Redressal Policy, Abbott does not retaliate when a grievance is raised. We have an annual training on the Code of Business Conduct and POSH for all employees. We reinforce the aspect of no retaliation for the complainant during these trainings.

### 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

We are committed to upholding the fundamental principles of human rights, labor, environmental protection and anti-corruption to ensure long-term business success for Abbott and our suppliers and to improve lives around the world. Our Abbott global Supplier Guidelines establish expectations for suppliers we work with, aligning with internationally recognized and industry-accepted guideline. Through the Guidelines, we detail our expectations that suppliers conduct business in compliance with relevant legal requirements and industry codes. When asked, suppliers are expected to demonstrate compliance at the request and to the satisfaction of Abbott through our Supplier Responsibility program.

We have started embedding a social responsibility clause in applicable procurement contracts detailing our values and expectation that vendors comply with our Supplier Guidelines and remediate identified issues.

Further all other business agreements and contracts have a clause obligating the vendors to comply with all the applicable central, state and local laws, regulations and guidance documents including, but not limited to, privacy and data protection laws, tax laws and regulations; labour laws and regulations.

### 9. Assessments for the year :

	% of your plants and offices that were assessed (by Company or Statutory authorities or third parties)
Child labour	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

### 10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above :

Basis the annual compliance audit conducted internally, there were no significant risks/concerns arising from the assessments at Question 9 above.

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

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity :

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	27,323.74	25,826.36
Total fuel consumption (B)	GJ (Diesel)	3,386.57	4,268.84
	GJ (Gas)	0.99	0.01
Energy consumption through other sources (C)	GJ (Bio Briquette)	7,474.04	5,726.79
<b>Total energy consumption (A+B+C)</b>	<b>GJ</b>	<b>38,185.34</b>	<b>35,822.00</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees in Crores)	GJ/Crore INR	7.14	7.29

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

#### 2. Does the Company have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

#### 3. Provide details of the following disclosures related to water :

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in m3)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	81,686 cu. M*	59,364 cu. M*
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	81,686 cu. m	59,364 cu. M
<b>Total volume of water consumption (in KL)</b>	81,686 cu. m	59,364 cu.m
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover in crores ₹)	15.2	12.1

\*This pertains to Goa plant and Head office at BKC.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No



## Business Responsibility and Sustainability Report (Contd.)

**4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

**5. Please provide details of air emissions (other than GHG emissions) by the Company :**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m <sup>3</sup>	0.45	0.46
SOx	µg/m <sup>3</sup>	0.23	0.22
Particulate Matter (PM)	µg/m <sup>3</sup>	110	107
Persistent Organic Pollutants (POP)	µg/m <sup>3</sup>	-	-
Volatile Organic Compounds (VOC)	µg/m <sup>3</sup>	-	-
Hazardous Air Pollutants (HAP)	µg/m <sup>3</sup>	-	-

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity :**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 Emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub> equivalent	315	254
<b>Total Scope 2 Emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub> equivalent	5,572.90	4,337.52
<b>Total Scope 1 and Scope 2 emissions per rupee of Turnover</b>		<b>1.1</b>	<b>0.9</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

**7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes, the Company has installed Solar power system of 286 kwp covering the terrace area of Goa plant and was commissioned from January 2023. This system is designed to generate power with grid and is inbuilt with net meeting system and anti-islanding protection in case of grid power failure. Key benefits of this system are :

- Will generate 314 mwh/annum
- Carbon emission reduction of 228 mt/annum
- Guaranteed power generation for 20 years
- Minimum maintenance required for panel cleaning

**8. Provide details related to waste management by the Company :**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste Generated (in metric tonnes)</b>		
Plastic waste (A)	63.20	34.93
E-waste (B)	3.26	0.37
Bio-medical waste (C)	1.00	0.97
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	270.00	324.00
Other Non-hazardous waste generated (H). Please specify, if any. (metal, glass, paper, ash, garden waste, etc)	163.96	182.37
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>501.42</b>	<b>542.64</b>

	FY 2022-23	FY 2021-22
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	144.78	162.98
(ii) Re-used	-	-
(iii) Other recovery operations	85.39	54.59
<b>Total</b>	<b>230.17</b>	<b>217.57</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	271.25	325.07
(ii) Landfilling	Company is committed to Zero Waste to Landfill and is also ZWL certified	
(iii) Other disposal operations	NA	NA
<b>Total</b>	<b>271.25</b>	<b>325.07</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

There is a continuous focus on the 3Rs—namely reduce, recycle and reuse. Certain waste and sludge are dispatched to cement factories which utilize these as fuel for manufacturing cement, thereby recovering energy. Other non-hazardous waste like paper, glass, metals, etc. are sent to the approved vendors for recycling. The Goa plant retains its certification of Zero Waste to Landfill (ZWL) which means no waste is disposed of through landfill.

The Company has engaged with the authorized recycler for E-waste disposal. Other Waste such as biomedical waste is sent to vendor authorized by the pollution control board.

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Ministry of Environment, Forests and Climate change. The Company has entered into agreement with waste management agency for collecting and processing plastic packaging waste, from the states and union territories of India where it operates.

**10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required :**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

**11. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year :**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
NIL	NIL	NIL	NIL	NIL	NIL



## Business Responsibility and Sustainability Report (Contd.)

**12. Is the Company compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N) - Yes**

If not, provide details of all such non-compliances :

Sr. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

**Principle 7 : Businesses when engaging in influencing public and regulatory bodies, should do so in a manner that is responsible and transparent****Essential Indicators****1. a. Number of affiliations with trade and industry chambers/associations :**

The Company is affiliated with 7 industry chambers/associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to :**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Mumbai Chamber of Commerce	National
2.	Indian Pharmaceutical Alliance	National
3.	FICCI	National
4.	CII	National
5.	ASSOCHAM	National
6.	USIBC	National
7.	USISPF	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities :**

Name of Authority	Brief of the Case	Corrective Action Taken
NIL	NIL	NIL

**Principle 8 : Businesses should promote inclusive growth and equitable development****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year :**

Name and brief of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant Web-link
Quality and Affordable Healthcare Delivery Program in partnership with Self-Employed Women's Association	NA	NA	Yes	Yes	<a href="https://www.abbott.co.in/investor-relations.html">https://www.abbott.co.in/investor-relations.html</a>
Improving Access to Healthcare through Health Clinics	NA	NA	Yes	Yes	<a href="https://www.abbott.co.in/investor-relations.html">https://www.abbott.co.in/investor-relations.html</a>

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company :**

Sr. No.	Project Name	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in ₹)
NIL	NIL	NIL	NIL	NIL	NIL	NIL

**3. Describe the mechanisms to receive grievances of the local community :**

Adapting to the core needs of the people is fundamental to Abbott's approach and helps create solutions that can sustain themselves and achieve scale.

- Abbott regularly engages with its stakeholders and key community institutions relevant to the projects. Detailed and structured community interactions are planned periodically to review the ongoing activities with the changing priorities and needs of the stakeholders and key community institutions.
- Abbott's CSR programs adopt a bottom-up approach by keeping the community needs and priorities at the centre of its interventions.
- Issues, complaints and grievances identified as part of these engagements are further investigated and addressed suitably in a time-bound manner.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers :**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/Small Producers	21%	23%
Sourced directly from within the district and neighboring districts	17%	19%

**Principle 9 : Business should engage with and provide value to their customers in a responsible manner****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback :**

The Company has a mechanism to receive and respond to the consumer complaints towards product quality, adverse events/vigilance reporting and post-release product actions. The Quality department of the organization has the responsibility for oversight of all complaints and their management processes, including establishment and maintenance of written standard operating procedures.

Procedures that define responsibilities for the oversight of complaint management systems, including the following :

- Managing the complaint process, including complaint intake, investigations and resolution;
- Reviewing complaint documentation, closures or other final actions;
- Maintaining complaint records, including written and other versions (e.g., electronic media);
- Assuring that complaint records are readily accessible to the product manufacturing site(s) and responsible qualified person, if applicable;
- Assuring evaluation of complaints for regulatory reporting is performed;
- Trending of complaints and adverse events/vigilance reports.

**2. Turnover of products/services as a percentage of turnover from all products/service that carry information about :**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA



Business Responsibility and Sustainability Report (Contd.)

3. Number of consumer complaints in respect of the following :

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of Essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other (Received from Patients regarding products)	446*	-	-	570*	-	-

\*Complaints/Correspondence from patients received through website, e-mail and healthcare professionals etc., are also included.

4. Details of instances of product recalls on account of safety issues :

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a Policy on Cyber Security and risks related to data privacy. The same is available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

NA

ANNEXURE 1

Focus Area	Goals	Progress made during the year	Outlook for the current year
<b>Protect a healthy Environment</b>	<p>Our goals are aligned to support the science-based environmental targets set for Abbott globally for 2030.</p> <p>Abbott has set enterprise-wide science-based environmental targets for 2030 as detailed below. At Abbott India, some of our goals are aligned to the said global goals and we are continuing to contribute towards the same.</p> <p><b>(a) Climate Change :</b></p> <ul style="list-style-type: none"> <li>Reduce absolute Scope 1 and 2 carbon emissions by 30% from 2018 baseline by the end of 2030, consistent with the objectives of the Science Based Targets initiative (SBTi).</li> <li>Work with our key carbon-intensive suppliers to implement sustainable programs to reduce Scope 3 carbon emissions.</li> </ul> <p><b>(b) Water Usage :</b></p> <ul style="list-style-type: none"> <li>Work with key suppliers in high water stressed areas to reduce water quality and quantity risks to Abbott and the community.</li> <li>Achieve water stewardship certification at all high water-impact manufacturing sites in water-stressed areas.</li> <li>Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas.</li> </ul> <p><b>(c) Waste Management :</b></p> <ul style="list-style-type: none"> <li>Reduce waste impact using a circular economy approach to achieve and maintain at least 90% waste diversion rate.</li> </ul>	<ul style="list-style-type: none"> <li>Installation of Solar panels at Goa plant to harness clean energy to help reduce the carbon footprint of Goa plant. Following were the benefits derived from the project:                             <ul style="list-style-type: none"> <li>System is capable to generate 314 MWH/Annum.</li> <li>Carbon Emission is reduced to 228 MT/Annum.</li> <li>Guaranteed generation for 20 years.</li> </ul> </li> <li>Project was undertaken at the Goa plant for reducing energy consumption under A3 Program. Brainstorming was done for a week and implemented these ideas generated to reduce daily energy consumption by 1 % i.e., 180 KWH/day without CAPEX investments.</li> <li>CO2 Emission/Energy conservation at Goa plant was 4,940 MT (calendar year 2022) as against the target of 4,918 MT. This was mainly due to installation of new service equipment which consumes additional power.</li> <li>Water consumption at Goa plant was 52,026 KL as against 51,244 targets (for the calendar year 2022).</li> <li>The reject water from the Reverse Osmosis (RO) is utilized back in utilities and washroom. With this 16,425 KL water will be saved annually.</li> <li>Installation of a dust extraction system having a provision of explosion vent and isolation mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of AWS (Alliance for Water Stewardship) core practices (water stewardship initiative).</li> <li>Upgrade fall protection system at Goa plant.</li> <li>Put in place the process to restrict water consumption to 60,828 KL (calendar year 2023).</li> <li>CO2 Emission/Energy conservation 5,496 MT (calendar year 2023).</li> <li>Continue Zero waste to landfill.</li> </ul>

Business Responsibility and Sustainability Report (Contd.)

Focus Area	Goals	Progress made during the year	Outlook for the current year
<b>Providing access and availability of products</b>	<ul style="list-style-type: none"> <li>Engage with key suppliers to reduce the environmental impact of materials sent to Abbott that become waste in our operations and develop and track supplier waste diversion initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Up-grading of Effluent Treatment Plant (ETP) at Goa to address load of effluent due to future increase in production volumes. This will help improve the quality of treated water.</li> <li>Introduction of multidisc screw press for sludge drying. This helps in removing water from sludge at much faster rate and consumes 75% less power.</li> <li>Reduction in cost of disposal of hazardous waste by identifying alternate authorized vendors for co-processing.</li> <li>Collected and processed 2,000 MT plastic packaging waste (100% of plastic packaging).</li> </ul>	<ul style="list-style-type: none"> <li>Expansion into allied therapy area for insomnia, topical pain management and entering into new therapies in Gastroenterology and Women's Health.</li> <li>Continued focus on building product portfolio through lifecycle management of existing brands to meet more people's health needs in 2024.</li> <li>Vaccine portfolio expansion</li> <li>Expansion into tier 2 and tier 3 geographies via specialized teams in Gastro and Metabolics.</li> <li>360° digital marketing campaigns targeting and reaching customers in existing and new geographies.</li> </ul>
<b>STEM (Science, Technology, Engineering and Mathematics)</b>	<p>For Abbott India, increase focus on prevention and well-being, drive personalized patient-centric solutions for establishing and shaping the therapy standards of the health aware and digital savvy consumers.</p> <p>Continue new Product launches, Outreach in Tier 2 and Tier 3 geographies and 360° Marketing campaigns to reach more consumers.</p>	<ul style="list-style-type: none"> <li>Launched 10 new products in FY 2022-23 across various therapeutic areas, Women's Health, Gastroenterology, Metabolic and Multi-Specialty.</li> <li>Also launched line extensions of current brands as a part of our product lifecycle management (e.g., Brufen-P tablet and suspension for expansion into moderate to severe pain and fever category).</li> <li>Empowered patients to actively participate in their healthcare decisions via tools and services such as "Sleep Score" for insomnia or "The Next Chapter" campaign for menopause.</li> </ul>	<p>In India, our STEM program currently runs in 14 schools, impacting the lives of over 4,600 children, 50% of whom are girls. We promote STEM education in collaboration with SMILE Foundation, while simultaneously raising health awareness to spearhead healthy living. Our STEM internship program in India is now in its second year.</p>
<b>STEM (Science, Technology, Engineering and Mathematics)</b>	<p>By 2030, Abbott plans to create 1,00,000 STEM opportunities globally, helping to create a pipeline of talent interested in STEM careers to meet the growing demands for healthcare innovation.</p>	<p>In India, our STEM program currently runs in 14 schools, impacting the lives of over 4,600 children, 50% of whom are girls. We promote STEM education in collaboration with SMILE Foundation, while simultaneously raising health awareness to spearhead healthy living. Our STEM internship program in India is now in its second year.</p>	<p>Continue to strengthen STEM Internships to achieve Abbott plans to create 1,00,000 STEM opportunities globally.</p>



Focus Area	Goals	Progress made during the year	Outlook for the current year
<b>Advance health equity through partnership</b>	<p>Develop differentiated solutions to alleviate the burden of Non-Communicable Diseases (NCDs) through community-based and community-led models of care that demonstrate both operational and financial sustainability and scale.</p>	<ul style="list-style-type: none"> <li>Advanced access to quality and affordable care across 34 districts in 6 states.</li> <li>Refined tech-based care delivery for low-income communities to improve care delivery and adherence to treatment.</li> <li>Supported Ayushman Bharat Program by upgrading 37 Primary Health Centers (PHCs) to Health &amp; Wellness Centers (HWCs), which are part of the 75 PHCs that were committed.</li> <li>Supported 4,600 children from underserved communities across 14 schools in and around Mumbai with interventions in STEM learning, Health Education and Sports.</li> </ul>	<ul style="list-style-type: none"> <li>Refine tech based interventions to improve the efficacy of care delivery and drive higher levels of adherence to treatment through Electronic Medical Records (EMR).</li> <li>Expand access to program services across newer geographies through tech platforms and community health workers.</li> <li>Train more SEWA (Self-Employed Women's Association) women across more locations as health workers to strengthen and expand program's reach.</li> <li>Screen more people from low-income communities for non-communicable diseases and bring them into the care system early.</li> <li>Forge new partnerships with care providers for efficient, cost-effective and sustained care delivery.</li> <li>Upgrade more PHCs to HWCs and strengthen access to quality healthcare infrastructure and services for low-income communities.</li> <li>Strengthen PHCs with capacity building for their staff and ASHAs who act as a crucial linkage between physical infrastructure and the communities where they live.</li> <li>Sustain support to 4,600 children from underserved communities in the areas of STEM Learning, Health Education and Sports.</li> </ul>
<b>Disclaimer</b>	<p>The information furnished in the above Report is extracted out of system maintained by the Company and/or manually. The Company has taken certain assumptions in the definitions/terminology to arrive at the data. The environment data pertains to the Company's plant at Goa and Head office at BKC.</p>		



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Abbott India, we are committed to strong corporate governance that is aligned with our objective of maximizing our stakeholders' interests. We adhere to the highest standards of governance, integrity, ethics and transparency.

The Company's Code of Business Conduct lays down values and principles that always guide our actions to live up to our best ideals and to operate our business with the utmost integrity. We ensure that ethical conduct is embedded across our operations, and we expect all our employees and external partners to follow the same. Our policies and procedures operate alongside our Code to guide our employees as they conduct their day-to-day activities. They encompass all relevant laws, regulations and promotional standards. The Company's Board and leadership teams fully abide by and support the Code, policies, procedures and principles it embodies. The Board maintains the high ground when it comes to compliance.

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 the members and other beneficiaries for their actions.

### BOARD OF DIRECTORS

At Abbott India, the Board of Directors plays an oversight role. The Board clearly understands the business dynamics and environment under which the Company operates, challenges and opportunities associated with the business operations. The Board provides guidance and strategic direction to the Management in achievement of overall objectives. The Board always acts in good faith, with due diligence and care and in the best interests of all stakeholders.

#### Board Appointments

The Company has a comprehensive policy on nomination and appointment of Directors which lays down the characteristics, qualifications and other positive attributes which are taken into consideration when selecting members for the Board of Directors.

The Board members should, at a minimum, have backgrounds that when combined provide a portfolio of experience and knowledge that will serve Abbott's governance and strategic needs. Board candidates are considered basis a range of criteria including broad-based business knowledge and relationships, prominence and excellent reputations in their primary fields of endeavor, as well as a broad business perspective and commitment to good corporate citizenship. Directors should have demonstrated experience and ability that is relevant to the Board of Directors' oversight role with respect to the Company's business and affairs.

The Nomination and Remuneration Committee plays a constructive role in identifying Board candidates and recommending their appointments to the Board.

#### Board Composition and Category

The Board is well-structured and has optimum combination of executive and non-executive directors. The composition of the Board of Directors of the Company is in conformity with the requirements under the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time ("the SEBI Listing Regulations").

The Chairman of the Board is a Non-Executive Director. As on the date of this Report, the Board comprises of 9 Directors including 2 Executive and 7 Non-Executive Directors, of which 3 are Independent.

There are 3 Women Directors on the Board. There is no *inter se* relationship between the Directors. 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 membership 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	No. of shares held in the Company	Total Board Meetings held in 2022-23	Attendance at		No. of Directorships in other Companies <sup>1</sup>	No. of Committee positions held in other Companies <sup>2</sup>
				Board Meetings held in 2022-23	Annual General Meeting (August 10, 2022)		
Munir Shaikh Chairman of the Board	Non-Executive Director	NIL	5	5	Yes	NIL	NIL
Vivek V Kamath	Managing Director	NIL	5	5	Yes	NIL	NIL
Anisha Motwani	Non-Executive, Independent Director	NIL	5	5	Yes	9	8
Sudarshan Jain	Non-Executive, Independent Director	250 (along with relatives)	5	5	Yes	2	1
Shalini Kamath	Non-Executive, Independent Director	NIL	5	5	Yes	3	1
Ambati Venu	Non-Executive Director	NIL	5	5	Yes	NIL	NIL
Kaiyomarz Marfatia	Non-Executive Director	NIL	5	5	Yes	1	2
Rajiv Sonalker Whole-time Director (will retire effective June 30, 2023)	Executive Director	45	5	5	Yes	NIL	NIL
Sabina Ewing	Non-Executive Director	NIL	5	3 (2 via video-conference)	Yes	NIL	NIL

1. Includes directorships in public, private, foreign Companies and alternate directorship. However, it does not include directorship in Companies registered under Section 8 of the Act.

2. Includes Memberships/Chairmanship of Audit Committee and Stakeholders Relationship Committee in listed and public limited Companies.

The Company notifies the BSE Limited regarding all appointments/re-appointments/cessations of Directors as required under Regulation 30 of the SEBI Listing Regulations.

None of the Directors on the Board holds directorship in more than ten public Companies. Further, 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.

#### Board Meetings held during the year

During the year under review, 5 Board Meetings were held on the following dates :

May 17, 2022; August 10, 2022; November 14, 2022; February 10, 2023 and March 17, 2023. The necessary quorum was present for all the Board Meetings. 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. The average attendance at the Meetings of Board of Directors was 95.5%.



## Report on Corporate Governance (Contd.)

**BOARD SKILL/COMPETENCIES/EXPERTISE**

The Board has diverse sets of competencies 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.

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Munir Shaikh Chairman	<p>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.</p> <p>He holds expertise in the areas of general management, finance, marketing and business development.</p> <p>He is a fellow of the Institute of Chartered Accountant in England and Wales.</p>
Vivek V Kamath Managing Director	<p>Mr Kamath holds rich and diversified experience in healthcare, including pharmaceuticals, OTC and diagnostics. He has held several senior leadership positions in various reputed pharmaceutical Companies, Indian as well as MNCs, across different geographies and holds strong functional expertise in the areas of strategy, marketing, sales and general management.</p> <p>Prior to joining the Company, Mr Kamath worked as the General Manager of the Specialty Care business of Abbott Healthcare Private Limited. Prior to Abbott, he has worked with MSD Pharmaceuticals; Roche Diagnostics, India; Novartis, Singapore; Ranbaxy; Pfizer, India; Fulford, India; Wockhardt and Johnson &amp; Johnson.</p> <p>He holds strong business acumen and has been instrumental in building high performance teams, leading organizational change and driving faster than market growth in sales, profit and productivity across the various Companies he has worked with. He has an excellent track record of building megabrands via marketing and sales excellence, transforming operations and partnering with alliance partners, key stakeholders, healthcare professionals as well as diverse trade channels.</p> <p>He holds a Master's degree in Management and Bachelor of Science in Microbiology from Mumbai University.</p>
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. 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 and analytics and creative excellence.</p> <p>She holds Master's in Business Administration and Bachelor of Science from Sophia College.</p> <p>She is an Independent Director on the Boards of Welspun India Limited; Prataap Snacks Limited; Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited) and Star Health and Allied Insurance Company Limited and a Director on the Boards of Philips Domestic Appliances India Limited; Nuvama Wealth Management Limited (erstwhile Edelweiss Securities Limited); Nuvama Wealth Finance Limited (erstwhile Edelweiss Finance and Investments Limited); Godrej Finance Limited and Dvara Kshetriya Gramin Financial Services Private Limited.</p> <p>She is a Member of Audit Committee in Welspun India Limited, Prataap Snacks Limited, Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited); Star Health and Allied Insurance Company Limited; Nuvama Wealth Finance Limited (erstwhile Edelweiss Finance and Investments Limited) and Philips Domestic Appliances India Limited, Member of Stakeholders Relationship Committee in Nuvama Wealth Finance Limited (erstwhile Edelweiss Finance and Investments Limited) and Chairperson of Audit Committee in Godrej Finance Limited.</p>

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
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 holds Master's in Business Administration from the Indian Institute of Management (IIM), Ahmedabad and Bachelor of Science in Physics from St. Stephens College, Delhi.</p> <p>He is a Director on the Board of Healthium Medtech Limited and Sunshine Holdings PLC, Sri Lanka.</p> <p>He is a Member of Stakeholders Relationship Committee in Healthium Medtech Limited.</p>
Shalini Kamath	<p>Ms Kamath holds vast experience and expertise in three distinct fields-Human Resources, Business Development and Social and 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. She is a certified and practicing "CEO and Leadership Coach".</p> <p>She holds Master's in Business Administration from Edinburgh Business School, UK; training from Harvard Business School in change and transformation; alumnus of CSC Global leadership program and a certified Zenger Folkman Leadership4you trainer and facilitator.</p> <p>She is an Independent Director on the Boards of Borosil Renewables Limited and Johnson Controls-Hitachi Air Conditioning India Limited and Director on the Board of Ambit Finvest Private Limited.</p> <p>She is a Member of Audit Committee in Borosil Renewables Limited.</p>
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 across the world.</p> <p>He is an alumnus of the Indian Institute of Management, Ahmedabad and holds a Bachelor's degree in Engineering (Mechanical) from the University of Bhopal.</p>
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> <p>He is a Law Graduate from the Government Law College.</p> <p>He is an Independent Director on the Board of SNL Bearings Limited.</p> <p>He is a Member of Audit Committee and Chairman of Stakeholders Relationship Committee in SNL Bearings Limited.</p>



## Report on Corporate Governance (Contd.)

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Rajiv Sonalker (will retire effective June 30, 2023)	Mr Sonalker has extensive financial experience in the pharmaceutical, FMCG and engineering industries in India and Europe.  Besides in-depth knowledge about the Company, he has strong technical and analytical skills and expertise for leading the Corporate Finance function, including Risk and Internal Control. He has played a crucial role in several projects such as the merger, acquisitions, integration and corporate restructuring. He has been instrumental in driving many automation and digitization projects critical for the Company.  He is a fellow Member of the Institute of Chartered Accountants of India.
Sabina Ewing	Ms Ewing is a passionate, transformational global technology leader. She is a champion for delivering 21 <sup>st</sup> century Information Technology organizations that move beyond the back office to Information Technology as a strategic enabler of top-line and bottom-line results. Currently, Ms Ewing is acting as a Global CIO, Vice President-Business and Technology Services for Abbott Laboratories, USA. Prior to that, she served as the Global Head-Business Technology for Pfizer Upjohn Headquartered in Shanghai, China. She has also served as Vice President for corporate functions and business services BT, supporting Pfizer's human resources, legal, corporate affairs, corporate compliance and corporate aviation divisions, as well as the enterprise-wide Global Support Services Organization.  She holds Bachelor of Science in Commerce (with concentrations in Management Information Systems and Finance) from the University of Virginia and a Master of Science in Systems and Management from New York University.

**Tenure of Directorships**

Managing Director/Executive Directors are appointed for such tenure as prescribed under the Act and in accordance with the terms of their contract of service with the Company.

Non-Executive Directors (other than the Independent Directors) are subject to retirement by rotation as per the provisions of the Act. One-third of total number of such Directors who are liable to retire by rotation, retire at each Annual General Meeting and are eligible for re-appointment.

Independent Directors are appointed for a term upto five consecutive years. They are eligible for re-appointment for another term upto five consecutive years on passing of a special resolution by the Company.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the SEBI Listing Regulations 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.

**INDEPENDENT DIRECTORS**

(i) In terms of Regulation 25(8) of the SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

(ii) Based on the declarations received from the Independent Directors, the Board of Directors and the Nomination and Remuneration Committee have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**Meeting of Independent Directors**

Meeting of Independent Directors was held on August 9, 2022, in compliance with the requirements of the Act, Rules framed thereunder and Regulation 25(3) of the SEBI Listing Regulations. The said Meeting was attended by all the Independent Directors. Ms Shalini Kamath acted as the Lead Independent Director for the said Meeting.

The Independent Directors at their Meeting *inter alia*, reviewed the performance of Non-Independent Directors and the Board of Directors as a whole and the performance of the Chairman, considering the views of Executive Directors and Non-Executive Directors. They also assessed the quality, quantity and timelines of flow of information between the Management and the Board of Directors that helps the Board in effective decision making and provided valuable feedback and inputs.

**FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS**

As a part of induction and continuing education program for Independent Directors, the Managing Director/Commercial Directors/Function Heads make periodic presentations at the Board/Committee Meetings to apprise the Directors of the Company's business strategies, long-term plans, 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, cyber security and CSR updates, etc.

Regular briefs are provided to the Directors on the Company's business operations, policies and procedures, distribution channels, business model, cash and treasury management, accounting systems and internal financial controls, etc. Annual interactive strategy sessions are arranged with the Senior Management and Functional heads often combined with plant visits.

Details of the programs conducted by the Company for the financial year 2022-23 and participation of independent directors are available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

**REMUNERATION OF DIRECTORS****Non-Executive Directors**

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

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and commission. The details of sitting fees paid to Non-Executive Directors for the financial year 2022-23 is given below :

(₹ in Crores)		
Sr. No.	Name of the Director	Sitting Fees
1.	Munir Shaikh	0.11
2.	Anisha Motwani	0.15
3.	Sudarshan Jain	0.13
4.	Shalini Kamath	0.15
5.	Kaiyomarz Marfatia	0.08

As per the approval granted by the Shareholders dated November 12, 2022 from the financial year 2022-23, the Non-Executive Directors (other than Non-Executive Directors of the Company, who are in full time employment with Abbott Group Companies) are entitled for Commission of ₹ 0.15 Crores

per annum and additional ₹ 0.05 Crores per annum to the Board Chairman, in proportion to the Board Meetings attended by them during the year.

Besides payment of commission, sitting fees and dividend on equity shares held by the Directors, if any, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company.

**Executive Directors**

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Act 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 2022-23 are as follows :

(₹ in Crores)		
Terms of Agreement	Vivek V Kamath Managing Director	Rajiv Sonalker CFO and Whole-time Director
Period of appointment	5 years	2 years
Date of appointment	February 15, 2022	August 8, 2017*
Salary and Other Allowances	3.15	2.22
Perquisites	1.85	0.63
Contribution to Provident Fund	0.17	0.13
Performance Linked Incentive	1.26	0.71
Notice Period	Three Months	
Severance Fees	There is no separate provision for payment of severance fees.	
Stock Option <sup>#</sup>	NIL	

\* Initial date of appointment.

<sup>#</sup>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 is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan", the requisite 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 considered and approved by the Board based on the recommendation of the Nomination and Remuneration Committee in alignment with the Company policies.



## Report on Corporate Governance (Contd.)

The Company has entered into Agreements with Mr Vivek V Kamath, Managing Director for a period of 5 years from February 15, 2022 to February 14, 2027 and Mr Rajiv Sonalker, Whole-time Director for his re-appointment for a period of 2 years from July 1, 2021 to June 30, 2023.

### AUDIT COMMITTEE

The composition, role, terms of reference as well as powers of the Audit Committee are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the Members of the Audit Committee are financially literate.

#### Composition :

The Committee comprises of 4 Members of which, 3 are 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 :

Name of the Member	Category	No. of Meetings 2022-23	
		Held	Attended
Anisha Motwani Chairperson	Independent Director	4	4
Munir Shaikh	Non-Executive Director	4	4
Sudarshan Jain	Independent Director	4	4
Shalini Kamath	Independent Director	4	4

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

#### Meetings :

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

May 17, 2022; August 10, 2022; November 14, 2022 and February 10, 2023.

The necessary quorum was present for all the Committee Meetings.

Meetings of Audit Committee are also attended by the Managing Director, Non-Executive Directors, Chief Financial Officer, Statutory Auditors and the Internal Auditors as invitees. The Cost Auditors attend the Audit Committee Meeting where Cost Audit Report is discussed and approved.

Ms Anisha Motwani, Chairperson of the Audit Committee attended the Annual General Meeting of the Company held on August 10, 2022, in compliance with the requirements of Regulation 18(1)(d) of the SEBI Listing Regulations.

#### 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 :
  - a) 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 Act;
  - b) 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;
- 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 Act, Rules framed thereunder and Regulation 18 of the SEBI Listing Regulations 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 SEBI Listing Regulations.

### NOMINATION AND REMUNERATION COMMITTEE

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

#### Composition :

The Committee comprises of 3 Members, of which 2 are Independent Directors and 1 Non-Executive Director as on the date of this Report.

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

Name of the Member	Category	No. of Meetings 2022-23	
		Held	Attended
Sudarshan Jain Chairman	Independent Director	3	3
Ambati Venu	Non-Executive Director	3	3
Anisha Motwani	Independent Director	3	3

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

#### Meetings :

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

May 17, 2022; August 9, 2022 and March 17, 2023.

The necessary quorum was present for all the Committee Meetings.

Mr Sudarshan Jain, Chairman of the Committee attended the Annual General Meeting of the Company held on August 10, 2022, to answer the Shareholders' queries in compliance with the requirements of Regulation 19(3) of the SEBI Listing Regulations.

#### 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 program 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;
  - 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.

## Report on Corporate Governance (Contd.)

- 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.

### Performance Evaluation Criteria of Independent Directors

In terms of the requirements of the Act and Rules made thereunder, evaluation of Independent Directors is done by the entire Board of Directors (except the Director whose evaluation is being done) basis the criteria set by the Nomination and Remuneration Committee. The Board also evaluates if the Independent Directors fulfill the criteria of independence as laid down in the Act, Rules framed thereunder and the SEBI Listing Regulations.

Criteria for evaluation and detailed mechanism adopted for evaluation of Directors are provided in the Board's Report.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, role, terms of reference as well as powers of the Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

#### Composition :

The Committee comprises of 4 Members, of which 2 are Independent Directors; 1 Non-Executive Director and 1 Executive Director as on the date of this Report.

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

Name of the Member	Category	No. of Meetings 2022-23	
		Held	Attended
Kaiyomarz Marfatia Chairman	Non-Executive Director	2	2
Vivek V Kamath	Managing Director	2	2
Anisha Motwani	Independent Director	2	2
Shalini Kamath	Independent Director	2	2

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

#### Meetings :

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

May 17, 2022 and August 9, 2022.

The necessary quorum was present for all the Committee Meetings.

#### 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 the 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.

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

Particulars	No. of Grievances
Pending at the beginning of the year	NIL
Received during the year	18 <sup>#</sup>
Resolved during the year	18 <sup>#</sup>
Pending at the end of the year	NIL

<sup>#</sup>pertains 9 letters received from BSE Limited, 8 letters from Securities and Exchange Board of India (SEBI-SCORES) and 1 letter from the Registrar of Companies/Ministry of Corporate Affairs.

These investor grievances mainly pertained to Duplicate Share Certificate; Transmission of Shares/Deletion of name; Non-receipt of Dividend; KYC updation; Deduction of TDS on payment of Dividend; Exchange of Share Certificate; Demat of Shares and IEPF Claim. All the grievances were resolved upto the satisfaction of shareholders.

### CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

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

#### Composition :

The Committee comprises of 5 Members of which 2 are Independent Directors, 1 Non-Executive Director and 2 Executive Directors, 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 :

Name of the Member	Category	No. of Meetings 2022-23	
		Held	Attended
Munir Shaikh Chairman	Non-Executive Director	4	4
Vivek V Kamath	Managing Director	4	4
Anisha Motwani	Independent Director	4	4
Shalini Kamath	Independent Director	4	4
Rajiv Sonalker	Whole-time Director	4	4

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

#### Meetings :

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

May 17, 2022; August 9, 2022; November 14, 2022 and February 10, 2023.

The necessary quorum was present for all the Committee Meetings.

#### 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 Act;
- 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 Act or CSR Rules or as may be delegated by the Board, from time to time.

### RISK MANAGEMENT COMMITTEE

The composition, role, terms of reference as well as powers of Risk Management Committee are in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations.

#### Composition :

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

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

Name of the Member	Category	No. of Meetings 2022-23	
		Held	Attended
Vivek V Kamath Chairman	Managing Director	3	3
Sudarshan Jain	Independent Director	3	3
Shalini Kamath	Independent Director	3	3
Kaiyomarz Marfatia	Non-Executive Director	3	3
Rajiv Sonalker	Whole-time Director	3	3

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

#### Meetings :

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

May 17, 2022; November 9, 2022 and February 10, 2023.

The necessary quorum was present for all the Committee Meetings.

#### Role :

The role of the Committee includes :

- to formulate a detailed Risk Management policy which shall include :
  - a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks) information, cyber security risks or any other risk as may be determined by the Committee;
  - measures for risk mitigation including systems and processes for internal control of identified risks;
  - business continuity plan.
- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;



## Report on Corporate Governance (Contd.)

- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  - to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  - the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
  - to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  - any other role as may be delegated by the Board from time to time or which may be prescribed under the Act or the SEBI Listing Regulations or by amendments thereof.
- The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.

### ANNUAL GENERAL MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2021-22	August 10, 2022	9.30 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	Re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of Seventy-five years, as Director, liable to retire by rotation.
2020-21	July 27, 2021	9.30 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	Re-appointment of Ms Anisha Motwani (DIN : 06943493) as an Independent Director for a term of 5 (five) years effective April 25, 2021, not liable to retire by rotation.
2019-20	September 7, 2020	9.00 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	<p>i. Re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of Seventy-five years, as Director, liable to retire by rotation.</p> <p>ii. Approval for acquiring and holding equity shares of the Company, by the Foreign Institutional Investors/Foreign Portfolio Investors/Non-Resident Indians under the portfolio scheme upto 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., shall not exceed 80% of the total paid up share capital of the Company, on a fully diluted basis.</p>

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

### POSTAL BALLOT

During the year 2022-23, following resolutions were passed by the Company through Postal Ballot :

Sr. No.	Type of Resolution	Particulars	Voting Pattern	
			% of votes in favor of the resolution	% of votes against the resolution
1.	Special	Re-appointment of Ms Shalini Kamath (DIN : 06993314) as an Independent Director for a period of 5 (five) years effective October 29, 2022.	98.20%	1.80%
2.	Ordinary	Payment of Commission of ₹ 0.15 Crores p.a. to the Non-Executive Directors of the Company (who are not in full time employment with Abbott Group Companies) and additional ₹ 0.05 Crores p.a. to the Board Chairman.	100%	-

### PROCEDURE ADOPTED FOR POSTAL BALLOT

The Postal Ballot was conducted in compliance with Section 108 and 110 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding General Meetings/ conducting Postal Ballot process, vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021 and 3/2022 dated May 5, 2022.

### CODE OF BUSINESS CONDUCT

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 at <https://www.abbott.co.in/investor-relations.html>.

All the Directors and Senior Management have confirmed the compliance of the Code of Business Conduct. The Certificate issued by Mr Vivek V Kamath, Managing Director to this effect forms part of this report.

### CODE OF FAIR DISCLOSURE

The Company has in line with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, adopted the Code of Fair Disclosure i.e., Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders. The same has been posted on the Company's website at <https://www.abbott.co.in/investor-relations.html>.

### 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 Act and Regulation 22 of the SEBI Listing Regulations. Adequate safeguards are provided against victimization of director(s) or employee(s) or any other person who raises concerns using such mechanism. No employee has been denied access to the Audit Committee.

### MEANS OF COMMUNICATION

- i) 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 are made available on the website of the Company at <https://www.abbott.co.in/investor-relations.html> and on the website of BSE Limited.

- ii) During the year under review, the Company had met institutional investors once on September 28, 2022. No presentation was made during the Meeting. The transcript and video recording of the Meeting is available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

### GENERAL SHAREHOLDER INFORMATION

#### i) Annual General Meeting

Wednesday, August 9, 2023, through Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)

#### ii) Financial year

April 1, 2022 to March 31, 2023

#### iii) E-Voting Period

From 9.00 a.m. (IST) on Sunday, August 6, 2023  
Upto 5.00 p.m. (IST) on Tuesday, August 8, 2023

#### iv) Dividend Payment Date

On and after August 16, 2023

#### v) Listing on Stock Exchange

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001  
Telephone No. : +91-22-2272 1233/4, +91-22-6654 5695  
Fax : +91-22-2272 1919  
Website : [www.bseindia.com](http://www.bseindia.com)  
E-mail : [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

- vi) The annual listing fees for the financial year 2022-23 was paid to the BSE Limited as per Regulation 14 of the SEBI Listing Regulations.

#### vii) International Securities Identification Number (ISIN)

INE358A01014

#### viii) Stock Code (BSE)

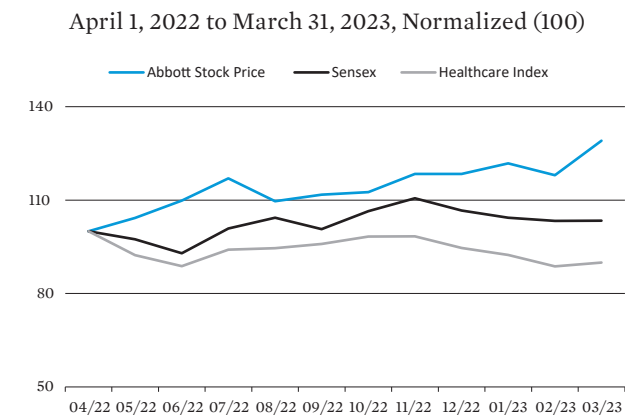
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## Report on Corporate Governance (Contd.)

**ix) Market Price Data (High/Low) on BSE**

Month	High	Low
April, 2022	18,401.65	16,785.20
May, 2022	18,298.95	16,156.00
June, 2022	19,119.55	17,541.20
July, 2022	20,168.00	18,484.05
August, 2022	20,895.00	18,237.85
September, 2022	19,285.00	17,349.05
October, 2022	19,467.25	17,800.25
November, 2022	20,347.20	19,145.10
December, 2022	22,170.00	19,953.60
January, 2023	22,481.80	20,763.35
February, 2023	21,531.50	19,900.00
March, 2023	22,160.25	19,908.65

**x) Performance in comparison to broad based indices****xi) Registrar and Share Transfer Agent**

KFin Technologies Limited  
(formerly KFin Technologies Private Limited)

Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel No. : +91-40-6716 2222; Toll Free No. : 1800 309 4001	6/8, Ground Floor, Crossley House, Near BSE Limited, Next to Union Bank, Opposite to J&K Bank, Fort, Mumbai - 400 001
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E-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website : <https://www.kfintech.com>  
<https://ris.kfintech.com>  
Investor Support Center : <https://ris.kfintech.com/clientservices/isc/>

Details of various centers of KFin are available on [www.kfintech.com](http://www.kfintech.com)

**xii) Share Transfer System**

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

**xiii) Shareholding Pattern as on March 31, 2023**

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	4,819	0.02
Foreign Portfolio Corporation	40,679	0.19
Alternative Investment Fund	26,427	0.12
General Insurance Corporation of India	40,403	0.19
Mutual Funds	14,61,254	6.88
Qualified Institutional Buyer	2,98,222	1.41
Domestic Companies	1,49,366	0.70
Resident Indians	30,65,805	14.43
Non-Resident Indians	1,21,313	0.57
Directors	95	0.00
Directors Relatives	200	0.00
Unclaimed Suspense Account	3,958	0.02
Investor Education and Protection Fund (IEPF) Authority	98,049	0.46
Others	4,664	0.02
<b>Total</b>	<b>2,12,49,302</b>	<b>100.00</b>

**xiv) Distribution of Shareholding as on March 31, 2023**

Distribution (1)	No. of Shareholders (2)	% to Total (3)	No. of Shares held (4)	% to Total (5)
Up to 500	70,885	98.33	16,69,935	7.86
501 to 1,000	658	0.91	4,76,267	2.24
1,001 to 2,000	316	0.44	4,46,576	2.10
2,001 to 3,000	93	0.13	2,22,773	1.05
3,001 to 4,000	40	0.06	1,39,966	0.66
4,001 to 5,000	21	0.03	94,164	0.44
5,001 to 10,000	29	0.04	1,99,354	0.94
Above 10,000	44	0.06	1,80,00,267	84.71
<b>Total</b>	<b>72,086</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

xv) In terms of requirements of Regulation 39(4) and Schedule VI of the SEBI Listing Regulations, shares which remained unclaimed in the custody of the Company are required to be transferred to the Unclaimed Suspense Account opened by the Company.

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

Particular	No. of Shareholders	No. of Shares
No. of shares as on April 1, 2022	34	3,961
No. of shares claimed and transferred from the Unclaimed Suspense Account during the year	(1)	(3)
No. of shares transferred to Investor Education and Protection Fund (IEPF)	-	-
<b>No. of shares as on March 31, 2023</b>	<b>33</b>	<b>3,958</b>

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 Act and Rules framed thereunder.

xvi) 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 ("IEPF Rules"), all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority").

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.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](http://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, the Company has transferred 2,842 Equity Shares held by 28 Members to the IEPF Authority in September 2022, details of which are given below :

Particular	No. of Shareholders	No. of Shares
No. of shares in IEPF Account as on April 1, 2022	680	1,02,590
No. of shares transferred to IEPF Account during the year 2022-23	28	2,842
No. of shares claimed and transferred to the Shareholders from IEPF Account during the year 2022-23	(24)	(7,383)
<b>No. of shares in IEPF Account as on March 31, 2023</b>	<b>684</b>	<b>98,049</b>

xvii) Pursuant to the Act read with IEPF Rules, dividend, if not claimed for a period of 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. During the financial year 2022-23, the Company has transferred to IEPF unpaid dividend amounting to ₹ 44,99,588/- pertaining to the year 2014-15.



## Report on Corporate Governance (Contd.)

**xviii)** The Company has appointed a Nodal Officer under the provisions of IEPF. Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

### **xix) Dematerialization of Shares as on March 31, 2023 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).

2,10,05,394 Equity Shares representing 98.85% of the Company's total paid-up share capital were held in dematerialized mode, as on March 31, 2023.

### **xx) The Company has not issued any GDR/ADR or Warrants or any other convertible instruments**

#### **xxi) Foreign exchange risk and hedging activities**

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

#### **xxii) Plant Location**

L-18/19, Verna Industrial Estate, Goa

### **xxiii) Address for correspondence/E-mail ID for Shareholders**

#### **Abbott India Limited**

CIN : L24239MH1944PLC007330

Registered office :	Corporate Office :
3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071 Tel No. : +91-22-6797 8888	Shares Department 15-16 <sup>th</sup> Floor, Godrej BKC, Plot C - 68, "G" Block, Bandra Kurla Complex, Near MCA Club, Bandra (East), Mumbai - 400 051 Tel No. : +91-22-5046 1000/2000 Fax : +91-22-5046 9400

E-mail : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

Website : [www.abbott.co.in](http://www.abbott.co.in)

#### **KFin Technologies Limited**

(formerly KFin Technologies Private Limited)

Unit : Abbott India Limited

Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel No. : +91-40-6716 2222; Toll Free No. : 1800 309 4001	6/8, Ground Floor, Crossley House, Near BSE Limited, Next to Union Bank, Opposite to J&K Bank, Fort, Mumbai - 400 001
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E-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website : <https://www.kfintech.com>

<https://ris.kfintech.com>

Investor Support Center : <https://ris.kfintech.com/clientservices/isc/>

#### **KPRISM-Digital application by KFin**

KFin Technologies Limited (KFin) has launched a mobile application-KPRISM and a website <https://kprism.kfintech.com/signin.aspx> for online service. The mobile application can be downloaded from <https://kprism.kfintech.com/app/>.

The Members are required to complete one time registration for availing various services viz., view of consolidated portfolio service by KFin, dividend status, requests for change of address, change/update bank mandate. The Members can also download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The said application can alternatively be downloaded from the Android Play Store.

#### **OTHER DISCLOSURES**

a) 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 Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority for the year ended March 31, 2023.

b) 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.

c) 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.html>.

The details of transactions entered into with Related Parties is disclosed in Note 38 of the Financial Statements.

d) Details of instances of non-compliance by the Company, 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 :

The Company had received post-facto approval from the Department of Pharmaceuticals permitting the increase in foreign shareholding in excess of 75.11% from October 19, 2012 to January 14, 2021, which was subject to compounding with the Reserve Bank of India for the contravention of applicable rules under the Foreign Exchange Management Act, 2000. The Company is taking steps with the Reserve Bank of India in this regard. The Company has filed the compounding application with the Reserve Bank of India and taking adequate steps in this regard.

e) In the preparation of Financial Statements, no differential treatment from that prescribed in the Accounting Standards has been followed.

f) Pursuant to the disclosures made by the Senior Management to the Board, there were no material financial and commercial transactions entered by them where they have personal interest and which could have potential conflict with the interest of the Company at large.

g) In terms of requirement of Regulation 17(8) of the SEBI Listing Regulations, Managing Director and Chief Financial Officer have made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.

h) The Company has complied with all the Corporate Governance requirements specified in Regulations 17 to 23, 24A to 27 and applicable clauses of Regulation 46(2) of the SEBI Listing Regulations. The Company does not have any subsidiary and therefore, Regulation 24 is not applicable to the Company.

i) There has been no instance of any non-compliance of any requirement of Corporate Governance Report of Schedule V of the SEBI Listing Regulations.

j) The Company does not deal in commodity(ies) and hence disclosure relating to commodity price risks and commodity hedging activities does not apply.

k) The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement during the financial year ended March 31, 2023.

l) The Company has not obtained any Credit Ratings during the year.

m) The Company has complied with all the mandatory requirements of the SEBI Listing Regulations.

n) During the financial year, there was no instance where the Board has not accepted any recommendation of any Committees of the Board.

o) Total fees paid to the Statutory Auditors and all the entities in their network firm/network entities for all the services rendered by them during the financial year 2022-23 is ₹ 2.26 Crores including all the taxes, as may be applicable.

p) During the year, 1 complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same was appropriately closed.

#### **Compliance with Discretionary requirements :**

i. The quarterly and half yearly financial results are published in two newspapers as prescribed under the SEBI Listing Regulations and are also available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>. 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**

Mumbai May 19, 2023	<b>Vivek V Kamath</b> Managing Director DIN : 06606777	<b>Sudarshan Jain</b> Director DIN : 00927487
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## Report on Corporate Governance (Contd.)

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

Pursuant to Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vivek V Kamath, Managing Director 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, 2023.

Mumbai  
March 31, 2023

**Vivek V Kamath**  
Managing Director  
DIN : 06606777

**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 – 400 071

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 - 400 071 (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](http://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, 2023 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.

Name of Director	DIN	Date of Appointment in Company
Munir Shaikh	00096273	02/03/2001
Vivek V Kamath	06606777	15/02/2022
Anisha Motwani	06943493	25/04/2018
Sudarshan Jain	00927487	01/04/2019
Shalini Kamath	06993314	29/10/2019
Ambati Venu	07614849	01/03/2020
Kaiyomarz Marfatia	03449627	01/03/2011
Rajiv Sonalker	07900178	08/08/2017
Sabina Ewing	09201770	15/06/2021

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 this, 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.

Place : Mumbai  
Date : May 19, 2023  
UDIN : F009492E000334036  
Peer reviewed No : 1012/2020

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

**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

1. 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) and (t) 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”) (“Applicable criteria”) for the year ended March 31, 2023 as required by the Company for annual submission to the Stock Exchange.

**Management's Responsibility**

2. 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.

3. 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 ICAI.

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 :

- Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- 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;
- Obtained and read the Register of Directors as on March 31, 2023 and verified that at least one independent woman director was on the Board of Directors throughout the year;
- Obtained and read the Minutes of the following Committee Meetings/Other Meetings held from April 1, 2022 to March 31, 2023 :
  - Board of Directors;
  - Audit Committee;
  - Annual General Meeting (AGM);
  - Nomination and Remuneration Committee;
  - Stakeholders Relationship Committee;
  - Risk Management Committee;
  - Corporate Social Responsibility Committee;
  - Independent Directors Meeting
- Obtained necessary declarations from the directors of the Company.
- Obtained and read the policy adopted by the Company for related party transactions.
- 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.
- Performed necessary inquiries with the management and also obtained necessary specific representations from the management.



## Report on Corporate Governance (Contd.)

8. 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**

9. 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, 2023, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. 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.

11. 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 & COLLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number : 38730

UDIN : 23038730BGYSNL6239

Place of Signature : Mumbai

Date : May 19, 2023

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Abbott India Limited****Report on the Audit of the Financial Statements****OPINION**

We have audited the accompanying financial statements of Abbott India Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, 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 financial statements give the information required by the Companies Act, 2013, as amended ("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, 2023, 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 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 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 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 financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Provision for Non-Saleable returns</b> (as described in note 22 of the financial statements)</p> <p>The Company makes sales to stockiest who further sells products in the market. Stockiest have a right of return in case goods expiring, while in supply chain till end consumers. Return of these expired goods, results in deductions to gross amounts invoiced in arriving at revenue and creation of obligations for the Company to give credit for sales returns.</p> <p>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.</p> <p>The management has determined provision for sales returns amounting to ₹ 173.11 Crores which have been recorded at March 31, 2023 (including reimbursable sales return amounting to ₹ 61.84 Crores)</p>	<p>Our audit procedures included, amongst others,</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management process for making provision for Non-saleable returns including related controls.</li> <li>• 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.</li> <li>• We obtained management's calculations for provisions, recalculated the amounts and evaluated the assumptions used with reference to historical sales returns levels and current trends.</li> <li>• We considered the management's estimates by comparing historical accrued provisions and revenue deductions recorded to the actual amounts.</li> </ul>





## Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>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. Accordingly, we regard these as key audit matter.</p>	<ul style="list-style-type: none"> <li>We tested the working of discounting of non-current provisions for sales return prepared by the management including the underlying assumptions.</li> <li>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.</li> </ul>
<p><b>(b) Evaluation of uncertain tax positions</b> (as described in note 36 (b) (ii) of the financial statements)</p> <p>The Company has litigations involving question of law and certain disallowances made by Income tax authorities in assessment orders that the Company has appealed against before the relevant appellate authorities.</p> <p>The Company has disclosed ₹ 80.81 Crores 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.</p> <p>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.</p> <p>Key judgments are also made by the management in estimating the amount of contingent liabilities related to aforementioned litigations.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>We obtained an understanding of the management's process for: <ul style="list-style-type: none"> <li>identification of tax matters initiated against the Company,</li> <li>assessment of accounting treatment for each such litigation identified under applicable accounting principles, and for measurement of amounts involved.</li> </ul> </li> <li>We evaluated the design and tested the operating effectiveness of controls around the above process.</li> <li>We obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year with the management.</li> <li>We focused on the key developments in the tax litigations, which could have materially impacted the amounts recorded as provisions or disclosed as contingent liability in the financial statements. We inspected the demand notices, assessment orders received for such cases and obtained grounds of appeal submitted by the management in consultation with their external legal counsel.</li> <li>We evaluated the appropriateness of methods used and the reliability of underlying data for quantifying the amounts involved by analyzing the relevant demand notices, assessment orders received. We also tested the arithmetical accuracy of such calculations.</li> <li>We also tested the independence, objectivity and competence of such external legal counsel involved.</li> <li>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.</li> <li>We have evaluated the disclosures made by the Company in the financial statements in view of the requirements as specified in the Indian Accounting Standards.</li> </ul>

**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 financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**RESPONSIBILITIES OF MANAGEMENT FOR THE 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 with reference to financial statements 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.



## Independent Auditor's Report (Contd.)

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether 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 financial statements for the financial year ended March 31, 2023 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

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 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, the back-up of books of account were taken on a server physically located in India except for an application used for processing expenses of field employees where backup taken on a daily basis were kept on server physically located outside India as stated in Note 45 to the financial statements

- The Balance Sheet, the 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;
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above
- With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- In our opinion, the managerial remuneration for the year ended March 31, 2023 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;
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - a) The management has represented that, to the best of its knowledge and belief, and

as disclosed in the Note 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, and as disclosed in the Note 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe

that the representations under Sub-clause (a) and (b) contain any material misstatement.

- The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 14 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per **Dolphy Dsouza**  
Partner  
Membership Number: 038730  
UDIN: 23038730BGYSNK6600

Place of Signature: Mumbai  
Date: May 19, 2023



## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangibles assets.
- (b) All Property, Plant and Equipment were not physically verified by the management but there is a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 3 to the financial statements included in Property, Plant and Equipment are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in Crores)	Held in name of	Whether promoter, director of their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of Company
Building - Chembur	6.35	M/S Boots Pharmaceuticals Limited	No	1996	The property is held in the erstwhile name of the Company.
Building - Chennai	0.16	M/S Duphar Interfan Limited	No	1989	The said property is held in the name of Duphar Interfan Limited, which was demerged into a new entity - Solvay Pharma India Limited (SPIL). SPIL was ultimately merged with the Company and the deed of merger was filed by the Company.
Building - Goregaon	30.34	M/S Solvay Pharma India Limited	No	2009	The said property was acquired by the Company pursuant to the scheme of amalgamation of Solvay Pharma India Limited with Company approved by the Hon'ble High Court and the deed of merger has been filed by the Company.
Goa residential building	0.07	M/S Knoll Pharmaceuticals Limited	No	1997	The property is held in the erstwhile name of the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of provident fund which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	₹ in Crores	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	0.02	April 22 to Sept 22	15 <sup>th</sup> of subsequent month	NA	



- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	₹ in Crores	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.84	A.Y. 1998-99	Bombay High Court
		32.05	A.Y. 2004-05, A.Y. 2016-17, A.Y. 2017-18 and A.Y. 2018-19	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise Duty	0.03	1991-92	Commissioner (Appeals)
		0.04	1994-95	Commissioner
		0.03	1994 and 1997 to 2002	Assistant Commissioner
		0.26	2005-06	CESTAT
Customs Act, 1962	Customs Duty	0.04	1996	Commissioner (Appeals)
		0.75	2011 to 2013	CESTAT
The Bombay Sales Tax Act, 1959	Sales Tax	0.40	1999-2000	Deputy Commissioner of Sales Tax
Gujarat Value Added Tax	Value Added Tax	0.13	2017-18	Deputy Commissioner, Commercial Taxes, Gujarat
Kerala General Sales Tax Act, 1963	Sales Tax	0.13	2002-03	Sales Tax Appellate Tribunal, Additional Bench
Goa Value Added Tax Act, 2005	Value Added Tax	0.02	2006-07	Additional Commissioner of Commercial Taxes, Panaji, Goa
Central Sales Tax, 1956 (Goa)	Sales Tax	3.97	2006-07	Additional Commissioner of Commercial Taxes, Panaji, Goa
		0.17	2009-10	Assistant Commissioner of Commercial Taxes, Panaji, Goa
Central Excise Act, 1944	Excise Duty	4.52	2014-15 to 2017-18	CESTAT, Mumbai

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix) (c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of Companies Act 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to Sub-section (5) of Section 135 of the Act. This matter has been disclosed in Note 30(b) to the financial statements.
- (b) All amounts that are unspent under Section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of Sub-section (6) of Section 135 of the said Act. This matter has been disclosed in Note 30(b) to the financial statements.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number: 038730

UDIN: 23038730BGYSNK6600

Place of Signature: Mumbai

Date: May 19, 2023

## 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 with reference to financial statements of Abbott India Ltd. ("the Company") as of March 31, 2023 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 ("ICAI"). 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 with reference to these financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 Company's internal financial controls with reference to these financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number: 038730

UDIN: 23038730BGYSNK6600

Place of Signature: Mumbai

Date: May 19, 2023



## BALANCE SHEET

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	130.23	123.19
Capital Work-in-Progress	3	3.66	0.66
Intangible Assets	4	7.52	8.63
Right-of-Use Assets	5	99.16	139.18
Financial Assets			
Other Financial Assets	6	1,222.07	43.15
Deferred Tax Assets (net)	17	16.93	16.96
Non-Current Tax Assets (net)		49.28	35.38
Other Non-Current Assets	7	1.55	3.93
<b>Total Non-Current Assets</b>		<b>1,530.40</b>	<b>371.08</b>
<b>Current Assets</b>			
Inventories	8	648.85	687.82
Financial Assets			
Trade Receivables	9	316.95	288.16
Cash and Cash Equivalents	10	239.67	132.71
Bank Balances other than Cash and Cash Equivalents	11	1,697.39	2,616.51
Other Financial Assets	12	70.48	72.25
Other Current Assets	13	51.77	55.59
<b>Total Current Assets</b>		<b>3,025.11</b>	<b>3,853.04</b>
<b>TOTAL ASSETS</b>		<b>4,555.51</b>	<b>4,224.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	21.25	21.25
Other Equity	15	3,167.29	2,798.54
<b>Total Equity</b>		<b>3,188.54</b>	<b>2,819.79</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities	5	67.49	108.74
Provisions	16	93.46	92.40
<b>Total Non-Current Liabilities</b>		<b>160.95</b>	<b>201.14</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities	5	45.68	42.95
Trade Payables	18		
Total outstanding dues of Micro enterprises and Small enterprises		24.57	32.29
Total outstanding dues of creditors other than Micro enterprises and Small enterprises		867.42	857.16
Other Financial Liabilities	19	77.99	73.18
Other Current Liabilities	20	53.63	57.89
Provisions	21	126.19	127.86
Current Tax Liabilities (net)		10.54	11.86
<b>Total Current Liabilities</b>		<b>1,206.02</b>	<b>1,203.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,555.51</b>	<b>4,224.12</b>
Significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **DOLPHY DSOUZA**

Partner

Membership No. 38730

Place : Mumbai

Date : May 19, 2023

For and on behalf of the Board of Directors

**VIVEK V KAMATH**

Managing Director

DIN : 06606777

**RAJIV SONALKER**

CFO and Whole-time Director

DIN : 07900178

Place : Mumbai

Date : May 19, 2023

**SUDARSHAN JAIN**

Director

DIN : 00927487

**KRUPA ANANDPARA**

Company Secretary

Membership No. ACS 16536

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	23	5,348.73	4,913.32
Other Income	24	154.15	83.16
<b>Total Income</b>		<b>5,502.88</b>	<b>4,996.48</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	25	558.61	495.46
Purchases of Stock-in-Trade		2,350.36	2,184.03
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	66.09	(22.28)
Employee Benefits Expense	27	563.59	579.46
Finance Costs	28	15.99	19.10
Depreciation and Amortisation Expense	29	69.97	66.10
Other Expenses	30	604.45	594.88
<b>Total Expenses</b>		<b>4,229.06</b>	<b>3,916.75</b>
<b>PROFIT BEFORE TAX</b>		<b>1,273.82</b>	<b>1,079.73</b>
<b>TAX EXPENSES</b>			
Current Tax Expense	17	329.41	276.98
Tax Adjustment for Earlier Years	17	(3.81)	4.18
Deferred Tax - charge/(credit)	17	(1.19)	(0.13)
<b>Total Tax Expenses</b>		<b>324.41</b>	<b>281.03</b>
<b>PROFIT FOR THE YEAR</b>		<b>949.41</b>	<b>798.70</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified subsequently to profit or loss :			
Remeasurement gains/(losses) of defined benefit plan	31	4.84	3.90
Income tax on above	17	(1.22)	(0.98)
<b>Total Other Comprehensive Income, net of tax</b>		<b>3.62</b>	<b>2.92</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>953.03</b>	<b>801.62</b>
<b>EARNINGS PER EQUITY SHARE</b>	32		
Basic and Diluted - ₹ (Face value of ₹10 each)		446.78	375.86
Significant accounting policies	2		

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

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **DOLPHY DSOUZA**

Partner

Membership No. 38730

Place : Mumbai

Date : May 19, 2023

For and on behalf of the Board of Directors

**VIVEK V KAMATH**

Managing Director

DIN : 06606777

**RAJIV SONALKER**

CFO and Whole-time Director

DIN : 07900178

Place : Mumbai

Date : May 19, 2023

**SUDARSHAN JAIN**

Director

DIN : 00927487

**KRUPA ANANDPARA**

Company Secretary

Membership No. ACS 16536



## STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>1,273.82</b>	1,079.73
<b>Adjustments to reconcile Profit Before Tax to net cash flows :</b>		
Depreciation and Amortisation Expense	<b>69.97</b>	66.10
Unrealised Exchange (gain)/loss (net)	<b>(1.00)</b>	(0.91)
(Gain)/Loss on sale/write off of Property, Plant and Equipment (net)	<b>0.26</b>	-*
Gain on early Termination of Leases	<b>(0.60)</b>	-*
Interest Income	<b>(142.31)</b>	(76.06)
Finance Costs	<b>15.99</b>	19.10
Allowance / (Write back) for Credit Impaired Debts	<b>(0.09)</b>	1.22
Allowance for Credit Impaired Deposits	<b>-*</b>	0.45
Provision/(Write back) for likely sales returns, date expiry and damaged products (net)	<b>(10.06)</b>	5.15
Liabilities / Provisions no longer required written back	<b>(7.08)</b>	(4.68)
Share Based Compensation Expense	<b>12.22</b>	12.93
<b>Operating Profit before Working capital changes</b>	<b>1,211.12</b>	1,103.03
<b>Working capital changes :</b>		
(Increase)/ decrease in Trade Receivables	<b>(28.73)</b>	(39.17)
(Increase)/ decrease in Inventories	<b>38.97</b>	29.78
(Increase)/ decrease in Other Current and Non-Current Assets	<b>16.95</b>	(9.56)
Increase/ (decrease) in Trade Payables	<b>(1.41)</b>	119.80
Increase/ (decrease) in Current and Non-Current Liabilities and Provisions	<b>(2.65)</b>	32.77
<b>Cash generated from Operations</b>	<b>1,234.25</b>	1,236.65
Income tax paid (net of refunds)	<b>(340.86)</b>	(288.99)
<b>Net cash flows from Operating Activities (A)</b>	<b>893.39</b>	947.66
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment (including Capital Work-in-Progress, Capital Creditors and Capital Advances)	<b>(34.11)</b>	(44.07)
Proceeds from sale of Property, Plant and Equipment	<b>0.48</b>	0.23
Investment in Fixed Deposits maturing beyond 3 months	<b>(4,318.26)</b>	(2,650.09)
Investment in Fixed Deposits with original maturity of more than twelve months	<b>(1,137.00)</b>	-
Redemption of Fixed Deposits maturing beyond 3 months	<b>5,238.94</b>	2,229.10
Interest received on Deposits (interest income)	<b>102.24</b>	68.99
<b>Net cash flows used in Investing Activities (B)</b>	<b>(147.71)</b>	(395.84)

\* below ₹ 50,000/-

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(584.36)</b>	(584.36)
Payment of Lease Liabilities	<b>(53.87)</b>	(52.32)
Interest paid, other than on Lease Liabilities	<b>(0.49)</b>	(0.70)
<b>Net cash flows used in Financing Activities (C)</b>	<b>(638.72)</b>	(637.38)
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>106.96</b>	(85.56)
Cash and Cash Equivalents at the beginning of the year	<b>132.71</b>	218.27
<b>Cash and Cash Equivalents at the end of the year (Refer Note 10)</b>	<b>239.67</b>	132.71

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of the Financial Statements.

**Note :**

- Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows'.

As per our report of even date

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **DOLPHY DSOUZA**  
Partner  
Membership No. 38730

Place : Mumbai  
Date : May 19, 2023

For and on behalf of the Board of Directors

**VIVEK V KAMATH**  
Managing Director  
DIN : 06606777

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

Place : Mumbai  
Date : May 19, 2023

**SUDARSHAN JAIN**  
Director  
DIN : 00927487

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



## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Number of shares	Amount
<b>A. EQUITY SHARE CAPITAL :</b>		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
<b>As at April 1, 2021</b>	2,12,49,302	21.25
Increase/(decrease) during the year	-	-
<b>As at March 31, 2022</b>	2,12,49,302	21.25
Increase/(decrease) during the year	-	-
<b>As at March 31, 2023</b>	<b>2,12,49,302</b>	<b>21.25</b>

### B. OTHER EQUITY :

	Reserves and Surplus (Refer Note 15)					Retained Earnings	Items of Other Comprehensive Income (OCI) (Refer Note 15)	Remeasurement of defined benefit plan	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share based Compensation Reserves	General Reserve				
<b>Balances as at April 1, 2021</b>	0.38	5.23	2.52	44.27	514.33	2,023.93	(9.75)	2,580.91	
Profit for the year ended March 31, 2022	-	-	-	-	-	798.70	-	798.70	
Remeasurement of post employment benefits (net of tax)	-	-	-	-	-	-	2.92	2.92	
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	798.70	2.92	801.62	
Transfer from Profit and Loss to General Reserve	-	-	-	-	79.87	(79.87)	-	-	
Dividend for the year ended March 31, 2021 (Refer Note 14)	-	-	-	-	-	(584.36)	-	(584.36)	
Share based compensation to employees (Refer Note 27)	-	-	-	-	-	-	-	-	
Payment towards RSU	-	-	-	12.93	-	-	-	12.93	
Transfer from Sharebased Compensation Reserve to General Reserve*	-	-	-	(12.56)	-	-	-	(12.56)	
<b>Balances as at March 31, 2022</b>	0.38	5.23	2.52	44.16	594.68	2,158.40	(6.83)	2,798.54	
Profit for the year ended March 31, 2023	-	-	-	-	0.48	949.41	3.62	949.41	
Remeasurement of post employment benefits (net of tax)	-	-	-	-	-	-	3.62	3.62	
<b>Total Comprehensive Income for the year</b>	-	-	-	-	94.94	(94.94)	3.62	953.03	
Transfer from Profit and loss to General Reserve	-	-	-	-	-	(584.36)	-	(584.36)	
Dividend for the year ended March 31, 2022 (Refer Note 14)	-	-	-	-	-	-	-	-	
Share based compensation to employees (Refer Note 27)	-	-	-	12.22	-	-	-	12.22	
Payment towards RSU	-	-	-	(12.14)	-	-	-	(12.14)	
Transfer from Sharebased Compensation Reserve to General Reserve*	-	-	-	(1.72)	1.72	-	-	-	
<b>Balances as at March 31, 2023</b>	0.38	5.23	2.52	42.52	691.34	2,428.51	(3.21)	3,167.29	

\* On account of cancellation of share options awarded to employees

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E/300003

per **DOLPHY DSOUZA**  
Partner  
Membership No. 38730

Place : Mumbai  
Date : May 19, 2023

For and on behalf of the Board of Directors

**VIVEK V KAMATH**  
Managing Director  
DIN : 066606777

**SUDARSHAN JAIN**  
Director  
DIN : 00927487

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

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

Place : Mumbai  
Date : May 19, 2023

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

### 1 COMPANY INFORMATION

Abbott India Limited ("The Company") is a public limited Company domiciled and incorporated in India under the provisions of the 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 in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosure 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 Indian Rupees (₹) and all values are rounded to the nearest Crores upto two decimal, except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on May 19, 2023.

#### 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 equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities. An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### b) Foreign currency translation

##### Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

##### Transactions and balances

Transactions in foreign currencies are initially recorded at the foreign exchange rate on the date of the transaction. 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

### 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### d) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, 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.

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 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
Buildings*	
Factory Building	30 years
Other 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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

### 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.

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 tested for impairment when there are indications that the carrying value may not be recoverable. Intangible assets are carried at cost, net of accumulated amortisation and accumulated impairment losses, if any.

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 with the effect of any changes in estimate being accounted for on a

prospective basis. 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	3 to 5 years
Trade Marks	5 years
Distribution Rights	10 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, except for trade receivables 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'. However trade receivables that do not contain a significant financing component are measured at transaction price

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.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control 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.

## 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 :

- 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.
- 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:

- 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
- 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.

ECLs 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 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 accumulated 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 :

- Leasehold Land : Over lease period which is 95 years
- Buildings : 2 to 9 years
- Furniture and Fixtures : 5 years
- 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 - 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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 presented within the Balance Sheet under Financial Liabilities (Refer Note 5).

### iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of twelve 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 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 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 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 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.

#### 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).

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs its obligations 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.

### m) 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



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

### n) 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.

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.

### o) 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 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.

### p) Research and development

Research costs are expensed as incurred. 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.

### q) Earnings per equity share

The Company presents basic and diluted earnings per share ('EPS') data for its equity shares.

The 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 earnings per equity share are computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### r) 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.

The stock based compensation cost is recharged to the Company upon exercise, which is adjusted against Share Based Compensation Reserve.

### 2.4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- c) Ind AS 12 - Income Taxes - The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company is currently assessing the impact of the amendments.

### 3 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Buildings (Refer Note (b) and (c))	Plant and Equipment (Refer Note (a))	Furniture and fixtures	Office Equipment	Vehicles	Total
<b>At cost or deemed cost</b>							
<b>As at April 1, 2021</b>	0.84	52.42	91.32	5.39	36.87	0.17	187.01
Additions	0.01	1.99	29.39	0.81	8.75	0.16	41.11
Disposals	-	(0.12)	(0.40)	(0.22)	(0.22)	(0.17)	(1.13)
<b>As at March 31, 2022</b>	0.85	54.29	120.31	5.98	45.40	0.16	226.99
Additions	-	1.17	21.41	0.29	9.27	-	32.14
Disposals	(0.12)	-	(2.24)	(0.70)	(4.27)	-	(7.33)
<b>As at March 31, 2023</b>	<b>0.73</b>	<b>55.46</b>	<b>139.48</b>	<b>5.57</b>	<b>50.40</b>	<b>0.16</b>	<b>251.80</b>
<b>Accumulated depreciation</b>							
<b>As at April 1, 2021</b>	0.40	9.28	48.95	3.08	21.82	0.17	83.70
Depreciation charge for the year	0.14	1.64	9.83	0.41	8.94	0.03	20.99
Disposals	-	(0.03)	(0.32)	(0.17)	(0.20)	(0.17)	(0.89)
<b>As at March 31, 2022</b>	0.54	10.89	58.46	3.32	30.56	0.03	103.80
Depreciation charge for the year	0.11	1.71	12.51	0.45	9.55	0.03	24.36
Disposals	(0.12)	-	(1.68)	(0.53)	(4.26)	-	(6.59)
<b>As at March 31, 2023</b>	<b>0.53</b>	<b>12.60</b>	<b>69.29</b>	<b>3.24</b>	<b>35.85</b>	<b>0.06</b>	<b>121.57</b>
<b>Net carrying value</b>							
<b>As at March 31, 2023</b>	<b>0.20</b>	<b>42.86</b>	<b>70.19</b>	<b>2.33</b>	<b>14.55</b>	<b>0.10</b>	<b>130.23</b>
<b>As at March 31, 2022</b>	0.31	43.40	61.85	2.66	14.84	0.13	123.19

#### 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 carrying value	
	As at March 31, 2023	As at March 31, 2022
Plant and Equipment	<b>4.12</b>	2.45

- b) Included in Buildings is an amount of ₹ **0.00\* Crores** (March 2022 : ₹ 0.00\* Crores) representing value of shares in co-operative housing society.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

c) Title deeds of Immovable Property not held in the name of the Company :

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at March 31, 2023 (₹ in Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Building-Chembur	6.35	M/s Boots Pharmaceuticals Limited	No	July 1, 1996	The property is held in the erstwhile name of the Company.
Property, Plant and Equipment	Building-Chennai	0.16	M/s Duphar Interfan Ltd	No	May 15, 1989	The said property is held in the name of Duphar Interfran Limited, which was demerged into a new entity - Solvay Pharma India Limited (SPIL). SPIL was ultimately merged with the Company and the deed of merger was filed by the Company.
Property, Plant and Equipment	Building - Goregaon	30.34	M/s Solvay Pharma India Limited	No	May 19, 2009	The said property was acquired by the Company pursuant to the Scheme of Amalgamation of Solvay Pharma India Limited with the Company, approved by the Hon'ble High Court and the deed of merger has been filed by the Company.
Property, Plant and Equipment	Building - Goa	0.07	M/s Knoll Pharmaceuticals Ltd	No	October 15, 1997	The property is held in the erstwhile name of the Company.

d) The amount of contractual commitments for the acquisition of Property, plant and equipment is disclosed in Note 36 (a).

### Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.66	-	-	-	3.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.66</b>

As at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.66	-	-	-	0.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.66</b>

\* below ₹ 50,000/-

(All amounts in ₹ Crores, unless otherwise stated)

## 4 INTANGIBLE ASSETS

	Software	Trade Marks	Distribution Rights	Total
<b>At Cost</b>				
<b>As at April 1, 2021</b>	6.45	0.86	-	7.31
Additions	0.13	-	8.52	8.65
Disposals	(0.15)	-	-	(0.15)
<b>As at March 31, 2022</b>	6.43	0.86	8.52	15.81
Additions	0.17	-	-	0.17
Disposals	(0.01)	-	-	(0.01)
<b>As at March 31, 2023</b>	<b>6.59</b>	<b>0.86</b>	<b>8.52</b>	<b>15.97</b>
<b>Accumulated Amortisation</b>				
<b>As at April 1, 2021</b>	5.51	0.63	-	6.14
Amortisation charge for the year	0.38	0.17	0.64	1.19
Disposals	(0.15)	-	-	(0.15)
<b>As at March 31, 2022</b>	5.74	0.80	0.64	7.18
Amortisation charge for the year	0.37	0.06	0.85	1.28
Disposals	(0.01)	-	-	(0.01)
<b>As at March 31, 2023</b>	<b>6.10</b>	<b>0.86</b>	<b>1.49</b>	<b>8.45</b>
<b>Net carrying value</b>				
<b>As at March 31, 2023</b>	<b>0.49</b>	<b>-</b>	<b>7.03</b>	<b>7.52</b>
<b>As at March 31, 2022</b>	0.69	0.06	7.88	8.63

## 5 LEASES

### A Right-of-use assets :

The Company has lease contracts for various items of Land, Buildings, Vehicles and Furniture & Fixtures used in its operations. Leases of Land have lease terms of 95 years, 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 of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Changes in net carrying value of Right-of-use assets for the year ended March 31, 2023 and March 31, 2022 are as follows :

	Land	Buildings	Vehicles	Furniture and Fixtures	Total
<b>Balance as at April 1, 2021</b>	0.34	132.94	2.55	10.47	146.30
Additions	-	35.39	1.52	-	36.91
Deletions	-	-	(0.11)	-	(0.11)
Depreciation	(0.01)	(40.28)	(0.96)	(2.67)	(43.92)
<b>Balance as at March 31, 2022*</b>	0.33	128.05	3.00	7.80	139.18
Additions	-	5.59	1.45	-	7.04
Deletions	-	(2.57)	(0.16)	-	(2.73)
Depreciation	(0.01)	(40.36)	(1.29)	(2.67)	(44.33)
<b>Balance as at March 31, 2023*</b>	<b>0.32</b>	<b>90.71</b>	<b>3.00</b>	<b>5.13</b>	<b>99.16</b>

\* Includes ₹ 2.07 Crores (March 31, 2022 : ₹ 3.12 Crores) towards deferred lease assets. Out of this deferred lease assets, ₹ 1.80 Crores (March 31, 2022 : ₹ 2.74 Crores) is towards deposit given to related party (Refer Note 38 (D)).



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### B Lease liabilities :

Set out below are the carrying amounts of lease liabilities and the movements during the period :

	As at March 31, 2023	As at March 31, 2022
<b>Opening balance*</b>	<b>151.69</b>	152.58
Additions	<b>6.93</b>	36.82
Accretion of interest	<b>11.75</b>	14.72
Termination	<b>(3.33)</b>	(0.11)
Payments	<b>(53.87)</b>	(52.32)
<b>Closing balance*</b>	<b>113.17</b>	151.69
<b>Current</b>	<b>45.68</b>	42.95
<b>Non-Current</b>	<b>67.49</b>	108.74

\* Includes ₹ 59.21 Crores (March 31, 2022 : ₹ 86.10 Crores) pertaining to lease liabilities towards related party (Refer Note 38 (D)).

The maturity analysis of lease liabilities are disclosed in Note 40.

### C Impact on Profit or Loss :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Right-of-use assets (Refer Note 29)	<b>44.33</b>	43.92
Finance costs (Refer Note 28)	<b>11.75</b>	14.72
Expense relating to short-term leases (Refer Note 30)	<b>0.26</b>	0.32
Gain on early termination of leases (Refer Note 24)	<b>0.60</b>	-*
<b>Total amount recognised in profit or loss</b>	<b>56.94</b>	58.96

\* below ₹ 50,000/-

### D Company as lessor :

The Company has recognised rent income from leasing of a property amounting to ₹ 1.15 Crores (March 31, 2022 : ₹ 1.15 Crores) in the Statement of Profit or Loss under 'Other Income' (Refer Note 24).

Future minimum rentals receivable under non-cancellable operating leases are as follows :

	As at March 31, 2023	As at March 31, 2022
Within one year	<b>1.15</b>	1.15
After one year but not more than five years	<b>1.99</b>	3.14
More than five years	-	-
	<b>3.14</b>	4.29

(All amounts in ₹ Crores, unless otherwise stated)

### 6 NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2023	As at March 31, 2022
Deposits with body corporates and others :		
For premises with a Related party (Refer Note 38 (D))	<b>12.96</b>	12.03
For premises with others	<b>0.90</b>	0.84
Against tenders (Refer (a) below)	<b>0.12</b>	0.12
Margin deposit and deposit against guarantees and tenders	<b>3.66</b>	3.11
Term deposits with original maturity of more than twelve months	<b>1,137.00</b>	-
Interest accrued but not due on bank deposits	<b>34.36</b>	-
Expected reimbursement towards likely sales return - reimbursable (Refer Note 16)	<b>33.07</b>	27.05
	<b>1,222.07</b>	43.15
<b>(a) Deposits against tenders :</b>		
Secured, considered good	-	-
Unsecured, considered good	<b>0.12</b>	0.12
Credit impaired deposits	<b>4.24</b>	4.64
	<b>4.36</b>	4.76
Less : Allowance for credit impaired deposits	<b>(4.24)</b>	(4.64)
	<b>0.12</b>	0.12

### 7 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2023	As at March 31, 2022
Capital advances	<b>0.86</b>	1.77
Balance with Government on account of VAT deposits	<b>0.69</b>	2.16
	<b>1.55</b>	3.93

### 8 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2023	As at March 31, 2022
Raw materials and packing materials <sup>#</sup>	<b>139.21</b>	112.09
Work-in-progress	<b>15.28</b>	9.34
Finished goods	<b>126.67</b>	97.14
Stock-in-trade <sup>@</sup>	<b>367.69</b>	469.25
	<b>648.85</b>	687.82

<sup>#</sup> Includes Goods in Transit ₹45.97 Crores (March 31, 2022 : ₹21.47 Crores)

<sup>@</sup> Includes Goods in Transit ₹ 31.61 Crores (March 31, 2022 : ₹27.58 Crores)

During the year ended March 31, 2023, ₹ 20.05 Crores (March 31, 2022 : ₹ 17.72 Crores) was charged to the Statement of Profit and Loss on account of slow moving, expired and near expiry inventories.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 9 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables	308.71	274.44
Receivables from related parties (Refer Note 38 (D))	8.24	13.72
	<b>316.95</b>	288.16

#### Break-up for Trade receivables :

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	318.81	290.13
Credit impaired	10.57	10.60
	<b>329.38</b>	300.73
Less : Allowances for expected credit loss (Refer Note 40)	(12.43)	(12.57)
	<b>316.95</b>	288.16

#### Trade receivables Ageing Schedule

##### As at March 31, 2023

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	285.65	29.74	1.91	0.17	0.73	0.61	318.81
Undisputed Trade receivable – credit impaired	-	-	-	0.30	0.19	3.44	3.93
Disputed Trade receivable – credit impaired	-	0.09	0.15	1.78	1.38	3.24	6.64
<b>Total</b>	<b>285.65</b>	<b>29.83</b>	<b>2.06</b>	<b>2.25</b>	<b>2.30</b>	<b>7.29</b>	<b>329.38</b>

##### As at March 31, 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	253.44	34.04	1.09	0.43	0.41	0.72	290.13
Undisputed Trade receivable – credit impaired	-	-	-	0.41	0.38	3.48	4.27
Disputed Trade receivable – credit impaired	-	0.29	1.22	1.60	0.78	2.44	6.33
<b>Total</b>	<b>253.44</b>	<b>34.33</b>	<b>2.31</b>	<b>2.44</b>	<b>1.57</b>	<b>6.64</b>	<b>300.73</b>

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 38.

For information on financial risk management objectives and policies, Refer Note 40.

(All amounts in ₹ Crores, unless otherwise stated)

### 10 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	62.17	67.71
Deposits with original maturity of less than three months <sup>@</sup>	177.50	65.00
	<b>239.67</b>	132.71

<sup>@</sup> 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, 2023	As at March 31, 2022
Margin deposit and deposit against guarantees and tenders	1.33	2.38
Earmarked bank balance towards dividend <sup>#</sup>	11.41	9.30
Term deposits with original maturity of more than three months but less than twelve months <sup>@*</sup>	1,684.65	2,604.83
	<b>1,697.39</b>	2,616.51

<sup>#</sup>These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

<sup>@</sup>Represents time deposits at fixed rates maintained with various banks by the Company.

<sup>\*</sup>Includes Fixed Deposit under lien of ₹ 1.92 Crores (March 31, 2022 : ₹ 2.36 Crores)

### 12 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2023	As at March 31, 2022
Deposits with body corporates and others :		
For Premises	5.92	6.03
Interest accrued but not due on bank deposits	21.54	16.87
Receivables from related parties (Refer Note 38 (D))	6.08	13.24
Expected reimbursement towards likely sales return - reimbursable (Refer Note 21)	28.77	23.43
Other receivables	8.17	12.68
	<b>70.48</b>	72.25

### 13 OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	6.73	6.97
Advances to employees and suppliers	14.54	14.39
GST receivables	29.88	34.23
Others (Refer Note 30 (b))	0.62	-
	<b>51.77</b>	55.59





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 14 EQUITY SHARE CAPITAL

#### Authorised share capital :

Equity shares of ₹ 10 each

	Number of shares	Amount
<b>As at April 1, 2021</b>	2,75,00,000	27.50
Changes during the year	-	-
<b>As at March 31, 2022</b>	2,75,00,000	27.50
Changes during the year	-	-
<b>As at March 31, 2023</b>	<b>2,75,00,000</b>	<b>27.50</b>

#### Terms/rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Issued, Subscribed and Paid up Capital :

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
<b>As at April 1, 2021</b>	2,12,49,302	21.25
Changes during the year	-	-
<b>As at March 31, 2022</b>	2,12,49,302	21.25
Changes during the year	-	-
<b>As at March 31, 2023</b>	<b>2,12,49,302</b>	<b>21.25</b>

Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :	As at March 31, 2023	As at March 31, 2022
i) <b>1,07,19,097</b> (March 31, 2022 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	<b>10.72</b>	10.72
ii) <b>37,44,951</b> (March 31, 2022 : 37,44,951) Abbott Healthcare Products Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	<b>3.75</b>	3.75
iii) <b>14,70,000</b> (March 31, 2022 : 14,70,000) British Colloids Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	<b>1.47</b>	1.47
The Ultimate Holding Company is Abbott Laboratories, USA.		

Details of shareholders holding more than 5% shares in the Company	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	<b>1,07,19,097</b>	<b>50.45%</b>	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	<b>37,44,951</b>	<b>17.62%</b>	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	<b>14,70,000</b>	<b>6.92%</b>	14,70,000	6.92%
	<b>1,59,34,048</b>	<b>74.99%</b>	1,59,34,048	74.99%

(All amounts in ₹ Crores, unless otherwise stated)

Details of shares held by promoters	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>As at March 31, 2023</b>					
i) Abbott Capital India Ltd., U.K.	<b>1,07,19,097</b>	-	<b>1,07,19,097</b>	<b>50.45%</b>	-
ii) Abbott Healthcare Products Ltd., U.K.	<b>37,44,951</b>	-	<b>37,44,951</b>	<b>17.62%</b>	-
iii) British Colloids Ltd., U.K.	<b>14,70,000</b>	-	<b>14,70,000</b>	<b>6.92%</b>	-
<b>As at March 31, 2022</b>					
i) Abbott Capital India Ltd., U.K.	1,07,19,097	-	1,07,19,097	50.45%	-
ii) Abbott Healthcare Products Ltd., U.K.	37,44,951	-	37,44,951	17.62%	-
iii) British Colloids Ltd., U.K.	14,70,000	-	14,70,000	6.92%	-

Dividend paid and proposed	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Dividend on equity shares declared and paid :</b>		
Date of approval (date of Annual General Meeting)	<b>August 10, 2022</b>	July 27, 2021
Final dividend for the year ended March 31, 2022 : ₹ 145 per share (March 31, 2021 : ₹ 120 per share)	<b>308.11</b>	255.00
Special dividend for the year ended March 31, 2022 : ₹ 130 per share (March 31, 2021 : ₹ 155 per share)	<b>276.25</b>	329.36
<b>Proposed dividend on equity shares :</b>		
Final dividend for the year ended March 31, 2023 : ₹ 180 per share (March 31, 2022 : ₹ 145 per share)	<b>382.49</b>	308.11
Special dividend for the year ended March 31, 2023 : ₹ 145 per share (March 31, 2022 : ₹ 130 per share)	<b>308.11</b>	276.25

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognized as a liability as at March 31, 2022 and March 31, 2023.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share based Compensation Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
<b>As at April 1, 2021</b>	0.38	5.23	2.52	44.27	514.33	2,023.93	(9.75)	2,580.91
Profit for the year	-	-	-	-	-	798.70	-	798.70
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	2.92	2.92
Transfer from Profit and Loss to General Reserve	-	-	-	-	79.87	(79.87)	-	-
Dividend for the year ended March 31, 2021 (Refer Note 14)	-	-	-	-	-	(584.36)	-	(584.36)
Share based compensation to employees (Refer Note 27)	-	-	-	12.93	-	-	-	12.93
Payment towards RSU Charge	-	-	-	(12.56)	-	-	-	(12.56)
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(0.48)	0.48	-	-	-
<b>As at March 31, 2022</b>	0.38	5.23	2.52	44.16	594.68	2,158.40	(6.83)	2,798.54
Profit for the year	-	-	-	-	-	949.41	-	949.41
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	3.62	3.62
Transfer from Profit and Loss to General Reserve	-	-	-	-	94.94	(94.94)	-	-
Dividend for the year ended March 31, 2022 (Refer Note 14)	-	-	-	-	-	(584.36)	-	(584.36)
Share based compensation to employees (Refer Note 27)	-	-	-	12.22	-	-	-	12.22
Payment towards RSU Charge	-	-	-	(12.14)	-	-	-	(12.14)
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(1.72)	1.72	-	-	-
<b>As at March 31, 2023</b>	0.38	5.23	2.52	42.52	691.34	2,428.51	(3.21)	3,167.29

\* On account of cancellation of share options awarded to employees

### 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. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 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. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 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. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 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 and reserves are used for payments towards RSU charge to the Ultimate Holding Company. 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. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 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. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 7. Other Comprehensive Income (Remeasurement of defined benefit plan)

Differences between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other Comprehensive Income' and subsequently not reclassified to the Statement of Profit and Loss.

### 16 NON-CURRENT PROVISIONS

	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits :</b>		
Post Retirement Medical Benefits (Refer Note 34)	0.61	1.11
Long Service Benefits	2.02	2.13
<b>Others :</b>		
For likely sales returns and date expiry (Refer Note 22)	57.76	62.11
For likely sales returns - reimbursable (Refer Note 22)	33.07	27.05
	<b>93.46</b>	92.40



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 17 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

Extract of Statement of Profit and Loss :

Profit and Loss Section :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current income tax :</b>		
Current tax expense	329.41	276.98
Tax adjustment for earlier years	(3.81)	4.18
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(1.19)	(0.13)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>324.41</b>	<b>281.03</b>

Other Comprehensive Income (OCI) Section - Deferred tax related to items recognised in OCI during the year :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net loss/(gain) on remeasurement of defined benefit plans	(1.22)	(0.98)
<b>Income tax expense charged to OCI</b>	<b>(1.22)</b>	<b>(0.98)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022 :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting profit before income tax</b>	<b>1,273.82</b>	<b>1,079.73</b>
	<b>1,273.82</b>	<b>1,079.73</b>
At India's statutory income tax rate of 25.168% (March 31, 2022 : 25.168%)	320.60	271.75
Adjustments in respect of current income tax of previous years	(3.81)	4.18
Tax impact for Non-deductible expenses for tax purposes	7.62	5.10
	<b>324.41</b>	<b>281.03</b>
<b>At the effective income tax rate of 25.467% (March 31, 2022 : 26.028%)</b>		
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>324.41</b>	<b>281.03</b>

(All amounts in ₹ Crores, unless otherwise stated)

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, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax assets</b>				
Provision for Compensated Absences	10.47	11.85	1.38	(2.61)
Gratuity and Other employee benefits	0.89	0.95	0.06	1.11
Allowance for credit impaired debts	3.13	3.16	0.03	(0.26)
Other items deductible under Income Tax Act on payment basis	5.27	5.30	0.03	4.16
Other items giving rise to temporary differences	5.32	4.85	(0.47)	(1.09)
<b>Deferred tax liabilities</b>				
Difference between written down value of Property, Plant and Equipment as per books of accounts and income tax	(5.99)	(6.58)	(0.59)	(0.27)
Other items giving rise to temporary differences	(2.16)	(2.57)	(0.41)	(0.19)
<b>Net deferred tax assets/(liabilities)</b>	<b>16.93</b>	<b>16.96</b>		
<b>Deferred tax charge/(income)</b>			<b>0.03</b>	<b>0.85</b>
Deferred tax charge/(income) recognised in Profit and Loss			(1.19)	(0.13)
Deferred tax charge/(income) recognised in OCI			1.22	0.98
			<b>0.03</b>	<b>0.85</b>

Reflected in the Balance Sheet as follows :

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	25.08	26.11
Deferred tax liabilities	(8.15)	(9.15)
<b>Deferred tax assets (net)</b>	<b>16.93</b>	<b>16.96</b>

Reconciliation of deferred tax assets (net) :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening balance as of April 1</b>	<b>16.96</b>	<b>17.81</b>
Tax income/(charge) during the period recognised in Profit and Loss	1.19	0.13
Tax income/(charge) during the period recognised in OCI	(1.22)	(0.98)
<b>Closing balance as at March 31</b>	<b>16.93</b>	<b>16.96</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 18 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Dues of micro and small enterprises (Refer (a) below)	24.57	32.29
Dues of creditors other than to micro enterprises and small enterprises		
- Due to related parties (Refer Note 38 (D))	134.44	116.19
- Due to others	732.98	740.97
	867.42	857.16
	891.99	889.45

#### Trade payables Ageing Schedule

##### As at March 31, 2023

	Unbilled	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	8.41	16.07	0.05	0.04	-	24.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	90.01	738.90	38.06	0.22	0.13	0.10	867.42
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	90.01	747.31	54.13	0.27	0.17	0.10	891.99

##### As at March 31, 2022

	Unbilled	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	9.41	22.55	0.31	0.01	0.01	32.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	85.76	702.26	68.58	0.16	0.31	0.09	857.16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	85.76	711.67	91.13	0.47	0.32	0.10	889.45

For terms and conditions relating to related party payables, refer Note 38.

For information on financial risk management objectives and policies, refer Note 40.

(All amounts in ₹ Crores, unless otherwise stated)

### (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, 2023	As at March 31, 2022
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	24.57	32.29
(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.

### 19 CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2023	As at March 31, 2022
Deposits from customer	0.64	0.64
Payables for capital expenditure	3.78	3.50
Unclaimed dividend <sup>#</sup>	11.41	9.30
Salaries, wages, incentives and bonus payable to employees	53.80	53.18
Deposit from a related party (Refer Note 38 (D))	0.45	0.45
Others	7.91	6.11
	77.99	73.18

<sup>#</sup> 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, 2023 and March 31, 2022.

### 20 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Statutory dues including provident fund and tax deducted at source	20.37	27.20
GST payable	2.75	4.46
Contract liabilities (Refer Note 23 (c))	4.71	4.07
Others	25.80	22.16
	53.63	57.89



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 21 CURRENT PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits :		
Compensated Absences	41.62	47.08
Post Retirement Medical Benefits (Refer Note 34)	0.07	0.12
Long Service Benefits	0.43	0.37
Gratuity (Refer Note 34)	0.42	0.06
Superannuation	1.37	1.33
Provision for likely sales returns and date expiry (Refer Note 22)	53.51	55.47
Provision for likely sales returns - reimbursable (Refer Note 22)	28.77	23.43
	<b>126.19</b>	127.86

### 22 DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET' TOWARDS PROVISIONS FOR SALES RETURN, DATE EXPIRY AND DAMAGED PRODUCTS

	Likely sales returns & date expiry	Likely sales returns - reimbursable	Total
<b>Carrying Amount as at April 1, 2021</b>	<b>108.75</b>	<b>50.80</b>	<b>159.55</b>
Add : Net amount provided/(written back) during the year <sup>@</sup>	8.83	(0.32)	8.51
<b>Carrying Amount as at March 31, 2022*</b>	<b>117.58</b>	<b>50.48</b>	<b>168.06</b>
Add : Net amount provided/(written back) during the year <sup>@</sup>	(6.31)	11.36	5.05
<b>Carrying Amount as at March 31, 2023*</b>	<b>111.27</b>	<b>61.84</b>	<b>173.11</b>

<sup>@</sup> Includes unwinding of discount and effect of changes in discount rate on provision of ₹ 3.75 Crores (March 31, 2022 : ₹ 3.68 Crores) (Refer Note 28).

\* Carrying Amount comprises of :

	As at March 31, 2023	As at March 31, 2022
<b>Non-Current provision :</b>		
For likely sales returns and date expiry (Refer Note 16)	57.76	62.11
For likely sales returns - reimbursable (Refer Note 16)	33.07	27.05
<b>Current provision :</b>		
For likely sales returns and date expiry (Refer Note 21)	53.51	55.47
For likely sales returns - reimbursable (Refer Note 21)	28.77	23.43
	<b>173.11</b>	168.06

#### 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 40 months.

(All amounts in ₹ Crores, unless otherwise stated)

### 23 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	5,284.86	4,848.99
Other operating revenue		
Rendering of services (Refer (a) below)	61.87	61.31
Sale of scrap	1.71	1.35
Export Incentive	0.29	1.67
	<b>63.87</b>	64.33
Total other operating revenue	<b>5,348.73</b>	4,913.32

#### (a) Rendering of services includes : (Refer Note 38 (C))

	For the year ended March 31, 2023	For the year ended March 31, 2022
Shared and support services rendered to Abbott Healthcare Private Limited, India	51.92	53.63
Shared and support services rendered to Abbott Products Operations AG., Switzerland	4.76	3.37
Shared and support services rendered to Abbott Laboratories GmbH, UAE (previously known as Abbott Laboratories S.A., Dubai)	1.86	1.39
Shared and support services rendered to Abbott Laboratories (Singapore) Pte Ltd., Singapore	1.86	1.39
Shared and support services rendered to St Jude Medical India Private Limited, India	1.23	1.23
Shared and support services rendered to Abbott Diagnostics Medical Private Limited, India	0.24	0.30
	<b>61.87</b>	61.31

#### (b) Revenue from contracts with customers :

	For the year ended March 31, 2023	For the year ended March 31, 2022
India (Goods)	5,214.57	4,763.24
Outside India (Goods)	70.29	85.75
<b>Total revenue from contracts with customers</b>	<b>5,284.86</b>	4,848.99
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	5,284.86	4,848.99
<b>Total revenue from contracts with customers</b>	<b>5,284.86</b>	4,848.99

#### (c) Contract Balances :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables (Refer Note 9)	316.95	288.16
Contract assets	-	-
Contract liabilities (Refer Note 20)	(4.71)	(4.07)

Contract liabilities include short-term advances received from customers for sale of products/services.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### (d) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price	5,425.76	4,963.09
Add/(Less) : Adjustments		
- Sales Return	(110.55)	(94.85)
- Discounts	(30.35)	(19.25)
<b>Net revenue from sale of products and rendering of services</b>	<b>5,284.86</b>	<b>4,848.99</b>

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.

#### Rendering of services :

The performance obligation is satisfied when related services are performed.

### 24 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income :</b>		
On fixed deposits at amortised cost	140.95	74.79
On Income Tax refund	1.75	-
On security deposits at amortised cost	1.05	1.00
On others (from employees and other receivables) at amortised cost	0.31	0.27
<b>Other non-operating income :</b>		
Rental income from a related party (Refer Note 38 (C))	1.15	1.15
Liabilities / provisions no longer required written back	7.08	4.68
Gain on early termination of leases (Refer Note 5)	0.60	-*
Gain on sale/write off of Property, plant and equipment (net)	-	-*
Insurance, customs and carriers claims	0.64	0.74
Others	0.62	0.53
	<b>154.15</b>	<b>83.16</b>

\* below ₹ 50,000/-

### 25 COST OF MATERIALS CONSUMED

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	112.09	164.14
Add : Purchases during the year	585.73	443.41
Less : Inventory at the end of the year	(139.21)	(112.09)
	<b>558.61</b>	<b>495.46</b>

(All amounts in ₹ Crores, unless otherwise stated)

### 26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Finished goods	97.14	96.07
Stock-in-trade	469.25	439.53
Work-in-progress	9.34	17.85
Less : Closing Stock		
Finished goods	(126.67)	(97.14)
Stock-in-trade	(367.69)	(469.25)
Work-in-progress	(15.28)	(9.34)
	<b>66.09</b>	<b>(22.28)</b>

### 27 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	507.53	521.30
Contribution to provident and other funds	31.06	30.25
Share based compensation to employees	12.22	12.93
Staff welfare expenses	12.78	14.98
	<b>563.59</b>	<b>579.46</b>

### 28 FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities (Refer Note 5)	11.75	14.72
Interest expense, other than on lease liabilities	0.49	0.70
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 22)	3.75	3.68
	<b>15.99</b>	<b>19.10</b>

### 29 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, plant and equipment (Refer Note 3)	24.36	20.99
Amortisation of intangible assets (Refer Note 4)	1.28	1.19
Depreciation of Right-of-use assets (Refer Note 5)	44.33	43.92
	<b>69.97</b>	<b>66.10</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 30 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores	8.91	9.90
Power and fuel	17.15	14.98
Rent (Refer Note 5)	0.26	0.32
Repairs to buildings	0.81	0.58
Repairs to plant and machinery	5.64	5.21
Repairs (others)	4.57	4.94
Insurance	4.14	3.51
Rates and taxes	27.37	13.17
Advertising, publicity and sales promotion	121.60	155.77
Freight and forwarding charges	39.28	39.19
Travelling and business meetings	99.40	57.46
Commission to carrying and forwarding agents	57.09	54.81
Exchange loss (net)	4.31	4.16
Bad debts written off	0.05	0.19
Less : Adjusted against earlier year's provision	(0.05)	(0.19)
	-	-
Allowance for credit impaired debts	(0.09)	1.22
Professional fees and other services	125.73	153.27
Loss on sale/write off of Property, plant and equipment (net)	0.26	-
Payment to auditors (Refer (a) below)	1.80	1.62
CSR expenditure (Refer (b) below)	18.74	16.36
Miscellaneous expenses	67.48	58.41
	604.45	594.88

#### (a) Payment to auditors :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As auditor :</b>		
Audit fees	0.96	0.85
Tax audit fees	0.16	0.16
Limited review	0.36	0.34
<b>In other capacity :</b>		
Other services (including certification fees)	0.28	0.25
Reimbursement of expenses	0.04	0.02
	1.80	1.62

#### (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 :

- Improving Access to Healthcare through Health Clinics
- Quality and Affordable Healthcare Delivery Program with SEWA
- Building Access to Quality & Affordable Healthcare Infrastructure and Services with Americares
- Promoting STEM Education and Healthy Living Among Children – with Smile Foundation

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	18.74	16.15
Amount approved by the Board to be spent during the year	18.74	16.15

Amount spent during the year ending on March 31, 2023 :	In cash	Yet to be paid in cash	Total
<b>i) Construction/ acquisition of any asset</b>	-	-	-
<b>ii) Others :</b>			
On Building Healthcare Infrastructure, STEM Education, contributions to SEWA (Self Employed Women's Association) and various programmes to expand awareness and access to healthcare	9.93	0.68	10.61
<b>iii) Amount unspent during the year</b>	8.75	-	8.75
	18.68	0.68	19.36

Amount spent during the year ending on March 31, 2022 :	In cash	Yet to be paid in cash	Total
<b>i) Construction/ acquisition of any asset</b>	-	-	-
<b>ii) Others :</b>			
On Building Healthcare Infrastructure, Malaria No More, STEM Education, contributions to SEWA (Self Employed Women's Association) and various programmes to expand awareness and access to healthcare	6.90	0.60	7.50
<b>iii) Amount unspent during the year</b>	8.86	-	8.86
	15.76	0.60	16.36

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Details related to spent / unspent obligations :</b>		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	10.61	7.50
iii) Unspent amount in relation to:		
- Ongoing project	8.75	8.86
- Other than Ongoing project	-	-
	19.36	16.36



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Details of ongoing project</b>		
Opening Balance		
- With Company / In Separate CSR Unspent A/c*	<b>8.86</b>	-
Amount required to be spent during the year	<b>19.36</b>	16.36
Amount spent during the year		
- From Company's bank A/c	<b>10.61</b>	7.50
- From Separate CSR Unspent A/c	<b>3.56</b>	-
Closing Balance		
- With Company / In Separate CSR Unspent A/c*	<b>14.05</b>	8.86

\*Subsequently transferred to the CSR unspent account in Apr 2023 and Apr 2022 respectively

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Details of Excess Amount Spent</b>		
Opening Balance	-	-
Amount required to be spent during the year	<b>18.74</b>	-
Amount spent during the year	<b>19.36</b>	-
Closing Balance	<b>0.62</b>	-

The excess spent in the current year is carried forward to next year and accordingly asset has been created in 'Other Current assets' in accordance with Section 135 of the Companies Act, 2013 read with relevant rules thereunder.

### 31 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurements of defined benefit plan : (Refer Note 34)		
Gratuity	<b>4.28</b>	1.71
Post retirement medical benefit scheme	<b>0.56</b>	2.19
	<b>4.84</b>	3.90

The above has been aggregated in other equity of respective periods.

### 32 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, 2023	For the year ended March 31, 2022
Profit attributable to equity holders for Basic/Diluted earnings	<b>949.41</b>	798.70
Weighted average number of equity shares for Basic/Diluted EPS*	<b>21,249,302</b>	21,249,302
<b>Basic/Diluted EPS Rs. (Face value of ₹ 10 per share)</b>	<b>446.78</b>	375.86

\* 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 ₹ Crores, unless otherwise stated)

### 33 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.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements :

#### 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, shelf life of the product and market conditions and are provided for accordingly. Also Refer Note 22.

#### 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 36).

#### 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. 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.

#### 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

The cost of the defined benefit gratuity plan and other post employment medical benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables. 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 and other post employment medical benefits obligations are given in Note 34.





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 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 35.

### 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 39.

### 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. 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 12.

## 34 EMPLOYEE BENEFITS

### (a) Defined contribution plans

- Provident Fund/Employees' Pension Fund
- Employees' State Insurance
- Superannuation Fund
- Employees' Deposit Linked Insurance Scheme
- Group Life Insurance Cover

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Included in contribution to Provident and Other Funds (Refer Note 27)</b>		
Employer's contribution to Provident Fund/Employees' Pension Fund	20.80	19.98
Employer's contribution to Superannuation Fund	2.91	3.03
<b>Included in staff welfare expenses (Refer Note 27)</b>		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	0.60	0.46
Premium paid in respect of Group Life Insurance Cover	1.78	2.77
Premium paid in respect of Employees' State Insurance Scheme	0.03	0.06

(All amounts in ₹ Crores, unless otherwise stated)

### (b) Defined Benefit Plans

#### i. Gratuity : (Included as part of contribution to provident and other funds in Note 27 - 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 27 - 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 27 - 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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I) Change in present value of defined benefit obligation during the year</b>				
Present value of defined benefit obligation at the beginning of the year	83.59	78.88	1.23	3.33
Interest cost	5.32	4.79	0.08	0.21
Current service cost	7.04	6.84	-	-
Benefits paid	(10.27)	(6.49)	(0.07)	(0.12)
Actuarial changes arising from changes in financial assumptions	(2.97)	(1.54)	(0.03)	(0.03)
Actuarial changes arising from changes in experience adjustments	(0.79)	1.11	(0.53)	(2.16)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>81.92</b>	<b>83.59</b>	<b>0.68</b>	<b>1.23</b>
<b>II) Change in fair value of plan assets during the year</b>				
Fair value of plan assets at the beginning of the year	83.53	76.46	-	-
Interest income	5.56	4.86	-	-
Contributions paid by the employer	2.16	7.42	0.07	0.12
Benefits paid from the fund	(10.27)	(6.49)	(0.07)	(0.12)
Return on plan assets excluding interest income	0.52	1.28	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>81.50</b>	<b>83.53</b>	<b>-</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>III) Net (asset)/liability recognised in the Balance Sheet</b>				
Present value of defined benefit obligation at the end of the year	81.92	83.59	0.68	1.23
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	(81.50)	(83.53)	-	-
<b>Amount recognised in the Balance Sheet/Net funded obligation</b>	<b>0.42</b>	0.06	<b>0.68</b>	1.23
<b>Net liability-current</b> (Refer Note 21)	<b>0.42</b>	0.06	<b>0.07</b>	0.12
<b>Net liability-non-current</b> (Refer Note 16)	-	-	<b>0.61</b>	1.11

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>IV) Expenses recognised in the Statement of Profit and Loss for the year</b>				
Current service cost	7.04	6.84	-	-
Interest cost on benefit obligation (net)	(0.24)	(0.07)	0.08	0.21
One Year Renewable Term Assurance (OYRTA) Premium	0.54	0.48	-	-
<b>Total expenses included in Employee benefits expense (Refer Note 27)</b>	<b>7.34</b>	7.25	<b>0.08</b>	0.21
<b>V) Recognised in other comprehensive income for the year</b>				
Actuarial changes arising from changes in financial assumptions	(2.97)	(1.54)	(0.03)	(0.03)
Actuarial changes arising from changes in experience adjustments	(0.79)	1.11	(0.53)	(2.16)
Return on plan assets excluding interest income	(0.52)	(1.28)	-	-
<b>Recognised in other comprehensive income for the year</b> (Refer Note 31)	<b>(4.28)</b>	(1.71)	<b>(0.56)</b>	(2.19)
<b>VI) Maturity profile of defined benefit obligation</b>				
Within the next 12 months (next annual reporting period)	11.37	12.76	0.07	0.12
Between 2 and 5 years	33.74	32.48	0.27	0.48
Between 6 and 9 years	32.11	29.70	0.25	0.44
For 10 years and above	77.74	77.93	0.63	1.10

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>VII) Sensitivity analysis for significant assumption is as below :</b>				
<b>1. Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
Impact of 50 bps increase in discount rate	(3.41%)	(3.48%)	(3.08%)	(3.17%)
Impact of 50 bps decrease in discount rate	3.63%	3.71%	3.27%	3.37%
Impact of 100 bps increase in healthcare cost	-	-	6.78%	6.96%
Impact of 100 bps decrease in healthcare cost	-	-	(6.12%)	(6.27%)
Impact of increase by 1 year in life expectancy	-	-	4.88%	5.02%
Impact of decrease by 1 year in life expectancy	-	-	(4.80%)	(4.93%)
Impact of 50 bps increase in rate of salary increase	3.07%	3.21%	-	-
Impact of 50 bps decrease in rate of salary increase	(3.02%)	(3.11%)	-	-

### 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>VIII) The major categories of plan assets as a percentage of total</b>				
Insurer managed funds	100%	100%	-	-

The Trustees have taken Policy from Life Insurance Corporation of India (LIC) and pays premium. LIC in turn manages the assets which is within the permissible limits prescribed in the insurance regulations. The Company does not foresee any material risk from these investments.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>IX) Actuarial assumptions</b>				
Discount rate	<b>7.40%</b>	6.90%	<b>7.40%</b>	6.90%
Salary escalation	<b>7.5% until year 1 inclusive, and 7% thereafter</b>	7.5% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>	Indian Assured Lives Mortality (2012-14) Ult table	-	-
Rate of leaving service	<b>Age related</b>	Age related	-	-
Mortality post retirement rate	-	-	<b>SIPA (90) Mortality table</b>	SIPA (90) Mortality table
Annual increase in healthcare costs	-	-	<b>6%</b>	6%
Expected retirement age of employees (years)	<b>58 years</b>	58 years	<b>58 years</b>	58 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ **0.50 Crores** (March 31, 2022 : ₹ 0.10 Crores)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **7.03 years** (March 31, 2022 : 7.18 years) and for PRMB is **6.35 years** (March 31, 2022 : 6.54 years).

### Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023. 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.

## 35 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 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, 2023, **20,943** shares (March 31, 2022 : 16,704 shares) were purchased by employees at weighted average fair value of **US \$ 93.64** (March 31, 2022 : US \$ 103.46) per share.

(All amounts in ₹ Crores, unless otherwise stated)

### 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, 2023		For the year ended March 31, 2022	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	<b>34,705</b>	<b>NA</b>	28,850	NA
Add : Granted during the year	<b>20,129</b>	<b>NA</b>	20,370	NA
Add : Transfers in during the year	<b>1,289</b>	<b>NA</b>	2,357	NA
Less : Exercised during the year	<b>(13,889)</b>	<b>NA</b>	(14,348)	NA
Less : Cancelled/Expired during the year	<b>(5,624)</b>	<b>NA</b>	(2,524)	NA
Less : Transfers out during the year	<b>(629)</b>	<b>NA</b>	-	NA
<b>Outstanding at the end of the year</b>	<b>35,981</b>	<b>NA</b>	34,705	NA

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 106.42** (March 31, 2022 : US \$ 116.80).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was **2.47 years** (March 31 2022 : 2.38 years).

The following tables list the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2023 and March 31, 2022, respectively :

	As at March 31, 2023	As at March 31, 2022
Dividend yield (%)	<b>0%</b>	0%
Expected volatility (%)	<b>25.93%</b>	27.28%
Risk-free interest rate (%)	<b>3.78%</b>	0.85%
Expected life of Restricted Stock Units (years)	<b>3 years</b>	3 years
Weighted average share price (₹)	<b>₹ 8,791.01</b>	₹ 8,566.60
Model used	<b>Black Scholes</b>	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, ₹ **4.94 Crores** (March 31, 2022 : ₹ 4.64 Crores) withholding taxes has been deposited with tax authorities against exercised options.



## NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in ₹ Crores, unless otherwise stated)

### 36 COMMITMENTS AND CONTINGENCIES

#### a. Commitments :

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7.48	2.31

#### b. Contingent liabilities :

##### Claims against Company not acknowledged as debts

- (i) In February 1996, the Government had made a tentative claim for a sum of ₹ 11.12 Crores 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 ₹ 3.47 Crores (including interest of ₹ 1.90 Crores 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 ₹3.47 Crores 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 Crores. 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 ₹ **1.31 Crores** (March 31, 2022 : ₹ 1.27 Crores) including interest liability till date.

	As at March 31, 2023	As at March 31, 2022
(ii) Income Tax*	80.81	87.18
(iii) Sales Tax	6.65	34.29

\* Amount excludes certain unascertainable expense that may be disallowed.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above and other pending litigations of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

### 37 SEGMENT REPORTING

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

The Company operates under the principal business segment viz. "Pharmaceuticals". The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Also, sales of Company is substantially in domestic market. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. There are no individual customer contributing more than 10% of Company's total revenue.

(All amounts in ₹ Crores, unless otherwise stated)

### 38 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 Limited, India

Abbott International LLC, USA

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott GmbH, Germany

Abbott Diagnostics Medical Private Limited, India

Abbott Laboratories GmbH, UAE (previously known as Abbott Laboratories S.A., Dubai)

Abbott Laboratories, Ireland

St Jude Medical India Private Limited, India

Abbott Laboratuarlari Ithalat Ve Ihracat Tic.Ltd.Sti.

Abbott Laboratories Limited, Thailand

##### II) Key Management personnel and Independent directors:

Mr. Vivek V Kamath, Managing Director (w.e.f. February 15, 2022)

Mr. Anil Joseph, Managing Director (ceased to be the Managing Director effective close of business hours on January 31, 2022)

Mr. Munir Shaikh, Chairman

Mr. Rajiv Sonalker, Whole-Time Director

Mr. Kaiyomarz Marfatia, Non-Executive Director

Ms. Anisha Motwani, Independent Director

Mr. Sudarshan Jain, Independent Director

Ms. Shalini Kamath, Independent Director

#### C) Transactions during the year :

##### I) Transactions with the Ultimate Holding Company during the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Laboratories, USA</b>		
Reimbursement towards RSU (Refer Note 15)	12.14	12.56
Reimbursement towards issue of parent Company shares to employees at discounted price under Employee Stock Purchase Plan (ESPP)	2.91	-

##### II) Transactions with the Holding Company during the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Capital India Ltd., UK</b>		
Remittance of dividend	294.78	294.78



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### III) Transactions with fellow subsidiaries during the year

#### i) Remittance of dividend :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>British Colloids Ltd., U.K.</b>		
Remittance of dividend	40.43	40.43
<b>Abbott Healthcare Products Limited, U.K.</b>		
Remittance of dividend	102.99	102.99

#### ii) Sales to fellow subsidiaries :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Healthcare Private Limited, India</b>		
Sales of stock-in-trade	60.01	64.25
Sales of raw materials	4.04	18.80
<b>Abbott Products Operations AG., Switzerland</b>		
Sales of stock-in-trade	0.92	0.56

#### iii) Purchases from fellow subsidiaries :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Healthcare Private Limited, India</b>		
Purchase of raw materials	0.02	-
Purchase of stock-in-trade	53.14	65.51
<b>Abbott Products Operations AG., Switzerland</b>		
Purchase of raw materials	335.82	232.83
Purchase of stock-in-trade	112.58	112.95

#### iv) Other expenses to fellow subsidiaries :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Healthcare Private Limited, India</b>		
Shared and support services	57.78	56.20
Promotional expenses	1.19	1.08
Conversion charges	11.82	14.84
Payment of lease liabilities	33.21	33.21
Finance costs	6.33	8.60
Electricity and communication expenses	0.96	0.96
<b>Abbott Diagnostics Medical Private Limited, India</b>		
Promotional expenses	0.05	-

(All amounts in ₹ Crores, unless otherwise stated)

#### v) Reimbursements to and from fellow subsidiaries :

	Reimbursement to		Reimbursement from	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Healthcare Private Limited, India</b>				
Market research and other expenses	0.11	0.10	-	-
<b>Abbott International LLC, USA</b>				
Employee benefits expense, travel and other expenses	0.11	0.49	-	0.02
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	0.49	0.55	-	-
<b>Abbott Products Operations AG., Switzerland</b>				
Employee benefits expense, travel and other expenses	-	0.03	-	0.27
<b>Abbott Laboratories, Ireland</b>				
Employee benefits expense, travel and other expenses	-	-*	-	-
<b>Abbott Laboratories Limited, Thailand</b>				
Employee benefits expense, travel and other expenses	-	-	0.24	-
<b>Abbott GmbH, Germany</b>				
Employee benefits expense, travel and other expenses	-	-	0.14	-
<b>Abbott Laboratuarlari Ithalat Ve Ihracat Tic.Ltd.Sti.</b>				
Honorarium to HCP for Training & Education Support	0.01	-	-	-

\* below ₹ 50,000



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### vi) Income from fellow subsidiaries :

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Abbott Healthcare Private Limited, India</b>		
Shared and support services (Refer Note 23 (a))	51.92	53.63
Rent income (Refer Note 24)	1.15	1.15
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and support services (Refer Note 23 (a))	4.76	3.37
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>		
Shared and support services (Refer Note 23 (a))	1.86	1.39
<b>Abbott Laboratories GmbH, UAE</b>		
Shared and support services (Refer Note 23 (a))	1.86	1.39
<b>St Jude Medical India Private Limited, India</b>		
Shared and support services (Refer Note 23 (a))	1.23	1.23
<b>Abbott Diagnostics Medical Private Limited, India</b>		
Shared and support services (Refer Note 23 (a))	0.24	0.30

### vii) Key management personnel remuneration# :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Vivek V Kamath, Managing Director (w.e.f. February 15, 2022)	6.43	0.43
Mr. Anil Joseph, Managing Director (ceased to be the Managing Director effective close of business hours on January 31, 2022)	-	5.33
Mr. Rajiv Sonalker, Whole-Time Director	3.69	3.92

#During the year, as a part of the 'Long-term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ 2.30 Crores (March 31, 2022 : ₹ 2.20 Crores) have been granted to the above employees. Also refer Note 35 (b).

Also, provision for post employment benefits as gratuity, 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.

### viii) Non-Executive, Other Directors' sitting fees and Annual Commission :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Munir Shaikh, Chairman	0.31	0.12
Ms. Anisha Motwani, Independent Director	0.30	0.15
Mr. Sudarshan Jain, Independent Director	0.28	0.13
Ms. Shalini Kamath, Independent Director	0.30	0.15
Mr. Kaiyomarz Marfatia, Non-Executive Director	0.23	0.03

(All amounts in ₹ Crores, unless otherwise stated)

### D) Outstanding :

	As at March 31, 2023	As at March 31, 2022
<b>Trade payable to fellow subsidiaries</b> (Refer Note 18)		
Abbott Products Operations AG., Switzerland	124.09	103.97
Abbott Healthcare Private Limited, India	8.72	11.96
Abbott Laboratories (Singapore) Pte Ltd., Singapore	0.05	0.07
Abbott International LLC, USA	0.10	0.19
Abbott Laboratories, USA	1.48	-
	134.44	116.19
<b>Lease Liabilities to fellow subsidiary</b> (Refer Note 5)		
Abbott Healthcare Private Limited, India	59.21	86.10
	59.21	86.10
<b>Deposit from fellow subsidiary</b> (Refer Note 19)		
Abbott Healthcare Private Limited, India	0.45	0.45
	0.45	0.45
<b>Trade receivables from fellow subsidiaries</b> (Refer Note 9)		
Abbott Healthcare Private Limited, India	7.89	13.44
Abbott Products Operations AG., Switzerland	0.35	0.28
	8.24	13.72
<b>Other receivables from fellow subsidiaries</b> (Refer Note 12)		
Abbott Healthcare Private Limited, India	0.43	7.28
Abbott International LLC, USA	4.19	4.69
Abbott Laboratories (Singapore) Pte Ltd., Singapore	0.30	0.24
Abbott Products Operations AG., Switzerland	0.67	0.64
Abbott Laboratories GmbH, UAE	0.29	0.24
St Jude Medical India Private Limited, India	0.11	0.11
Abbott Diagnostics Medical Private Limited	0.09	0.04
	6.08	13.24
<b>Deposit to fellow subsidiary</b>		
Abbott Healthcare Private Limited, India (Refer Note 5 and 6)	14.76	14.77

### 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### 39 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets/liabilities at amortised cost</b>				
<b>Financial assets at amortised cost (non-current) :</b>				
Other financial assets (Refer Note 6)	1,222.07	43.15	1,222.07	43.15
<b>Financial assets at amortised cost (current) :</b>				
Trade and other receivables (Refer Note 9)	316.95	288.16	316.95	288.16
Cash and cash equivalents (Refer Note 10)	239.67	132.71	239.67	132.71
Bank balances other than cash and cash equivalents (Refer Note 11)	1,697.39	2,616.51	1,697.39	2,616.51
Other financial assets (Refer Note 12)	70.48	72.21	70.48	72.21
<b>Financial liabilities at amortised cost (non-current) :</b>				
Lease liabilities (Refer Note 5)	67.49	108.74	67.49	108.74
<b>Financial liabilities at amortised cost (current) :</b>				
Lease liabilities (Refer Note 5)	45.68	42.95	45.68	42.95
Trade payables (Refer Note 18)	891.99	889.45	891.99	889.45
Other financial liabilities (Refer Note 19)	77.38	73.18	77.38	73.18
<b>Financial assets/liabilities at fair value through Profit or Loss</b>				
<b>Financial assets at fair value through Profit or Loss (current) :</b>				
Forward contract receivable	-	0.04	-	0.04
<b>Financial liabilities at fair value through Profit or Loss (current) :</b>				
Forward contract payable	0.61	-	0.61	-

#### 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, 2023	As at March 31, 2023	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Other financial assets (Refer Note 6) (non-current)					
Deposits given to fellow subsidiary	12.96	12.96	-	-	12.96
Deposits for premises	0.90	0.90	-	-	0.90
Against tenders	0.12	0.12	-	-	0.12
Term deposit with original maturity of more than 12 months	1,137.00	1,137.00	-	-	1,137.00
Others	71.09	71.09	-	-	71.09
<b>Total</b>	1,222.07	1,222.07	-	-	1,222.07
<b>Financial liabilities at amortised cost</b>					
Lease liabilities (Refer Note 5)	113.17	113.17	-	-	113.17
<b>Total</b>	113.17	113.17	-	-	113.17
<b>Financial Liabilities at fair value through Profit or Loss</b>					
Forward contract payable	0.61	0.61	-	0.61	-
<b>Total</b>	0.61	0.61	-	0.61	-

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2022	As at March 31, 2022	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Other financial assets (Refer Note 6) (non-current)					
Deposits given to fellow subsidiary	12.03	12.03	-	-	12.03
Deposits for premises	0.84	0.84	-	-	0.84
Against tenders	0.12	0.12	-	-	0.12
Others	30.16	30.16	-	-	30.16
<b>Total</b>	43.15	43.15	-	-	43.15
<b>Financial liabilities at amortised cost</b>					
Lease liabilities (Refer Note 5)	151.69	151.69	-	-	151.69
<b>Total</b>	151.69	151.69	-	-	151.69
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	0.04	0.04	-	0.04	-
<b>Total</b>	0.04	0.04	-	0.04	-

#### The following methods and assumptions were used to estimate the fair values :

Fair value of cash and bank balances, trade and other financial current assets, 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, 2023.

During the reporting period ending March 31, 2023 and March 31, 2022, 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 based on unobservable 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, 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, 2023	As at March 31, 2022
a) Deposits for premises	<b>Discounted cashflow method using interest rate for similar financial instrument</b>	Discounted cashflow method using interest rate for similar financial instrument
b) Lease liabilities	<b>Discounted cashflow method using incremental borrowing rate</b>	Discounted cashflow method using incremental borrowing rate
c) Financial assets/liabilities other than above	<b>Expected cashflows for the financial instruments</b>	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

### 40 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, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	<b>2,999.15</b>	2,669.83

##### Interest Rate sensitivity

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(All amounts in ₹ Crores, unless otherwise stated)

### (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	As at March 31, 2023			As at March 31, 2022			
	USD	EURO	GBP	USD	EURO	GBP	CAD
Trade receivables	<b>6.05</b>	-	-	<b>3.87</b>	-	-	-
Other financial assets	<b>5.13</b>	-	-	<b>15.59</b>	-	-	-
Trade payables	<b>162.93</b>	<b>1.63</b>	<b>0.05</b>	<b>161.74</b>	0.23	0.01	0.02

##### 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, 2023		As at March 31, 2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	<b>(1.52)</b>	<b>1.52</b>	(1.42)	1.42
EURO	<b>(0.02)</b>	<b>0.02</b>	-*	-*
GBP	-*	-*	-*	-*
CAD	-	-	-*	-*
<b>Increase/(Decrease) in Profit or Loss</b>	<b>(1.54)</b>	<b>1.54</b>	(1.42)	1.42

\* below ₹ 50,000/-

#### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balance with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ **3,546.56 Crores** as at March 31, 2023 (March 31, 2022 : ₹ 3,152.78 Crores). 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.

Refer Note 9 for ageing of trade receivables.





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Movement in allowance for credit loss :

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>17.21</b>	15.73
Allowance for credit impaired debts	<b>(0.09)</b>	1.22
Allowance for credit impaired deposits	<b>(0.40)</b>	0.45
Bad debts written off	<b>(0.05)</b>	(0.19)
<b>Balance at the end of the year</b>	<b>16.67</b>	17.21

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, 2023 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 18)	<b>891.99</b>	<b>891.99</b>	-	-	-	<b>891.99</b>
Other current financial liabilities (Refer Note 19)	<b>77.99</b>	<b>77.99</b>	-	-	-	<b>77.99</b>
Lease Liabilities (Refer Note 5)	<b>113.17</b>	<b>53.26</b>	<b>64.21</b>	<b>6.02</b>	<b>4.89</b>	<b>128.38</b>
	<b>1,083.15</b>	<b>1,023.24</b>	<b>64.21</b>	<b>6.02</b>	<b>4.89</b>	<b>1,098.36</b>

The details of the contractual maturities of significant liabilities as at March 31, 2022 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 18)	889.46	889.46	-	-	-	889.46
Other current financial liabilities (Refer Note 19)	73.18	73.18	-	-	-	73.18
Lease Liabilities (Refer Note 5)	151.69	53.89	99.04	18.11	7.34	178.38
	1,114.32	1,016.53	99.04	18.11	7.34	1,141.02

(All amounts in ₹ Crores, unless otherwise stated)

## 41 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 except through leasing. 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, 2023 and March 31, 2022.

## 42 ADDITIONAL REGULATORY INFORMATION

### i) Financial Ratios:

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022 :

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change (in %)
Current ratio (in times)	Current Assets	Current Liabilities	<b>2.51</b>	3.20	(21.56)%
Debt- Equity Ratio (in times)	Total Debt <sup>1</sup>	Shareholder's Equity	<b>0.04</b>	0.05	(20.00)%
Debt Service Coverage ratio (in times)	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	<b>16.46</b>	15.71	4.77%
Return on Equity ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	<b>31.60%</b>	29.46%	7.26%
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	<b>4.45</b>	3.78	17.72%
Trade Receivable Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivable	<b>17.68</b>	18.25	(3.12)%
Trade Payable Turnover Ratio (in times)	Total Purchases and Other Expenses	Average Trade Payables	<b>3.97</b>	3.9	1.79%
Net Capital Turnover Ratio (in times)	Revenue from Operations	Working Capital <sup>4</sup>	<b>2.94</b>	1.85	58.92%*
Net Profit ratio (in %)	Net Profit	Revenue from Operations	<b>17.75%</b>	16.26%	9.16%
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed <sup>5</sup>	<b>39.06%</b>	36.98%	5.62%
Return on Investment (in %)	Interest Income	Average Fixed Deposit Investment	<b>4.97%</b>	2.99%	66.22%**

\* Due to Revenue growth and reduction in Current Assets

\*\* Due to increase in Fixed Deposit rates

(1) Debt represents only lease liabilities

(2) Net Profit after Taxes + Non-Cash Operating Expenses + Interest + Other Adjustment like gain & loss on sale / write off of property, plant and equipment etc.

(3) Lease Payment for the current year

(4) Current Assets - Current Liabilities

(5) Tangible Networth + lease liabilities



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

### ii) Relationship with Struck off Companies:

The Company does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956, during the current year and in the previous year.

**43** The Code on Social Security, 2020 (‘the Code’) has been published in the Official Gazette in September 2020. The final Rules and effective date are yet to be notified. The Company is assessing the impact of the Code and the rules thereunder, and will give appropriate impact of the same in its financial statements, post notification of the same.

**44** i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v) The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

**45** The Company has maintained proper books of account as prescribed under Section 128(1) of the Companies Act, 2013 (as amended). The books of accounts are maintained in electronic mode as required under Section 128 (1) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended). The back-up of books of account and other relevant books and papers maintained in electronic mode were taken on a server physically located in India on daily basis except for an application used for processing expenses of field employees where backups on a daily basis were taken on a server physically located outside India.

**46** Previous year’s figures have been regrouped/reclassified to conform to the current year’s classification.

As per our report of even date

For and on behalf of the Board of Directors

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

**VIVEK V KAMATH**

Managing Director

DIN : 06606777

**SUDARSHAN JAIN**

Director

DIN : 00927487

per **DOLPHY DSOUZA**

Partner

Membership No. 38730

**RAJIV SONALKER**

CFO and Whole-time Director

DIN : 07900178

**KRUPA ANANDPARA**

Company Secretary

Membership No. ACS 16536

Place : Mumbai

Date : May 19, 2023

Place : Mumbai

Date : May 19, 2023

## NOTICE

Notice is hereby given that the Seventy-ninth Annual General Meeting of Abbott India Limited will be held through Video-Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) on Wednesday, August 9, 2023 at 9.30 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, 2023 together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 180/- and special dividend of ₹ 145/- per Equity Share for the financial year ended March 31, 2023.
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 Ms Sabina Ewing (DIN : 09201770), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS :

5. **Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, for the financial year 2023-24**

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), and as approved by the Audit Committee and the Board of Directors of the Company, remuneration of ₹ 0.08 Crores plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, payable to M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), for conducting the Cost Audit of the Company for the financial year 2023-24, be and is hereby ratified.

6. **Appointment of Mr Mahadeo Karnik (DIN:02606595) 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** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Article 113

of the Articles of Association of the Company, Mr Mahadeo Karnik (DIN : 02606595), who was appointed as an Additional Director of the Company with effect from July 1, 2023 and who holds office till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED Further That** the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

**By Order of the Board**

**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai

May 19, 2023

### 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

E-mail : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

Website : [www.abbott.co.in](http://www.abbott.co.in)

### NOTES :

- i. In accordance with the Ministry of Corporate Affairs, (“MCA”) General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 respectively, (“the MCA Circulars”) read with the Securities and Exchange Board of India (“SEBI”) Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (“the SEBI Circulars”), the Annual General Meeting (“AGM”) will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.



## Notice (Contd.)

- 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. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. Corporate Members intending to have their representatives attend the Meeting through VC/OAVM 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 at Item Nos. 5 and 6 is annexed hereto.
- v. The additional details of Directors retiring by rotation, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“the SEBI Listing Regulations”) and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.
- vi. Final dividend of ₹ 180/- and special dividend of ₹ 145/- 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 after August 16, 2023 to the Members whose names appear on the Register of Members and to the Beneficial Owners of the Shares as on July 21, 2023 (“Record date”), as per the details furnished by the Depositories for this purpose.
- vii. In accordance with the provisions of the Income Tax Act, 1961 (IT Act) as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its shareholders and the Company is required to deduct Tax at Source (TDS) from dividend paid to the shareholders at the applicable rates. Section 206AB of the Act mandates special provisions for TDS in respect of taxpayers who have not filed their income-tax return for the previous year.

A separate communication has been sent to the Members describing the detailed provisions regarding this and process to submit the documents/declarations along with the formats, in respect of deduction of TDS on the dividend payout. The intimation is also available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.

- viii. 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 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 bank details by sending duly signed Form ISR-1 alongwith required documents to the Company/Registrar and Share Transfer Agent.
- ix. SEBI, vide its Circular dated November 3, 2021, as amended from time to time, had made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The timeline provided by SEBI to furnish/update the above details was March 31, 2023, which has now been extended till September 30, 2023. Folios wherein any one of the above mentioned details are not registered by October 1, 2023 shall be frozen. Members who are yet to update their KYC details are therefore urged to furnish PAN, KYC and Nomination/Opt-out of Nomination by submitting the prescribed forms duly filled, by e-mail from their registered e-mail ID to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to KFin Technologies Limited, Registrar and Transfer Agent of the Company (“KFin”), at Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032.
- In accordance with the SEBI Circular dated March 16, 2023, the Company has sent out intimations to those Members, holding shares in physical form, whose folios are incomplete with PAN, KYC and/or Nomination details, requesting them to update the details so as to avoid freezing of the folios.
- x. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of share certificate; endorsement; sub-division/splitting of share certificate;

consolidation of share certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company’s website at <https://www.abbott.co.in/investor-relations.html> and on the website of the KFin at <https://www.kfintech.com>. It may be noted that any service request can be processed only after the Folio is KYC Compliant.

- xi. To eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or KFin for assistance in this regard.
- xii. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to KFin, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- xiii. In terms of requirements of Regulation 39(4) and Schedule VI of the SEBI Listing Regulations, shares which remained unclaimed in the custody of the Company are required to be transferred to the Unclaimed Suspense Account opened by the Company.

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

Particulars	No. of Shareholders	No. of Shares
No. of shares as on April 1, 2022	34	3,961
No. of shares claimed and transferred from the Unclaimed Suspense Account during the year	(1)	(3)
No. of shares transferred to Investor Education and Protection Fund	-	-
<b>No. of shares as on March 31, 2023</b>	<b>33</b>	<b>3,958</b>

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of 7 (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.

- xiv. Members who have not encashed their dividend warrants from the year 2015-16 or thereafter, are requested to write to the Company/Registrar and Transfer Agent. 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 for Transfer to IEPF
58 <sup>th</sup> Dividend 2015-16	35	16/08/2023
59 <sup>th</sup> Dividend 2016-17	40	16/08/2024
60 <sup>th</sup> Dividend 2017-18	55	16/08/2025
61 <sup>st</sup> Dividend 2018-19	65	20/09/2026
62 <sup>nd</sup> Dividend 2019-20	250	05/10/2027
63 <sup>rd</sup> Dividend 2020-21	275	25/08/2028
64 <sup>th</sup> Dividend 2021-22	275	08/09/2029

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 unpaid/unclaimed dividend (as on date of the last Annual General Meeting held on August 10, 2022) on the Company’s website under the Investor Section at <https://www.abbott.co.in/investor-relations.html>.

- 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.

The details of shares so transferred are available on the Company’s website under the Investor Section at <https://www.abbott.co.in/investor-relations.html>.

The Members whose shares and unclaimed dividend 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](http://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. The process for claiming the shares and unclaimed dividend from IEPF is available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>.



## Notice (Contd.)

The details of shares lying in the IEPF Account are given below :

Particulars	No. of Shareholders	No. of Shares
No. of shares in IEPF Account as on April 1, 2022	680	1,02,590
No. of shares transferred to IEPF Account during the year 2022-23	28	2,842
No. of shares claimed and transferred to the Shareholders from IEPF Account during the year 2022-23	(24)	(7,383)
<b>No. of shares in IEPF Account as on March 31, 2023</b>	<b>684</b>	<b>98,049</b>

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](mailto: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 line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2022-23 along with the Notice of Seventy-ninth Annual General Meeting *inter alia*, indicating the process and manner of e-voting, is being sent through electronic mode to the Members whose e-mail addresses are available with the Company/ Depositories/ Depository Participants.

The aforesaid documents are also available on the Company' website at <https://www.abbott.co.in/investor-relations.html> and on the websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The Members whose e-mail addresses are not registered with the Company are requested to register the same by following the instructions given under Part E of Annexure II to this Notice.

xviii. 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](mailto:investorrelations.india@abbott.com) with a subject "Inspection of Documents".

#### xix. 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, e-mail id, mobile number at [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) from Wednesday, July 26, 2023 to Wednesday, August 2, 2023. 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.

#### 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 SEBI 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.

In terms of SEBI Circular dated December 9, 2020 on e-voting facility provided by listed Companies, individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their Mobile No. and E-mail ID correctly in their demat account in order to access e-voting facility.

a) The facility for remote e-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 :

<b>Commencement of remote e-voting</b>	<b>From 9 a.m. (IST) on Sunday, August 6, 2023</b>
<b>End of remote e-voting</b>	<b>Upto 5 p.m. (IST) on Tuesday, August 8, 2023</b>

c) Mr Taizoon M. Khumri, Practicing Company Secretary (Membership No. FCS 993 and Certificate of Practice No. 88) 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 2, 2023 ("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 by them as on the Cut-off date.

e) 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.

f) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the Cut-off date i.e., August 2, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 022-4886 7000 and 022-2499 7000. In case of Individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Cut-off date i.e., August 2, 2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

g) Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.

h) 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 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 favor 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.

i) 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](http://www.abbott.co.in) and on the website of NSDL at [www.evoting.nsdl.com](http://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 Board of the Registered Office of the Company.

xxi. Instructions for e-voting and attending the Annual General Meeting is annexed as Annexure II and forms part of this Notice.

xxii. Considering the Meeting would be held through VC/OAVM, the route Map for the venue is not annexed to the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.

#### STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

##### 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 2023-24 at a remuneration of ₹ 0.08 Crores 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 Mr Mahadeo Karnik (DIN : 02606595) as Additional Director of the Company effective July 1, 2023 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 Karnik has provided his consent to act as a Director of the Company and also a confirmation that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.



## Notice (Contd.)

The Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr Karnik for the office of Director of the Company.

Mahadeo is a veteran in finance stream and brings in vast knowledge and expertise in financial analysis, capital markets, corporate taxation, mergers, and acquisitions. He is a keen strategist with considerable experience of participation in Company-wide initiatives for developing and implementing improved business models and profitable market beating growth strategy. He has been instrumental in driving many automation and digitization projects critical for the Company.

Mahadeo is currently the Regional - Finance Director of Abbott Healthcare Private Limited where he oversees financial planning and analysis for Abbott's Established Pharmaceutical Businesses in India. Mahadeo is well-versed with pharma and diagnostics operating business models. He has advised on many change management projects while ensuring smooth transition and without any business disruption.

Prior to joining Abbott, Mahadeo was associated with Perkin Elmer India Private Limited and Roche Diagnostics India Private Limited. He has also worked with International Best Foods Limited and United Phosphorus.

Mahadeo is a fellow Member of the Institute of Chartered Accountants of India and Institute of Cost and Management Accountants of India.

The additional details of Mr Karnik 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 I 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 Karnik 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.

**By Order of the Board**

**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai  
May 19, 2023

**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

E-mail : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

Website : [www.abbott.co.in](http://www.abbott.co.in)

## ANNEXURE I

**Details of Directors retiring by rotation/seeking appointment at the Seventy-ninth Annual General Meeting (pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India**

Name of Director	Kaiyomarz Marfatia	Sabina Ewing	Mahadeo Karnik
Date of Birth	November 22, 1956	December 31, 1974	October 3, 1972
Age	66	48	50
Date of Appointment	March 1, 2011	June 15, 2021	July 1, 2023
Expertise in Specific Functional Area	Mr Marfatia has over 42 years of diverse experience in the Legal and Secretarial streams, of which about 25 years have been with Abbott.	Ms Ewing is a passionate, transformational global technology leader with over 22 years of experience.	Mr Karnik is a veteran in finance stream and brings in vast knowledge and expertise in financial analysis, capital markets, corporate taxation, mergers, and acquisitions.
Qualifications	B.Com. from Lala Lalpat Rai College and Law degree from Government Law College, Mumbai.	Bachelor of Science in Commerce (with concentrations in Management Information Systems and Finance) from the University of Virginia and a Master of Science in Systems and Management from New York University.	Fellow Member of the Institute of Chartered Accountants of India and Institute of Cost and Management Accountants of India.
Terms and conditions of Appointment	As per the resolution set out in this Notice.	As per the resolution set out in this Notice.	As per the resolution set out in this Notice.
Remuneration last drawn (including sitting fees, if any)	0.08 Crores <sup>#</sup>	NA	NA
Remuneration proposed to be paid for attending Meetings of the Board and its Committees and reimbursement of expenses for participation in the Board/Committees Meetings	Entitled for commission and sitting fees for attending Meetings of the Board and its Committees and reimbursement of expenses for participation in the Board/Committees Meetings	NA	NA
Number of Meetings of the Board attended during the financial year 2022-23	5	3 (2 via video-conference)	NA
No. of shares held in the Company	NIL	NIL	NIL
Directorships in other Indian Companies	1	None	None
Membership/Chairmanship of Committees in other Indian Companies	2*	None	None
Relationship between Directors <i>inter-se</i>	None	None	None

\*Chairman of Stakeholders Relationship Committee and Member of Audit Committee in SNL Bearings Limited.

<sup>#</sup> Sitting fees paid during the year 2022-23.



## Notice (Contd.)

## ANNEXURE II

## Part A : Access to NSDL e-voting system

## A. Individual Shareholders holding securities in demat mode-Steps to Login for e-voting and for joining the Virtual Annual General Meeting (the Meeting)

Types of Shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	<p><b>1. Through NSDL IDEAS facility</b> <b>If you are already registered, follow the below steps :</b></p> <ol style="list-style-type: none"> <li>Visit the e-services website of NSDL. Open web browser by typing the following URL : <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>Click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section.</li> <li>Enter your User ID and Password in the new screen that opens. After successful authentication, you will be able to see e-voting services.</li> <li>Click on “Access to e-voting” appearing on the left hand side under e-voting services and you will be able to see e-voting page.</li> <li>Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> </ol> <p><b>If you are not registered, follow the below steps :</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>.</li> <li>Select “Register Online for IDEAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Please follow steps given in points 1-5.</li> </ol> <p><b>2. Through e-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL : <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a>.</li> <li>Click on the icon “Login” which is available under “Shareholder/Member” section.</li> <li>Enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store
  Google Play


Types of Shareholders	Login Method
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi Username and Password.</li> <li>After successful login the Easi/Easiest User will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the User will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers, so that the User can visit the e-voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the User can directly access e-voting page by providing Demat Account Number and PAN No. from e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the User by sending OTP on registered Mobile No. and E-mail ID as recorded in the Demat Account. After successful authentication, User will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</li> </ol>
Individual shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.</li> <li>Once logged-in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> </ol>

**Important Note :** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk numbers for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No. : 022-4886 7000 and 022-2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33.

**B. Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode-Steps to Login for e-voting and for joining the virtual Meeting**

- Visit the e-voting website of NSDL at <https://www.evoting.nsd.com/>.
- Click on “Login” under ‘Shareholder/Member’ section.
- Enter your User ID, your Password/OTP and a Verification Code as shown on the new screen.

Alternatively, if you are registered for NSDL e-services i.e., IDEAS, you can log-in at <https://eservices.nsd.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.



## Notice (Contd.)

4. Your User ID details are given below :

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID
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*****
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*****
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 your User ID is 101456001***

5. Your Password details are given below :

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the “initial password” which was 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.
  - Process to retrieve your “initial password” :

If your e-mail ID is registered in your demat account or with the Company, your “initial password” is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 digits 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”.

- If your e-mail ID is not registered, please follow steps mentioned in Part E.

6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password :

- 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](http://www.evoting.nsdl.com).
- If you are holding shares in physical mode, click on **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto: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.

- After entering your password, tick on agree to “Terms and Conditions” by selecting on the check box.
- Thereafter Home page of e-voting will open.

#### Part B : Cast your vote electronically and join the Meeting on NSDL e-voting system

- After successful login at Step 1, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select “EVEN” for Abbott India Limited to cast your vote during the remote e-voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
- 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.
- Upon confirmation, the message “Vote cast successfully” will be displayed.

- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### Part C : General Instructions :

- Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/Power of Attorney/Authority Letter by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-voting” tab or 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 [estaizoonkhumri@gmail.com](mailto:estaizoonkhumri@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 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](http://www.evoting.nsdl.com) to reset the password.
- 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](http://www.evoting.nsdl.com) or call on Toll Free No. : 022-4886 7000 and 022-2499 7000 or write to Ms Snehal Bhamre-Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing demat account number/folio number, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy). If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

#### Part D : Instructions for voting by the Members at Meeting attended through VC/OAVM :

- The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.
- The Members may connect with Ms Snehal Bhamre-Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for any grievances/concerns relating to e-voting during the Meeting.

#### Part E : Instructions for registration of E-mail Address :

The Members whose e-mail 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 copies of the Share Certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by e-mail to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- In case shares are held in demat mode, the Shareholders are requested to get in touch with their respective Depository Participants for updating their e-mail address. If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., Login method for e-voting and joining virtual Meeting for individual Shareholders holding securities in demat mode.
- Alternatively, Shareholders/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing above-mentioned documents.

## Notice (Contd.)

**Part F : Instructions for Members for attending the Meeting through VC/OAVM :**

- Members will be able to attend the Meeting through VC/OAVM or view the live webcast of the Meeting provided by NSDL at <https://www.evoting.nsdl.com> and by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join Meeting**” menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
- 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.
- 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.
- 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.

## CORPORATE INFORMATION

**Board of Directors**

<b>Munir Shaikh</b>	Chairman
<b>Vivek V Kamath</b>	Managing Director
<b>Anisha Motwani</b>	Independent Director
<b>Sudarshan Jain</b>	Independent Director
<b>Shalini Kamath</b>	Independent Director
<b>Ambati Venu</b>	Non-Executive Director
<b>Kaiyomarz Marfatia</b>	Non-Executive Director
<b>Sabina Ewing</b>	Non-Executive Director
<b>Rajiv Sonalker</b>	Whole-time Director

(upto June 30, 2023)

**Senior Leadership Team**

<b>Vivek V Kamath</b>	Managing Director
<b>Sridhar Kadangode</b>	Director - Finance
<b>Sandeep Reddy</b>	Commercial Director - Women's Health, Metabolics & International Business
<b>Ashok Saini</b>	Commercial Director - GenNext, Vaccine and Neurolife
<b>Kunal Chowdhury</b>	Commercial Director - GI Businesses
<b>Jejoe Karankumar</b>	Director - Medical Affairs
<b>Namita Shah</b>	Associate Director - New Product Introductions and Therapy Area Strategy
<b>Rajan Kalantre</b>	Director - Business Human Resources

**Chief Financial Officer**

**Rajiv Sonalker**  
(upto June 30, 2023)

**Company Secretary**

**Krupa Anandpara**  
(upto June 30, 2023)

**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

**REGISTERED OFFICE**

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3, Corporate Park, Sion-Trombay Road,  
Mumbai 400 071, India

**CONTACT US**

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Email: [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website: [www.abbott.co.in](http://www.abbott.co.in)

**CORPORATE OFFICE**

15-16<sup>th</sup> Floor, Godrej BKC  
Plot C- 68, “G” Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051

**FACTORY**

L-18/19, Verna Industrial Estate, Goa

**REGISTRAR & SHARE TRANSFER AGENT**

KFin Technologies Limited  
Selenium Tower B, Plot 31-32,  
Serilingampally Mandal,  
Financial District,  
Nanakramguda,  
Hyderabad - 500 032  
Tel No: +91-40-6716 2222



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