BOARD OF DIRECTORS

MUNIR SHAIKH
Chairman

VIVEK MOHAN
Managing Director

R A SHAH

ASHOK DAYAL

RANJAN KAPUR

MARIO DURANTE

JOHN BERRY

THOMAS DEE

Company Secretary

Krupa Anandpara

Bankers

Standard Chartered Bank
BNP Paribas
HDFC Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.
Crawford Bayley & Co.

Registered Office

3-4 Corporate Park
Sion Trombay Road
Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate
Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited
13A/B 2nd Floor, Samitha Warehousing Complex,
Behind Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka, Andheri (East)
Mumbai 400 072

CORPORATE MANAGEMENT

VIVEK MOHAN
Managing Director

S VASUDEVAN
Director – Marketing

R SONALKER
Director – Finance

L NETI
Director – Operations

A BHATT
Director – Human Resources

DR Z MADAN
Director – Medical

U D CHINIWALA
Director – Risk & Financial Controlling

K M MARFATIA
Director – Legal & Secretarial

A KHEDKAR
Director – Business Development

V NAGESH
Head – Quality

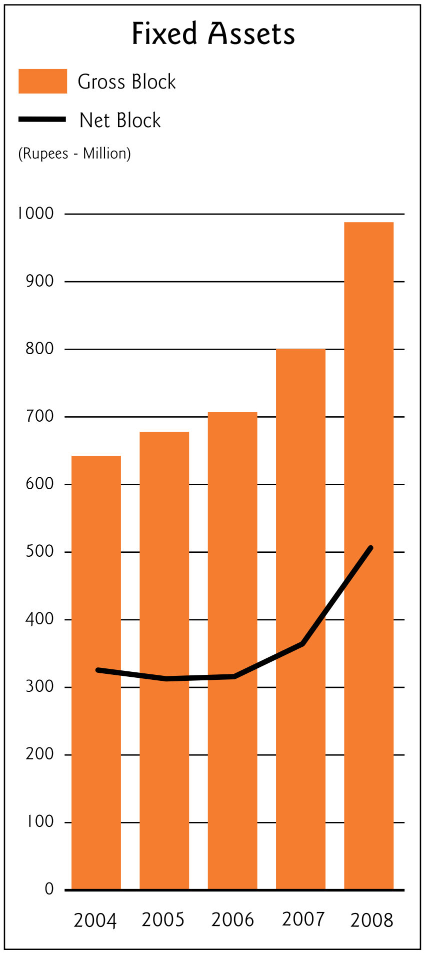
CONTENTS

Highlights

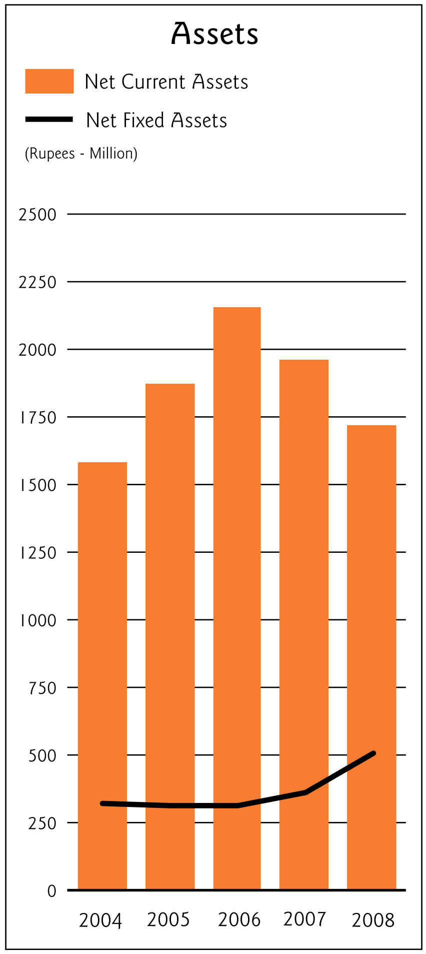
(Rupees in Millions)

	1999	2000	2001 (11 months)	2002	2003	2004	2005	2006	2007	2008
OPERATING RESULTS										
SALES AND OTHER INCOME	3020	3643	3260	3694	3906	4626	4595	5308	6203	**6914**
MATERIALS	1642	1921	1914	2110	2218	2490	2958	3534	4085	**4546**
SALARIES, BONUS AND STAFF WELFARE	161	199	186	204	228	244	250	282	353	**489**
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	699	740	468	478	464	474	476	573	689	**865**
DEPRECIATION	51	53	45	53	44	42	40	44	57	**70**
INTEREST	3	15	1	1	1	1	–	1	–	**–**
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	464	715	646	848	951	1375	871	874	1019	**944**
EXTRAORDINARY ITEM – EXPENDITURE/(INCOME)	(298)	(132)	–	31	–	–	–	–	–	**–**
PROVISION FOR TAXATION	76	125	159	259	271	352	280	276	335	**315**
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	686	722	487	558	680	1023	591	598	684	**629**
RETAINED EARNINGS	(44)	(115)	308	362	53	418	281	294	397*	**405***
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	42.29	44.57	30.06	33.88	43.39	66.92	38.72	39.18	46.01	**43.62**
DIVIDEND PER SHARE (Rs)	40.50	45.00	10.00	12.00	35.00	35.00	17.50	17.50	17.50	**14.00**
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	700	710	730	642	649	642	676	706	801	**987**
FIXED ASSETS (Net)	462	434	417	360	335	325	312	315	363	**506**
CURRENT ASSETS (Net)	744	560	899	1334	1152	1580	1871	2157	1957	**1714**
TOTAL ASSETS	1206	994	1316	1694	1487	1905	2183	2472	2320	**2220**
FINANCED BY										
SHARE CAPITAL	162	162	162	162	153	153	153	153	145	**137**
RESERVES AND SURPLUS	1021	791	1130	1509	1312	1730	2012	2305	2165	**2075**
TOTAL SHAREHOLDERS' FUNDS	1183	953	1292	1671	1465	1883	2165	2458	2310	**2212**
BORROWINGS	23	41	24	23	22	22	18	14	10	**8**
DEBT : EQUITY	–	–	–	–	–	–	–	–	–	**–**
NUMBER OF SHAREHOLDERS	13223	16156	14699	14356	13747	14792	14029	14905	14152	**13689**

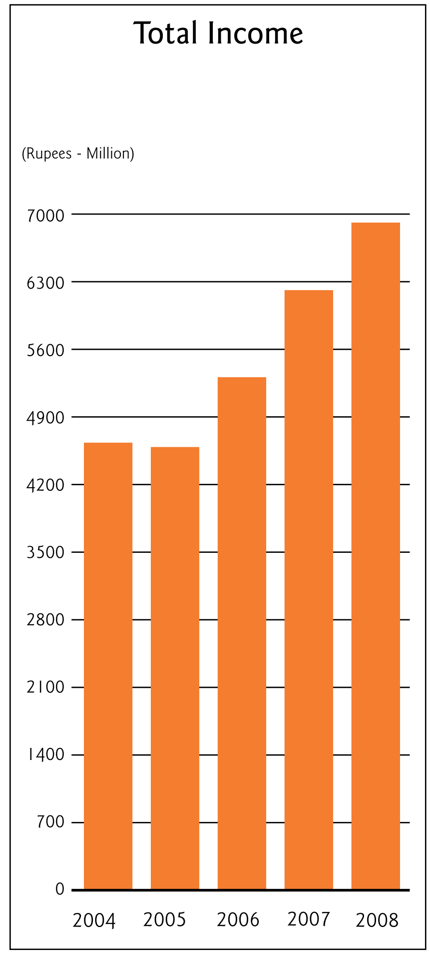
* Excluding adjustment for premium paid on share buy-back.



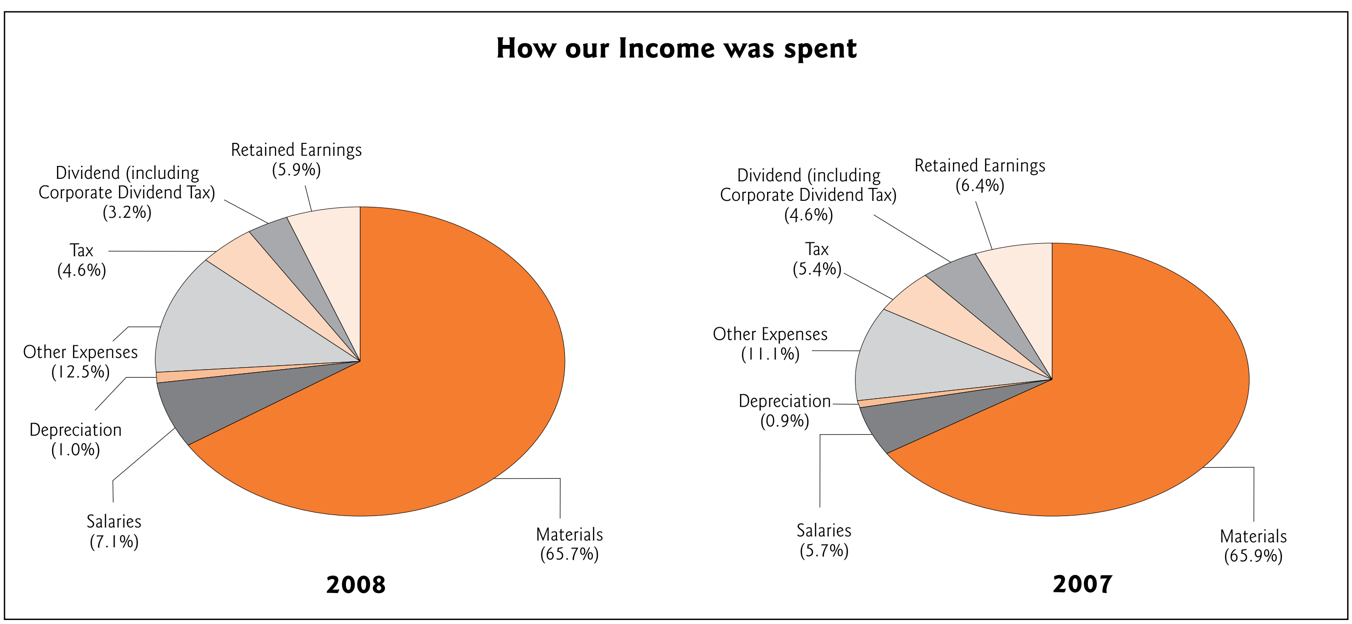
Fixed Assets
Gross Block
Net Block
(Rupees - Million)
1000
900
800
700
600
500
400
300
200
100
0
2004
2005
2006
2007
2008



Assets
Net Current Assets
Net Fixed Assets
(Rupees - Million)
2500
2250
2000
1750
1500
1250
1000
750
500
250
0
2004
2005
2006
2007
2008



Total Income
(Rupees - Million)
7000
6300
5600
4900
4200
3500
2800
2100
1400
700
0
2004
2005
2006
2007
2008



How our Income was spent
Retained Earnings (5.9%)
Dividend (including Corporate Dividend Tax) (3.2%)
Tax (4.6%)
Other Expenses (12.5%)
Depreciation (1.0%)
Salaries (7.1%)
Materials (65.7%)
2008
Retained Earnings (6.4%)
Dividend (including Corporate Dividend Tax) (4.6%)
Tax (5.4%)
Other Expenses (11.1%)
Depreciation (0.9%)
Salaries (5.7%)
Materials (65.9%)
2007

Notice

Notice is hereby given that the Sixty-Fifth Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, March 17, 2009 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at November 30, 2008 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.

2. To declare a dividend.

3. To appoint a Director in place of Mr Ashok Dayal, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr Ranjan Kapur, who retires by rotation and, being eligible offers himself for re-appointment.

5. To appoint Auditors and fix their remuneration.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, January 28, 2009

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

NOTES :

i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.

ii. The details of Directors in respect of Item nos. 3 and 4 pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, March 13, 2009 to Tuesday, March 17, 2009 (both days inclusive).

iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before April 16, 2009 to the Members whose names appear on the Register of Members as on March 17, 2009 and to the Beneficial Owners of the shares as on March 13, 2009, as per details furnished by the Depositories for this purpose.

v. Members are requested to immediately intimate changes, if any, in their registered addresses along with the pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective depository participants.

vi. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request received from Members holding shares in dematerialised form for change/deletion of such bank details.

vii. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed/unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly unclaimed dividend for the year ended December 31, 2000 has been transferred to Investor Education and Protection Fund.

   Members who have not encashed their dividend warrants for the year ended November 30, 2001 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of demand drafts for the same.

viii. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

ix. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the meeting.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, January 28, 2009

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

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

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

Name of Director	Mr Ashok Dayal	Mr Ranjan Kapur
Date of Birth	June 2, 1937	November 25, 1942
Date of Appointment	June 18, 2003	September 18, 2006
Expertise in specific Functional Area	Mr Dayal is a fellow of the Indian Institute of Bankers. He has held various senior Management positions in Grindlays Bank, Deutsche Bank AG, RHO and Roland Berger International Management Consultants Pvt. Ltd.	Mr Kapur is an ex-citi banker. He is a veteran of the advertising business having spent 40 years with Ogilvy and credited with its turnaround and accelerated growth. He is also involved in his personal capacity in the development of technology based on line and mobile services companies. Last year Mr Kapur was awarded by the Advertising Agencies Association of India (AAAI) a Life Time Achievement Award for taking the agency to its leadership position.
Qualifications	B.A. (Hons) AIB (Part I) Fellow of the Indian Institute of Bankers. Fellow of the Royal Geographical Society (London).	Masters Degree in English from St. Stephens College, Delhi.
No. of Shares held in the Company	NIL	NIL
Other Directorships in Indian Cos.	Glaxo Smithkline Consumer Healthcare Ltd., Delhi Safe Deposit, Akzo-Nobel Coatings India Ltd.	Pidilite Industries Ltd., GroupM Media India Private Ltd., Bates India Private Ltd., MIRC Electronics Ltd., Tagit (India) Private Ltd., Annik Technology Services Private Ltd., Eon Premedia Pvt. Ltd., Hitech Plast Ltd., MIC Electronics Ltd., Nimbus Communications Ltd., Sercon India Private Ltd., Quasar Media Private Ltd.
Chairman/Member of the Board Committees of other companies	Glaxo Smithkline Consumer Healthcare Ltd.	Pidilite Industries Ltd., MIRC Electronics Ltd.

Report of the Directors

TO THE MEMBERS

Your directors have pleasure in presenting the Sixty-Fifth Annual Report and Audited Accounts of the Company for the year ended November 30, 2008.

Financial Results

(Rupees in Millions)

	Year ended Nov. 30, 2008	*Year ended Nov. 30, 2007*
Sales	**6,657.0**	*5,943.2*
Profit Before Tax	**943.5**	*1,018.6*
Profit After Tax	**628.7**	*684.3*
Balance brought forward	**2,043.2**	*1,891.9*
Profit available for appropriation	**2,671.9**	*2,576.2*
Appropriations:		
Dividend (Proposed)	**191.5**	*253.3*
Corporate Dividend Tax	**32.5**	*48.5**
Reversal of Dividend for the year ended November 30, 2006, no longer payable consequent to Buy back	**—**	*(14.1)*
Adjusted against premium paid on Buy back	**453.6**	*176.8*
Transfer to Reserves	**62.9**	*68.5*
Balance carried forward	**1,931.4**	*2,043.2*

* includes Rs 5.5 Million for the year ended November 30, 2006.

Dividend

Your Directors recommend a dividend of Rs 14.00 per share on 13,675,240 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2008. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 191.5 Million (Previous year: Rs 253.3 Million) and Corporate Dividend Tax of Rs 32.5 Million (Previous year: Rs 43.3 Million). The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on November 30, 2008 amounted to Rs 2,075.7 Million comprising of Amalgamation Reserve Rs 3.8 Million, Capital Reserve Rs 52.3 Million, Capital Redemption Reserve Rs 25.3 Million, Revenue Reserve Rs 62.9 Million and Surplus as per Profit & Loss Account amounting to Rs 1,931.4 Million.

Buyback

During the year under review, the Company bought back 797,500 fully paid-up equity shares of Rs 10 each, at a price of Rs 630 per share via the tender offer route in terms of Sections 77A, 77AA and 77B of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Consequently, the paid up Equity Share Capital reduced to Rs 136.8 Million.

Directors' Responsibility Statement

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

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

2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended November 30, 2008, and of the Profit of the Company for that period, except the following –

   As per the practise consistently followed by the Company, the depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80%. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition. (See Schedule 17 – Significant Accounting Policies 4).

3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. They have prepared the accompanying Annual Accounts for the year ended November 30, 2008, on a going concern basis.

Fixed Deposits

No fixed deposits were accepted during the year.

Information pursuant to Section 217 of the Companies Act, 1956

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

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

Directors

Mr Sudarshan Jain resigned as Whole time Director of the Company effective November 30, 2008. The Board placed on record its sincere appreciation for the valuable support rendered by him.

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

Your Directors have pleasure in recommending their appointment.

Auditors

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

Health, Safety and Environment

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

i. Environment

The Company has in place a modern effluent treatment plant at the Goa unit, treating and discharging wastewater with parameters of treated effluent well below the limits set by the local Pollution Control Board. Water recycling activities have continuously been encouraged and implemented. The emissions from boiler and generator stacks are monitored regularly and are well below the limits set by the State Pollution Control Board. The treated effluent is recycled for horticulture within the site. As a part of various energy saving measures with the resultant decrease in carbon footprint, the plant has established vermi-composting unit to convert canteen waste into organic manure, which is used in the lawns and plantation inside the premises.

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

ii. Health and Safety

The Company is committed to promoting health and safety of its employees. The Company has dedicated Safety Officers and a Safety Committee in place, which includes representation from workmen and meets regularly to review issues impacting plant safety and employee health. Various key measures like conducting training programmes on various health and safety issues including dealing with epidemics, work safety, road safety, first-aid, etc have been implemented. Regular health check up (twice a year) of the Plant employees is carried out. Automatic External Defibrillators are installed at the Plant and Headquarter Offices and training has been imparted to the employees for its use. Detailed first-aid training has also been imparted to the employees.

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

A cross-functional team has been formed for Employee Health and Safety (EHS) and Emergency Action Plan (EAP). The team will focus on commercial safety and safety audit gaps with a view to improve the organisation's performance on those parameters.

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

Technology Absorption and Development

Development of new formulations & dosage forms and modification of existing ones for lifecycle management, cost containment and improved productivity is an ongoing process. The Company is constantly engaged in activities of development. These are carried out at the R & D Centre of the Company at Goa, which is approved by the Department of Scientific and Industrial Research. It continued to make significant contributions towards its assigned goals of product and process development, cost reduction and new vendor development. The Company has continued to accelerate the pace of new products introduction in 2008 in its core therapeutic areas, namely HIV (Aluvia – Global Abbott Brand), Gastroenterology (Digene Total – a buffered immediate release tablet containing Pantoprazole), Pain Management (Brugel – a topical application gel containing Flurbiprofen), Antacids (Digene Gel – a Strawberry Flavour-an addition to the existing range of flavours specifically for diabetic patients), Metabolics (Thyronorm 150 – additional strength to the existing range), Neonatology (Survanta 4ml – additional strength). The laboratory is currently working on line extensions of existing products.

The Company is setting up a trained and dedicated Clinical Research team within the Medical Sciences Division for conducting Clinical Research in India.

Employees

Relations with the employees remained cordial throughout the year. Your Board places on record appreciation for the efforts and enthusiasm shown by employees at all levels.

Reports on Corporate Governance and Management Discussion & Analysis

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

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai : January 28, 2009

Annexure I

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

1. Conservation of Energy:

(I) Energy conservation measures taken:

Installation of variable frequency drives for paste dumping ventilator, Digene compression AHU and air compressor is expected to generate electricity savings of approximately 19,774 KWH.

Power factor improvement capacitors have been installed for reducing the reactive power consumption.

Maximum demand controller has been installed for limiting development of peak demand.

Installation of diffused aeration in Waste Water Treatment Plant resulted in power saving of approximately 6,792 KWH.

Online dissolved oxygen trimming system in Waste Water Treatment is estimated to generate electricity saving of about 6,151 KWH.

(II) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

Nil

(III) Impact of the measures at (I) and (II) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The installation of capacitors and maximum demand controller has resulted in lower maximum demand for power. Installations of Variable Frequency Drives, diffused aeration and dissolved oxygen trimming system have resulted in significant power savings.

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

	2008	*2007*
A. **Power & Fuel Consumption**		
(a) Electricity		
(i) Purchased (Unit Millions)	**3.2**	*3.1*
Total amount (Rs. Millions)	**39.2**	*26.7*
Rate/Unit (Rs.)	**12.33**	*8.61*
(ii) Own Generation (through Diesel Generator)	Cost of 'own generation' is not comparable as the generator sets were operated only for trial runs.	
Through Steam turbine/Generator	**N.A.**	*N.A.*
(b) Coal	**N.A.**	*N.A.*
(c) Furnace Oil		
Quantity (kilo ltrs)	**153.4**	*131.9*
Total amount (Rs. Millions)	**5.1**	*2.8*
Average rate (Rs.)	**33.54**	*21.22*
(d) Others/Internal Generation	**N.A.**	*N.A.*

B. **Consumption per Unit of Products**

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

2. Technology Absorption:

Efforts made in Technology Absorption.

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

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

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

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

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

C. Future plan of action.

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

D. Expenditure on R&D.

		Rs. in Millions
(a)	Capital	5.4
(b)	Recurring	44.8
(c)	Total	50.2
(d)	Total R&D expenditure as a percentage of total turnover	0.75%

E. Technology absorption, adaptation and innovation.

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

The Company interacts with Abbott Laboratories Intl, Co. USA, on an ongoing basis for technical expertise for products of high technology and pharmaceutical formulations.

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

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

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

Nil

3. Foreign Exchange Earnings and Outgo:

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

The total foreign exchange earned during the year amounted to Rs 73.3 million, which includes Rs 43.7 million towards exports and Rs 29.6 million towards amount recovered from the affiliates.

(II) Total foreign exchange used and earned.

A. Total foreign exchange used

		Rs. in Millions
(a)	On import of raw materials, finished goods, consumable stores and capital goods	248.5
(b)	Expenditure in foreign currencies for commission on export sales, business travel, etc.	12.3
(c)	Remittance during the year in foreign currency on account of dividend	165.0

B. Total foreign exchange earned 73.3

For and on behalf of the Board

Vivek Mohan, Managing Director
R A Shah, Director

Mumbai, January 28, 2009

Report on Corporate Governance

1. Company's philosophy on Corporate Governance

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

2. Board of Directors

(a) The Board presently comprises 8 Directors (9 Directors as on November 30, 2008) including 1 Executive (2 Executives as on November 30, 2008) and 7 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

(b) The composition of the Board of Directors, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies as on November 30, 2008, are given in the table below:

Name of Director	Category of Directorship	Attendance at		Number of directorships in other companies*	Number of committee positions held in other companies**
		Board Meetings	Annual General Meeting (April 8, 2008)		
Mr Munir Shaikh Chairman of the Board	Non-Executive	4	No	—	—
Mr Vivek Mohan Managing Director	Executive	7	Yes	—	—
Mr R A Shah	Non-Executive Independent	6	Yes	21	9 (includes Chairmanship of 5 companies)
Mr Ashok Dayal	Non-Executive Independent	6	Yes	3	2
Mr Ranjan Kapur	Non-Executive Independent	7	Yes	12	2
Mr Mario Durante	Non-Executive	1	Yes	—	—
Mr John Berry	Non-Executive	—	No	—	—
Mr Thomas Dee	Non-Executive	1	No	—	—
Mr Sudarshan Jain Whole time Director (resigned effective November 30, 2008)	Executive	7	Yes	—	—

* Excluding directorships in Associations and Foreign companies but including private companies and alternate/additional directorships.

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

(c) During the financial year, 7 Board Meetings were held on the following dates:

December 17, 2007; February 14, 2008; March 28, 2008; April 8, 2008; May 16, 2008; June 20, 2008 and September 23, 2008.

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

3. Audit Committee

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

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

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

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

December 17, 2007; February 14, 2008; March 28, 2008; May 16, 2008; June 20, 2008 and September 23, 2008.

Mr Ashok Dayal and Mr R A Shah attended 5 meetings each, Mr Ranjan Kapur attended all meetings and Mr Munir Shaikh attended 4 meetings. The Director – Finance (CFO) generally remains present at the meetings. The Statutory, Internal and Cost Auditors are also invited to the meetings, as required.

4. Shareholders'/Investors' Grievance Committee

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

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

February 14, 2008; March 28, 2008 and September 23, 2008.

A summary of complaints received from shareholders/investors and resolved by the Company during the year ended November 30, 2008 is given below:

Particulars	Received	Resolved
Non receipt of share certificates duly transferred	—	—
Non receipt of dividend warrants	13	13
Miscellaneous – Non receipt of Annual Report – Related to Buy-back	 5 3	 5 3

During the year, the Company received 1 letter relating to 2 investor grievances from Securities and Exchange Board of India and 1 letter from Bombay Stock Exchange Limited, which were duly replied.

As on November 30, 2008, there were no pending share transfers. Barring certain cases pending over a long period of time in Courts/Consumer Forums relating to disputes over the title of the shares in which the Company has been made a party, no investor complaint is pending for a period exceeding one month.

5. Remuneration of Directors

(a) Executive Directors

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

Details of remuneration and perquisites paid to the Executive Directors for the financial year ended November 30, 2008 are as follows:

Terms of Agreement	Mr Vivek Mohan *(Managing Director)*	Mr Sudarshan Jain* *(Whole-time Director)*
Period of appointment	5 years	5 years
Date of appointment	November 1, 2004	September 18, 2006
Salary & Other Allowances	15,287,000	4,050,173
Perquisites	6,897,986	182,269
Contribution to Provident Fund, Superannuation Fund & Group Annuity Scheme	1,024,154	1,102,549
Performance Linked Incentive	2,290,000	604,380
Notice Period	Six months	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director & Whole time Director are entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and are also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan". Details as regards the same are disclosed in Note B 25 – Schedule 17 to the Accounts in the Annual Report.	

* Resigned effective November 30, 2008.

(b) Non-Executive Directors

The Non-Executive resident Directors are paid sitting fees of Rs 5,000/- per meeting of the Board and Committee attended by them.

Mr R A Shah, Mr Ashok Dayal and Mr Ranjan Kapur were paid sitting fees amounting to Rs 60,000/-, Rs 70,000/- and Rs 65,000/- respectively, for attending Board meetings and various Committee Meetings (including Buyback Committee meetings) held during the financial year 2007-2008.

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

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

6. General Body Meetings

Financial Year	Date	Time	Location	No. of Special Resolutions
2005	May 3, 2006	10.30 a.m	Y B Chavan Auditorium General Jagannath Bhosale Marg, Mumbai 400 021	—
2006	April 17, 2007	10.30 a.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg, Mumbai 400 021	—
2007	April 8, 2008	10.30 a.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg, Mumbai 400 021	—

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

7. Disclosures

(a) There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the financial year, that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board for approval as required by law. Transactions with related parties are disclosed in Note B 23 of Schedule 17 to the Notes forming part of the Accounts in the Annual Report.

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

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

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

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

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

Compliance with Non Mandatory Requirements:

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

(ii) During the financial year 2007-08, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

8. Means of Communication

(a) The quarterly, half yearly and annual results are published in one English daily newspaper (Free Press Journal) circulating in the country and one Marathi newspaper (Navshakti) published from Mumbai. The quarterly results/shareholding pattern are also made available on the website of the Company (www.abbott.co.in) and on SEBI's EDIFAR (Electronic Data Information Filing And Retrieval) System website (www.sebiedifar.nic.in).

(b) During the financial year, the Company has not made any presentation to institutional investors or analysts.

(c) Management Discussion and Analysis Report forms part of the Directors Report.

9. General Shareholder Information

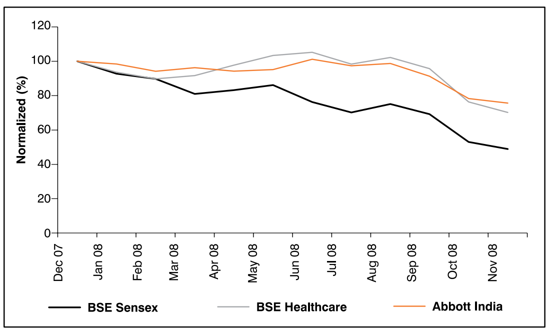
i	Annual General Meeting	: Tuesday, March 17, 2009 at 10.30 a.m. Y B Chavan Auditorium General Jagannath Bhosale Marg, Mumbai 400 021
ii	Financial year	: December 1, 2007 – November 30, 2008
iii	Date of Book Closure	: March 13, 2009 to March 17, 2009 (both days inclusive)
iv	Dividend Payment Date	: On or before April 16, 2009
v	Listing on Stock Exchange	: Bombay Stock Exchange Limited (BSE)
vi	Stock Code	: 500488

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

Month	High	Low
December 2007	584.95	532.00
January 2008	618.25	481.00
February 2008	550.00	502.00
March 2008	565.00	509.95
April 2008	549.95	502.80
May 2008	548.00	515.00
June 2008	615.00	515.05
July 2008	577.00	510.65
August 2008	563.00	540.00
September 2008	569.50	450.00
October 2008	499.95	375.00
November 2008	455.00	390.00

viii Performance in comparison to broad based indices:

December 1, 2007 – November 30, 2008



ix Registrars and Share Transfer Agents:

Sharepro Services (India) Private Limited,
13 A/B, 2nd Floor, Samitha Warehousing Complex,
Behind Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai 400 072
Phone : 022-67720400/001/002,
022-28518157, 28517377
Fax : 022-28508927, 28591568
Email : sharepro@shareproservices.com

x Share Transfer System:

In order to expedite the process of share transfers, the Board has delegated the powers to a Share Transfer Committee comprising of the officers of the Secretarial Department, who attend to the share transfer formalities at least once in a fortnight. The Share Transfer Committee also considers requests received for transmission of shares, issue of duplicate certificates and split/consolidation of certificates.

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

xi Distribution of Shareholding as on November 30, 2008

Number of Equity Share-holdings	Number of Share-holders	Percent-age of Share-holders	Number of shares	Percentage of Share-holding
1-50	6436	47.01	147934	1.08
51-100	2732	19.96	231933	1.69
101-500	3165	23.12	757305	5.54
501-1000	728	5.32	525471	3.84
1001-5000	569	4.16	1129020	8.26
5001-10000	37	0.27	246217	1.80
10001 & above	22	0.16	10637360	77.79
Total	13689	100.00	13675240	100.00

Shareholding Pattern as on November 30, 2008

Sr. No.	Category of Shareholders	No. of shares held	% to total
1.	Promoters	9428184	68.94
2.	Banks	5373	0.04
3.	Financial Institutions	26174	0.19
4.	Foreign Institutional Investors	32455	0.24
5.	Insurance Companies	487446	3.56
6.	Mutual Funds	325644	2.38
7.	Domestic Companies	351206	2.57
8.	Non Resident Indians	64162	0.47
9.	Others	2954596	21.61
	Total	13675240	100.00

xii Dematerialisation of Shares as on November 30, 2008 :

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on November 30, 2008, 12844082 shares representing 93.92% of the Company's total paid-up share capital (including 68.94% held by the Promoter) were held in dematerialised mode.

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

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

xv Address for correspondence:

Abbott India Limited
Registered office:
3-4, Corporate Park,
Sion-Trombay Road,
Mumbai-400 071
Phone: 67978888
Fax: 67978727
Email: webmaster@abbott.co.in
investor.relations@abbott.co.in

Registrars & Share Transfer Agents:
Sharepro Services (India) Pvt Ltd
13 A/B, 2nd Floor,
Samitha Warehousing Complex,
Behind Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai 400 072
Phone : 022-67720400/001/002,
022-28518157, 28517377
Fax : 022-28508927, 28591568
Email : sharepro@shareproservices.com

On behalf of the Board

Vivek Mohan
Managing Director

R A Shah
Director

Mumbai, January 28, 2009

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

As required under Clause 49 I (D) of the Listing Agreement with the Bombay Stock Exchange Limited, I hereby affirm that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Abbott India Code of Business Conduct, as applicable to them, for the financial year ended November 30, 2008.

Abbott India Limited

Vivek Mohan
Managing Director

Mumbai, January 28, 2009

Auditors Certificate for Corporate Governance

To

The Members of Abbott India Limited

We have examined the compliance of conditions of corporate governance by Abbott India Limited for the year ended on November 30, 2008, as stipulated in clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange Limited, Mumbai.

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

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

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

For Deloitte Haskins & Sells
Chartered Accountants

K A Katki
Partner
Membership No. 038568

Mumbai
January 28, 2009

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry structure and developments

The Indian Pharmaceutical Market achieved 10.3% growth on an annualized basis (Source: ORG IMS MAT Nov 2008) versus 12.4% in 2007 and 18.1% in 2006, while MNC pharma companies witnessed single digit growth rates of 4.9% during the year.

The Indian pharmaceutical market has not been affected to the same degree as other sectors due to downturn in the economy. It is estimated that by 2015, the Indian Pharma Industry will rank amongst the top 10 in the world. The major trends that will influence the growth of the market over the next few years are: increasing disposable income, growing number of middle class households, expansion of healthcare infrastructure, penetration of healthcare insurance, rising incidence of chronic diseases, innovative product launches due to product patents and expanded healthcare access to rural and semi urban markets, aided by GDP increase of approximately 7% in the years ahead.

The amended Patents Act providing for grant of product patents in respect of pharmaceuticals has been in force since 2005; however, certain provisions such as scope of patentability, compulsory licensing and pre-grant opposition, are not in line with practices in most developed countries. Data exclusivity and pricing of patented medicines are also areas of concern. The Parliamentary Standing Committee on Commerce has made a strong recommendation to the Government not to allow Data Exclusivity.

The Industry is proposing a price monitoring mechanism instead of price control. In view of sharp differences between the pharmaceutical Industry and the Ministry of Chemicals & Fertilizers, the Union Cabinet has referred the matter to a group of ministers for review and recommendation. The Group of Ministers is yet to make any specific recommendation. Meanwhile the National Pharmaceutical Pricing Authority (NPPA) continues its strong vigil and is monitoring and controlling the prices of controlled as well as decontrolled formulations with a 10% year on year price cap on non scheduled formulations. During the year, prices of more than 1000 formulations were reduced by NPPA. Furthermore, the industry's requests for permitting across the board increases for controlled formulations in view of the steep rise in input costs fuelled by the sharp increase in oil prices and the depreciation of the Rupee vis-à-vis the USD was not granted by NPPA.

2. Opportunities and Threats

Pricing of medicines continues to be a significant issue with NPPA reducing prices on numerous products. Value Added Tax has been implemented in all States including Uttar Pradesh from 2008 onwards. The gradual phasing out of Central Sales Tax has led to simplification opportunities in the distribution chain.

Emergence of corporate chains of hospitals with world-class facilities is growing at a compounded growth rate of over 20%. This segment will continue to grow strongly, driven by increasing demand from high and medium affordability segments of our population. These changes present increased opportunities for the Company and our investment in an independent cross-divisional field structure to cater to the unique needs of this segment has started to pay dividends.

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

The absence of a clear, objective and transparent policy on drug price control continues to impact the overall industry direction. The Draft National Pharmaceuticals Policy addresses some of the issues, however, negative policies relating to price control severely affect industry growth and investment in the Indian market. Similarly, the amended Patents Act still lacks adequate clarity with respect to definition of patentable invention, data protection and compulsory licensing and government is now pursuing mandatory price negotiations on the newly patented products.

3. Segment wise performance

The Company operates only in the pharmaceutical segment. This year it has recorded faster growth than most other multinational companies and across various therapeutic segments, especially gastroenterology, anesthesiology and thyroid disorders. As was the case last year, a significant proportion of the growth has come from organic means driving increased volumes by revitalizing growth in core brands.

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

The Company's hospital product portfolio includes anesthesia and neonatology and continues to record good growth in the market place.

4. Outlook

The Company focuses on certain core therapeutic areas in pharmaceuticals, i.e. CNS, gastroenterology, metabolic, pain management, specialized anesthesia range and neonatology and launches products suiting the needs of these segments. Growth in chronic therapy areas is expected to continue while innovations and life cycle management will continue to support performance in acute therapy segments. In the year 2008, the Company launched Digene Total (a buffered pantoprazole tablet for quick and sustained antacid action) and Brugel, a novel formulation for sprains and strains. A new variant of Digene namely Digene Sugar Free Gel and Tablet has also been introduced in the market recently. A line extension of Thyronorm (for the treatment of hypothyroidism) was also launched, enabling the Company to offer the widest range of strengths in this category and this is reflected in the growth seen with the brand.

A notable achievement has been the endorsement of Digene by Indian Medical Association (IMA), the largest body of Doctors in the country. Thyronorm has entered the list of top 300 brands in the country. The Company now has seven brands among the top 300.

The Company has also invested in manpower in sales and marketing to consolidate and accelerate its growth. While keeping its focus on achieving a higher sales growth, the Company continues to work on generating cost related efficiency in areas of Supply Chain as well as Administration and Selling expenses.

The Company has reworked and optimized its manufacturing and supply chain for cost effective and efficient operations. Major high volume products are being manufactured in-house, while constantly exploring opportunities to keep outsourced products in cost efficient, high quality sites. To ensure the supply of high quality and genuine products to its customers as well as combat the infringement of the Company's intellectual property, the Company has redesigned its product packaging with several anti-counterfeiting features.

5. Risks and Concerns

Lack of clarity on the Government's future policy especially in relation to price control continues to be an area of major concern for the industry. The absence of a clear objective and transparent policy on drug pricing continues to impact the overall industry direction.

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

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

Slower consumer off-take resulting from the recent economic slowdown may result in poor prescription compliance, namely postponing treatment and/or buying less than the prescribed dosage.

6. Internal Control Systems and their adequacy

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

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

The Company has a system for regular review of Internal Controls to assess its effectiveness and the controls are suitably revised to keep pace with changing business environment. Internal Control Systems and processes are reviewed and tested by Internal Auditors on a regular basis. The scope of Audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations.

The Management Committee addresses the business risk on continuous basis. During the year, the Company has taken the initiative to institutionalize an enterprise-wide risk management program and integrate the same with Internal Controls.

7. Discussion on Financial Performance with respect to Operational Performance

During the year under review, Sales amounted to Rs 6,657 Million (registering an increase of 12% over previous year) and Profit Before Tax stood at Rs 944 Million which is marginally lower as compared to Rs 1,019 Million last year. The focus during the year continued to be on organic growth, revitalizing performance of our existing brands and portfolio.

Project "Progen" has been undertaken by the Company with a view to review all revenue expenses and material costs, optimize them and utlilise the savings accruing from this initiative to finance revenue generating activities.

During the year, the Company has reviewed its Investment Strategy and switched to Bank Deposits, from earlier investments in Debt Mutual Funds – Liquid Schemes, to safeguard the principal and maintain liquidity, while also achieving reasonable return on investments. This has proven to be a prudent decision in light of recent events in global and Indian financial markets. The Company has an investment portfolio of Rs 1,235 Million generated out of operating surplus. Investment strategy is reviewed periodically by the Audit Committee in conjunction with the investment advisors to optimize returns. While the Company continues to seek opportunities for acquisition of suitable products, it has completed Share Buyback by utilizing funds of Rs 502.5 Million during the last year.

Your Company continues to hold the world-class, ”Class A” accreditation initially certified by Oliver Wight, a UK firm of international repute advising on business process improvements. This certification marks a commitment to excellence whereby the Company continuously “raises the bar” and sets a high level of expectations of its business, its people and processes. The Company has opportunities to grow the business, and ensuring sound processes will enable it to achieve its objectives with greater speed.

8. Material developments in Human Resources/Industrial Relations

During the year under review, the Company has focussed on significantly building capacity and capability of human resources, which, on November 30, 2008, totalled 1,150 employees. With a view to build a future leadership pipeline, Management Development Programme was launched which facilitated injection of superior quality talent from campuses. With high thrust on strengthening its field organisation with training exceeding 6,000 man days, the Company has been able to sustain its leadership position in its participated market through focused coverage of key customers.

The focus continues to be on developing high performance work culture, differentiating performance and rewarding and recognizing excellence through various Rewards and Recognition programmes which have now become a way of life in the Company. The Company participated in the worldwide 2008 Performance Culture Survey and had a strong Culture Health Metric reinforcing the fact that the people initiatives have helped drive employee motivation and engagement. Living the Abbott values of Pioneering, Achieving, Caring and Enduring, was further enhanced by linking the Company’s vision and mission to individual goals. Abbott New Leader programme focusing on early inculcation of Abbott values and systems was initiated during the year.

Strategic human resource initiatives for developing a leadership pipeline by strengthening the Talent Management Review, Succession Planning, Diversity and Abbott Talent Development Programme, increased coverage of employees through Performance Excellence scheme, regular review of performance with a thrust on continuous improvement and customer satisfaction were strengthened.

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai, January 28, 2009

Auditors' Report

To the Members of Abbott India Limited

1. We have audited the attached Balance Sheet of Abbott India Limited, ("the Company"), as at November 30, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Statement on Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

   (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) on the basis of written representations received from directors as on November 30, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on November 30, 2008 from being appointed as a director in terms of clause *(g)* of sub-section (1) of Section 274 of the Companies Act, 1956;

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

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at November 30, 2008;

      (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner
Membership No. 038568

Mumbai,
January 28, 2009

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

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses xiii, xiv, xviii, xix and xx are not applicable to the Company.

2. In respect of its fixed assets:

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

   (b) Physical verification of fixed assets is being conducted in a phased programme by the management designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

   (c) Although some of the fixed assets have been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the Company to continue as a going concern is not affected.

3. In respect of its inventories:

   (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

4. According to the information and explanations given to us, the Company has not granted or taken any loan secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There were no transactions in respect of sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

6. To the best of our knowledge and belief and according to the information and explanations given to us, there were no transactions required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.

7. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

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

9. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of formulations, pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1)*(d)* of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed records have been maintained and the prescribed accounts are in the process of being made up. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

10. In respect of statutory dues:

    (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection

Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.

(b) According to the information and explanations given to us, details of disputed Income Tax, Excise Duty, Sales Tax and Customs Duty, which have not been deposited as on November 30, 2008 on account of any dispute are given below:

Nature of Statute	Nature of Dues	Amount Rs in Millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disputed Income Tax Demand	11.60	A.Y. 2004-2005	CIT (Appeals)
Central Excise Act, 1944	Classification dispute	0.30	1991-1992	Commissioner (Appeals)
	Modvat credit availed on inputs	0.10	1994	Commissioner
	Modvat credit availed on capital goods	0.03	1994	Assistant Commissioner
	Recovery of amount allegedly refunded erroneously	0.10	2000	Assistant Commissioner
	Demand for Excise Duty on empty plastic containers	0.05	1998-2002	Assistant Commissioner
	Classification dispute	3.00 0.20	2005 2006	CESTAT CESTAT
The Bombay Sales Tax Act, 1959	Disputed Set off	3.99	1999-2000	Sales Tax Tribunal
	Disputed Set off	1.07	2000-2001	Sales Tax Tribunal
	Disputed Set off/Payment challans	31.07	2001-2002	Jt. Comm. of Sales Tax (Appeals)
Uttar Pradesh Trade Tax Act, 1948	Enhancement of turnover	0.30	1988-1989	Additional Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	Breakages and damages claim disallowed	1.00	2003-2004	Deputy Commissioner
	Disallowance of bonus claim and sales return	0.50	2004-2005	Deputy Commissioner
Central Sales Tax Act, 1956	Form F pending	0.04	2003-2004 & 2004-2005	Deputy Commissioner
Kerala General Sales Tax	Tax on stock transfer treated as sales	0.76	2002-2003	Deputy Commissioner (Appeals)
Rajasthan Sales Tax	Credit Notes (Goods returned)	0.12	2005-2006	Commercial Tax Officer
Central Sales Tax Act, 1956	Declaration Forms (F forms)	0.04	2005-2006	Assessing Authority (CTO)
Customs Act, 1962	Demand for payment of differential duty	0.44	1996	Commissioner (Appeals).

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

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner
Membership No. 038568

Mumbai,
January 28, 2009

Balance Sheet

As at November 30, 2008

	Schedule	Rupees in Millions	As at November 30, 2008 Rupees in Millions	*As at November 30, 2007 Rupees in Millions*
I. SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	(1)	**136.8**		*144.7*
(b) Reserves and Surplus	(2)	**2,075.7**		*2,165.5*
TOTAL SHAREHOLDERS' FUNDS			**2,212.5**	*2,310.2*
(2) LOAN FUNDS				
Unsecured Loans	(3)		**7.6**	*10.3*
(3) DEFERRED TAX LIABILITY (NET) (Refer Note B-16-Schedule 17)			**37.9**	*48.7*
TOTAL			**2,258.0**	*2,369.2*
II. APPLICATION OF FUNDS				
(1) FIXED ASSETS				
(a) Gross Block		**987.2**		*800.5*
(b) Less : Depreciation/Amortisation		**507.9**		*448.5*
(c) Net Block		**479.3**		*352.0*
(d) Capital Work-in-Progress		**27.0**		*11.1*
TOTAL FIXED ASSETS	(4)		**506.3**	*363.1*
(2) INVESTMENTS	(5)		**–**	*1,496.2*
(3) CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories	(6)	**921.2**		*863.9*
(b) Sundry Debtors	(7)	**323.7**		*303.4*
(c) Cash and Bank Balances	(8)	**1,635.4**		*172.2*
(d) Other Current Assets	(9)	**7.2**		*–*
(e) Loans and Advances	(10)	**111.7**		*105.0*
		2,999.2		*1,444.5*
Less : CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	(11A)	**814.0**		*415.4*
(b) Provisions	(11B)	**433.5**		*519.2*
		1,247.5		*934.6*
NET CURRENT ASSETS			**1,751.7**	*509.9*
TOTAL			**2,258.0**	*2,369.2*
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(17)			

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

VIVEK MOHAN — *Managing Director*
R A SHAH — *Director*
ASHOK DAYAL — *Director*
KRUPA ANANDPARA — *Company Secretary*

Mumbai, January 28, 2009

Mumbai, January 28, 2009

Profit and Loss Account

For the Year ended November 30, 2008

	Schedule	Rupees in Millions	**Year ended November 30, 2008 Rupees in Millions**	*Year ended November 30, 2007 Rupees in Millions*
I. SALES AND OTHER INCOME				
(a) Sales : Gross		**7,051.0**		*6,361.2*
Less : Excise Duty (Refer Note B-19 – Schedule 17)		**97.8**		*137.0*
Sales Tax/VAT		**296.2**		*281.0*
Net Sales		**6,657.0**		*5,943.2*
(b) Other Income	(12)	**257.2**		*259.7*
			6,914.2	*6,202.9*
II. EXPENDITURE				
(a) Raw and Packing Materials Consumed	(13)	**253.1**		*195.2*
(b) Purchase of Finished Goods		**4,325.2**		*4,207.3*
(c) (Increase)/Decrease in Work-in-Progress and Finished Goods	(14)	**(32.2)**		*(317.7)*
(d) Manufacturing, Administrative and Selling Expenses	(15)	**1,354.6**		*1,042.7*
(e) Depreciation/Amortisation		**69.8**		*56.6*
(f) Interest	(16)	**0.2**		*0.2*
			5,970.7	*5,184.3*
III. PROFIT BEFORE TAX			**943.5**	*1,018.6*
IV. PROVISION FOR TAXATION				
Current Income Tax [includes Wealth Tax Rs 0.5 Million *(2007 : Rs 0.5 Million)*]		**318.0**		*323.0*
Deferred Tax – (Credit) (Net)		**(10.8)**		*(1.7)*
Fringe Benefits Tax		**17.7**		*13.0*
			324.9	*334.3*
V. PROFIT AFTER TAX			**618.6**	*684.3*
VI. PRIOR YEARS' ADJUSTMENTS				
Tax provisions reversed pertaining to prior years			**10.1**	*–*
			628.7	*684.3*
VII. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			**2,043.2**	*1,891.9*
			2,671.9	*2,576.2*
VIII. APPROPRIATIONS				
(a) Proposed Dividend			**(191.5)**	*(253.3)*
(b) Corporate Dividend Tax :				
For the year ended November 30, 2008			**(32.5)**	*–*
For the year ended November 30, 2007			**–**	*(43.0)*
For the year ended November 30, 2006			**–**	*(5.5)*
(c) Reversal of dividend no longer payable consequent to buy-back			**–**	*14.1*
(d) Adjusted against premium paid on buy-back (Refer Note B-2 – Schedule 17)			**(453.6)**	*(176.8)*
(e) Revenue Reserve			**(62.9)**	*(68.5)*
IX. BALANCE CARRIED FORWARD			**1,931.4**	*2,043.2*
Earnings Per Share – Basic and Diluted			**Rs 43.62**	*Rs 46.01*
Face Value Per Share			**Rs 10.00**	*Rs 10.00*
Profit After Tax available to Equity Shareholders			**628.7**	*684.3*
Weighted Average Number of Shares used in computing Earnings Per Share – Basic and Diluted			**14,412,541**	*14,873,638*
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(17)			

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, January 28, 2009

For and on behalf of the Board

VIVEK MOHAN — *Managing Director*
R A SHAH — *Director*
ASHOK DAYAL — *Director*
KRUPA ANANDPARA — *Company Secretary*

Mumbai, January 28, 2009

Cash Flow Statement for the year ended November 30, 2008

	Rupees in Millions	Year ended November 30, 2008 Rupees in Millions	*Rupees in Millions*	*Year ended November 30, 2007 Rupees in Millions*
A. Cash flow from operating activities :				
Net Profit before tax		**943.5**		*1,018.6*
Adjustments for :				
Depreciation/Amortisation	**69.8**		*56.6*	
Net Loss/(Profit) on sale of Fixed Assets	**0.9**		*(20.8)*	
Unrealised Loss on Foreign Exchange	**1.1**		*0.3*	
Provision for Doubtful Debts/Bad Debts written off	**21.0**		*3.5*	
Net Profit on sale of Investments in units of Mutual Funds	**(36.0)**		*(7.1)*	
Write back of diminution in value of Investments in units of Mutual Funds	**(0.2)**		*(0.3)*	
Dividend from Investments in units of Mutual Funds	**(26.4)**		*(93.4)*	
Share buy-back expenses	**9.6**		*7.8*	
Interest Received (net of payment)	**(63.9)**		*(0.3)*	
		(24.1)		*(53.7)*
Operating Profit before working capital changes		**919.4**		*964.9*
Adjustments for :				
Trade and other receivables	**(53.3)**		*(48.6)*	
Inventories	**(57.3)**		*(316.5)*	
Trade Payables and other liabilities	**415.6**		*39.1*	
		305.0		*(326.0)*
		1,224.4		*638.9*
Cash generated from operations				
Direct taxes paid net of refund		**(359.3)**		*(331.5)*
Net cash generated from operating activities		**865.1**		*307.4*
B. Cash flow from investing activities :				
Purchase of Fixed Assets		**(214.9)**		*(109.4)*
Proceeds on sale of Fixed Assets		**1.4**		*23.2*
Purchase of Investments in units of Mutual Funds including Dividend Reinvested	**(266.4)**		*(1,073.8)*	
Less : Dividend Reinvested	**26.4**		*93.4*	
		(240.0)		*(980.4)*
Sale of Investments in units of Mutual Funds		**1,798.8**		*1,632.0*
Interest Received		**64.1**		*0.5*
Net cash generated from investing activities		**1,409.4**		*565.9*

Cash Flow Statement for the year ended November 30, 2008 *(Contd.)*

	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
C. Cash flow from financing activities :		
Repayment of long term borrowings	**(2.7)**	*(3.8)*
Share buy-back expenses	**(9.6)**	*(7.8)*
Interest Paid	**(0.2)**	*(0.2)*
Shares bought-back (including premium)	**(502.5)**	*(524.8)*
Dividend paid (includes Corporate Dividend Tax)	**(296.3)**	*(296.3)*
Net cash used in financing activities	**(811.3)**	*(832.9)*
D. Net increase in Cash and Cash equivalents (A+B+C)	**1,463.2**	*40.4*
E. Cash and Cash equivalents at the beginning of the year	**172.2**	*131.8*
F. Cash and Cash equivalents at the close of the year (D+E)	**1,635.4**	*172.2*

Notes to the Cash Flow Statement for the year ended November 30, 2008

1. Cash and Cash equivalents include :		
Cash and Stamps on Hand	**0.1**	*
With Scheduled Banks :		
On Current Accounts	**378.3**	*151.2*
On Deposit Accounts :		
— Maturity less than 3 months	**165.0**	–
— Maturity beyond 3 months (Refer Note 2 below)	**1,072.8**	*2.0*
Unclaimed Dividend Accounts	**19.2**	*19.0*
Total	**1,635.4**	*172.2*

2. Includes an amount of Rs 2.8 Million *(2007 : Rs 2.0 Million)* placed as security against the guarantees provided by Bank.
3. The figures of the previous year are regrouped/rearranged wherever considered necessary.

* – Less than Rs 0.1 Million

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, January 28, 2009

For and on behalf of the Board

VIVEK MOHAN — *Managing Director*
R A SHAH — *Director*
ASHOK DAYAL — *Director*
KRUPA ANANDPARA — *Company Secretary*

Mumbai, January 28, 2009

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2008

		Rupees in Millions	As at November 30, 2008 Rupees in Millions	*As at November 30, 2007 Rupees in Millions*
1.	SHARE CAPITAL			
	Authorised :			
	16,200,000 *(2007 : 16,200,000)* Equity Shares of Rs 10 each..................		**162.0**	*162.0*
	5,800,000 *(2007 : 5,800,000)* Unclassified Shares of Rs 10 each		**58.0**	*58.0*
			220.0	*220.0*
	Issued and Subscribed :			
	13,675,240 *(2007 : 14,472,740)* Equity Shares of Rs 10 each fully paid-up (Refer Note B-2 – Schedule 17)		**136.8**	*144.7*
	PER BALANCE SHEET		**136.8**	*144.7*
	[9,428,184 *(2007 : 9,428,184)* Equity Shares are held by Abbott Capital India Ltd., UK the holding company, which is subsidiary of Abbott Laboratories, USA].			
	Of the above (before Buy-back of Shares) :			
	(a) 99,995 *(2007 : 99,995)* Equity Shares were allotted as fully paid pursuant to a contract without payment being received in cash.			
	(b) 15,099,570 *(2007 : 15,099,570)* Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium and Revenue Reserve.			
	(c) 25,000 *(2007 : 25,000)* Equity Shares were allotted to the financial institutions on conversion of 5% of Debentures into Equity Shares.			
2.	RESERVES AND SURPLUS			
	Amalgamation Reserve :			
	Balance as per last Balance Sheet..		**3.8**	*3.8*
	Capital Reserve :			
	Balance as per last Balance Sheet..		**52.3**	*52.3*
	Capital Redemption Reserve :			
	Balance as per last Balance Sheet..	**17.3**		*9.2*
	Add : Transferred from Revenue Reserve pursuant to buy-back (Refer Note B-2 – Schedule 17)	**8.0**		*8.1*
			25.3	*17.3*
	Revenue Reserve :			
	Balance as per last Balance Sheet..	**48.9**		*348.1*
	Add : Transferred from Profit and Loss Account...	**62.9**		*68.5*
	Less : Transferred to Capital Redemption Reserve pursuant to buy-back (Refer Note B-2 – Schedule 17)	**(8.0)**		*(8.1)*
	Less : Adjusted against premium paid on buy-back (Refer Note B-2 – Schedule 17)...	**(40.9)**		*(339.9)*
	Less : Transitional Liability on adoption of AS 15 "Employee Benefits"	**–**		*(19.7)*
			62.9	*48.9*
	Surplus as per Profit and Loss Account...		**1,931.4**	*2,043.2*
	PER BALANCE SHEET		**2,075.7**	*2,165.5*
3.	LOANS			
	Unsecured Loans :			
	Deferred Sales tax liability under the Maharashtra Government's Package Scheme of Incentives 1988			
	– Pending Conversion into Long-term interest free Sales tax loan	**5.9**		*5.9*
	– Converted into Long-term interest free Sales tax loan [Repayable within one year Rs 1.3 Million *(2007 : Rs 2.7 Million)*] (Refer Note B-20 – Schedule 17)	**1.7**		*4.4*
			7.6	*10.3*
	PER BALANCE SHEET		**7.6**	*10.3*

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2008

4. FIXED ASSETS

	GROSS BLOCK AT COST				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at December 1, 2007	Additions during the year	Disposals during the year	As at November 30, 2008	As at December 1, 2007	For the year	On Disposals during the year	As at November 30, 2008	**As at November 30, 2008**	*As at November 30, 2007*
	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	**Rupees in Millions**	*Rupees in Millions*
Leasehold Land........................	4.8	–	–	4.8	0.7	0.1	–	0.8	**4.0**	*4.1*
Leasehold Improvement...........	–	7.9	–	7.9	–	1.7	–	1.7	**6.2**	–
Buildings..................................	329.5	33.8	–	363.3	167.2	10.4	–	177.6	**185.7**	*162.3*
Machinery and Equipments	321.6	126.2	3.5	444.3	178.1	38.8	2.0	214.9	**229.4**	*143.5*
Furniture, Fittings and Office Equipments..............................	125.1	25.5	8.0	142.6	94.5	14.7	7.4	101.8	**40.8**	*30.6*
Vehicles	19.5	6.0	1.2	24.3	8.0	4.1	1.0	11.1	**13.2**	*11.5*
	800.5	199.4	12.7	987.2	448.5	69.8	10.4	507.9	**479.3**	*352.0*
Previous year...........................	*705.9*	*104.6*	*10.0*	*800.5*	*399.6*	*56.6*	*7.6*	*448.5*		
Capital Work-in-Progress and Advances thereagainst, at cost									**27.0**	*11.1*
								PER BALANCE SHEET..........	**506.3**	*363.1*

Notes : 1. Included in buildings is an amount of Rs 2,290 *(2007 : Rs 2,290)* representing value of shares in co-operative housing societies, of which share certificates of Rs 1,540 *(2007 : Rs 1,540)* are yet to be received.

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

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

Class of Asset	**Gross Carrying Amount**	**Depreciation for the year**	**Accumulated Depreciation**
Machinery & Equipments.................	**180.7**	**21.7**	**67.8**
	(126.9)	*(13.8)*	*(46.3)*

5. INVESTMENTS

CURRENT INVESTMENTS

IN UNITS OF MUTUAL FUND – NON TRADE – UNQUOTED :

Mutual Fund	Type	No. of units Millions	Face Value Rs	Repurchase price Rs Millions	**Rupees in Millions**	**As at November 30, 2008 Rupees in Millions**	*As at November 30, 2007 Rupees in Millions*
Birla Cash Plus Institutional Premium Reinvestment	WD	– *(21.9)*	– *(10.00)*	– *(219.5)*	–		*219.5*
DSPML Fixed Term Plan Series 3 H Institutional Growth	G	– *(0.2)*	– *(1,000.00)*	– *(151.7)*	–		*150.0*
DWS Insta Cash Plus Fund Institutional Plan	WD	– *(25.7)*	– *(10.00)*	– *(260.3)*	–		*259.0*
HDFC Liquid Fund Premium Plus Plan Reinvestment...	WD	– *(16.4)*	– *(10.00)*	– *(203.2)*	–		*199.6*
HSBC Fixed Term Series 25 Institutional Growth...........	G	– *(15.0)*	– *(10.00)*	– *(161.9)*	–		*150.0*
Prudential ICICI Liquid Plan Institutional Plus Reinvestment..	MD	– *(6.7)*	– *(10.00)*	– *(79.9)*	–		*79.9*
Pru ICICI Institutional Liquid Plan Super Institutional Reinvestment..	WD	– *(24.1)*	– *(10.00)*	– *(241.1)*	–		*241.1*
Templeton India Treasury Management Account Super Institutional Reinvestment	WD	– *(0.2)*	– *(1,000.00)*	– *(197.3)*	–		*197.1*
				PER BALANCE SHEET..........		–	*1,496.2*

Note : Figures for the previous year are in bracket.

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2008

	Rupees in Millions	As at November 30, 2008 Rupees in Millions	*As at November 30, 2007 Rupees in Millions*
6. INVENTORIES			
Stock-in-Trade :			
Raw Materials		**28.6**	*8.3*
Packing Materials		**10.6**	*5.8*
Work-in-Progress		**4.4**	*3.4*
Finished Goods [Refer Note B-15(b) – Schedule 17]		**877.6**	*846.4*
PER BALANCE SHEET		**921.2**	*863.9*
7. SUNDRY DEBTORS – UNSECURED			
Debts outstanding for a period exceeding six months :			
Considered Good	**6.6**		*4.6*
Considered Doubtful	**28.3**		*8.8*
	34.9		*13.4*
Less : Provision for Doubtful Debts	**28.3**		*8.8*
		6.6	*4.6*
Other Debts :			
Considered Good	**317.1**		*298.8*
Considered Doubtful	**0.4**		*–*
	317.5		*298.8*
Less : Provision for Doubtful Debts	**0.4**		*–*
		317.1	*298.8*
PER BALANCE SHEET		**323.7**	*303.4*
8. CASH AND BANK BALANCES			
Cash and Stamps on Hand		**0.1**	*
With Scheduled Banks :			
On Current Accounts		**397.5**	*170.2*
On Deposit Accounts#		**1,237.8**	*2.0*
PER BALANCE SHEET		**1,635.4**	*172.2*
9. OTHER CURRENT ASSETS			
Interest accrued but not due on Bank Deposits		**7.2**	*–*
PER BALANCE SHEET		**7.2**	*–*
10. LOANS AND ADVANCES			
(Unsecured, Considered Good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received (Refer Note B-3 – Schedule 17)		**67.4**	*59.6*
Sundry Deposits		**44.2**	*44.6*
Balances with Customs and Excise on Current Account		**0.1**	*0.8*
PER BALANCE SHEET		**111.7**	*105.0*
11. CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities :			
Sundry Creditors :			
Due to Micro & Small Enterprises (Refer Note B-27 – Schedule 17)	**1.8**		*–*
Others	**709.0**		*308.4*
Unclaimed Dividends (Refer Note B-28 – Schedule 17)	**19.2**		*19.0*
Other Liabilities	**84.0**		*88.0*
		814.0	*415.4*
B. Provisions :			
For Taxation :			
Current Income Tax less payments of Rs 343.6 Million *(2007 – Rs 320.8 Million)*	**138.7**		*174.4*
Fringe Benefits Tax less payments of Rs 15.7 Million *(2007 – Rs 10.7 Million)*	**9.7**		*7.7*
For Proposed Dividend	**191.5**		*253.3*
For Corporate Dividend Tax	**32.5**		*43.0*
For Employees' Benefits	**61.1**		*40.8*
		433.5	*519.2*
PER BALANCE SHEET		**1,247.5**	*934.6*

* – Less than Rs 0.1 Million
# – Includes an amount of Rs 2.8 Million *(2007 : Rs 2.0 Million)* placed as security against the guarantees provided by the bank.

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2008

	Rupees in Millions	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
12. OTHER INCOME			
Input Tax Credit		21.7	*31.5*
Insurance, Customs and Carriers Claims		1.4	*0.1*
Profit on sale of Fixed Assets		0.7	*21.4*
Profit on Sale of units of Mutual Funds		36.1	*7.1*
Interest received on Deposits and others [Tax deducted at source Rs 12.7 Million – *(2007 : Rs * Million)*]		64.1	*0.5*
Dividend on units of Mutual Funds		26.4	*93.4*
Exchange Gain		–	*0.1*
Miscellaneous Income (Refer Note B-14 – Schedule 17)		106.8	*105.6*
PER PROFIT AND LOSS ACCOUNT		257.2	*259.7*
13. RAW AND PACKING MATERIALS CONSUMED			
Opening Stock :			
Raw Materials	8.3		*9.2*
Packing Materials	5.8		*6.1*
		14.1	*15.3*
Add : Purchases :			
Raw Materials	179.0		*111.0*
Packing Materials	99.2		*83.0*
		278.2	*194.0*
		292.3	*209.3*
Less : Closing Stock :			
Raw Materials	28.6		*8.3*
Packing Materials	10.6		*5.8*
		39.2	*14.1*
PER PROFIT AND LOSS ACCOUNT		253.1	*195.2*

* – Less than Rs 0.1 Million

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2008

	Rupees in Millions	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
14. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
Opening Stock :			
Work-in-Progress	**3.4**		*4.4*
Finished Goods	**846.4**		*527.7*
		849.8	*532.1*
Less : Closing Stock :			
Work-in-Progress	**4.4**		*3.4*
Finished Goods	**877.6**		*846.4*
		882.0	*849.8*
PER PROFIT AND LOSS ACCOUNT		**(32.2)**	*(317.7)*
15. MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES			
Salaries, Wages and Bonus		**408.9**	*300.0*
Contribution to Provident and Other Funds		**45.8**	*27.9*
Workmen and Staff Welfare Expenses		**34.4**	*25.5*
Consumption of Stores		**9.8**	*8.9*
Power and Fuel		**57.0**	*38.6*
Repairs and Maintenance :			
Buildings		**2.9**	*2.6*
Machinery		**9.1**	*4.9*
Others		**32.4**	*28.6*
Rent		**40.5**	*17.6*
Insurance		**8.4**	*8.3*
Rates and Taxes		**23.0**	*21.1*
Loss on Fixed Assets Sold/Discarded		**1.6**	*0.6*
Loss on Sale of units of Mutual Fund		**0.1**	*–*
Advertising and Publicity		**204.1**	*141.5*
Forwarding Charges		**90.6**	*97.4*
Travelling Expenses		**142.1**	*121.4*
Commission to C & F Agents		**37.0**	*34.2*
Export Commission		**4.4**	*3.9*
Exchange Loss (Net)		**4.1**	*–*
Bad Debts written off	**1.1**		*3.9*
Less : Adjusted against earlier year's provision	**1.1**		*3.9*
		*	*
Provision for Doubtful Debts		**21.0**	*3.5*
Share Buy-Back Expenses		**9.6**	*7.7*
Miscellaneous Expenses (Refer Note B-19 – Schedule 17)		**167.8**	*148.5*
PER PROFIT AND LOSS ACCOUNT		**1,354.6**	*1,042.7*
16. INTEREST			
Income-tax		*	*0.1*
Others		**0.2**	*0.1*
PER PROFIT AND LOSS ACCOUNT		**0.2**	*0.2*

* – Less than Rs 0.1 Million

Significant Accounting Policies and Notes to Accounts

17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT NOVEMBER 30, 2008 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. Significant Accounting Policies

1. Basis of Accounting

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

2. Use of Estimates

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

3. Revenue Recognition

Sales are recognised when the risk and reward of ownership is passed on to the customers, which is generally on despatch of goods. Sales are stated exclusive of Excise Duty, Sales Tax and are net of Sales Return and Trade Discount.

Dividend income is recognised when the right to receive the dividend is unconditional at the Balance Sheet date.

Interest income is recognised on the time proportion basis.

4. Fixed Assets and Depreciation/Amortisation

All Fixed Assets are stated at Cost of Acquisition less Accumulated Depreciation/Amortisation and Impairment in Value, if any.

Depreciation has been provided on the Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956 except in respect of computers, photocopiers, facsimile machines, modems and appliances where depreciation has been provided @ 80%, included in Furniture, Fittings and Office Equipments. Depreciation on addition/deletion to Fixed Assets during the year is provided on a pro-rata basis.

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

Cost of Leasehold Land/Improvement is amortised over the period of lease.

5. Impairment of Assets

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

6. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life for the forward contract. The exchange difference arising on settlement/translation are recognised in the Profit & Loss Account.

7. Investments

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

8. Inventories

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

9. Research and Development

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

10. Employee Benefits

(i) Post-employment Benefits :

(a) Defined Contribution Plans :

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

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

A. Significant Accounting Policies (Contd.)

(b) Defined Benefit Plans :

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

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

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

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

11. Excise Duty

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

12. Leases

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

13. Taxation

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

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

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

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

Fringe Benefits Tax has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

14. Provisions, Contingent Liabilities & Contingent Assets

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

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

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

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

Notes to Accounts

B. Notes to Accounts :

	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
1. Contingent Liabilities :		
(a) In 1996, the Government had made a tentative claim for a sum of Rs 111.2 Million to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for Rs 34.7 Million (including interest of Rs 19.0 Million upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, decided to contest the above final demand of Rs 34.7 Million. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of Rs 7.5 Million *(2007 : Rs 7.1 Million)* including interest liability till date.		
(b) Claims against the Company, not acknowledged as debts in respect of :		
(i) Excise on free samples issued	**0.8**	*0.8*
(ii) Income Tax demand under appeals	**22.3**	*22.3*
(c) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	**11.8**	*61.5*
(d) In respect of the guarantees issued by the banks	**11.2**	*8.0*

2. During the year, the Company bought back 797,500 fully paid up equity shares of Rs 10 each at a price of Rs 630 per share. Consequently, the paid up Equity Share Capital reduced to Rs 136.8 Million and aggregate public shareholding is 4,247,056 equity shares (31.06%). As required by Section 77AA of the Companies Act, 1956, an amount of Rs 8.0 Million has been transferred to Capital Redemption Reserve.

Notes to Accounts

	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
3. Advances recoverable in cash or for value to be received includes :		
(a) Amount recoverable from companies under same management within the meaning of Section 370 (1B) of the Companies Act, 1956		
(i) Abbott Laboratories (Singapore) Pte Ltd., Singapore [Maximum amount due during the year Rs 1.4 Million *(2007 : Nil)*]	**–**	*–*
(ii) Abbott Healthcare Pvt. Ltd., India [Maximum amount due during the year Rs 5.9 Million *(2007 : Rs 10.6 Million)*]	**3.2**	*3.2*
(iii) Abbott Laboratories Intl Co., USA [Maximum amount due during the year Rs 11.6 Million *(2007 : Rs 1.4 Million)*]	**11.6**	*1.4*
(iv) Abbott Logistics BV, Netherlands [Maximum amount due during the year Rs 0.2 Million *(2007 : Rs 0.2 Million)*]	**–**	*0.2*
(v) Abbott Australasia Pty Ltd., Australia [Maximum amount due during the year Rs 0.1 Million *(2007 : Rs 0.9 Million)*]	**–**	*0.1*
(vi) Abbott Laboratories Ltd., South Africa [Maximum amount due during the year Rs 0.1 Million *(2007 : Nil)*]	*****	*–*
(vii) Abbott Laboratories, Philippines [Maximum amount due during the year Rs 0.2 Million *(2007 : Rs 0.2 Million)*]	**–**	*0.2*
(viii) Abbott Laboratories (Pakistan) Ltd., Pakistan [Maximum amount due during the year Rs * Million *(2007 : Rs 0.1 Million)*]	**–**	***
(b) Amount recoverable from directors, managers and officers of the Company [Maximum amount due during the year Rs 4.1 Million *(2007 : Rs 4.1 Million)*]	**3.8**	*4.1*
4. Payments to Directors :		
(a) Salary, other allowances and performance linked bonus	**22.2**	*17.3*
(b) Contribution to PF & other funds [including provision for the actuarially valued liability in respect of future payment of gratuity amounting to Rs 1.4 Million *(2007 : Rs 0.2 Million)*]	**2.1**	*0.9*
(c) Perquisites	**7.1**	*6.0*
(d) Directors' Fees	**0.2**	*0.2*
5. Auditors' Remuneration (including Service Tax) :		
(a) As Auditors	**3.9**	*3.9*
(b) Tax Audit	**0.3**	*0.6*
(c) Tax Services	**0.6**	*0.4*
(d) Certification	**0.3**	*0.2*
(e) Reimbursement of out-of-pocket expenses	**0.1**	*0.1*

6. Particulars in respect of goods manufactured :

(a) Registered/Licensed Capacities :

In terms of Press Note No. 4 dated 25.10.1994, industrial licensing has been abolished in respect of pharmaceutical formulations. The registered/licensed capacities for formulations produced by the Company have therefore not been specified.

(b) Installed Capacities :

Pharmaceutical Formulations :	Unit	Quantity	*Quantity*
Tablets	Million	**1,455**	*686*
Liquids	Kilo Litre	**4,880**	*4,880*

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

(c) Actual Production :

Pharmaceutical Formulations :			
Tablets	Million	**696**	*710*
Liquids	Kilo Litre	**2,856**	*2,706*

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

* – Less than Rs 0.1 Million.

Notes to Accounts

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

Class of Goods	Unit	Opening Stock Quantity	Opening Stock Value Rupees in Millions	Closing Stock Quantity	Closing Stock Value Rupees in Millions	Sales Quantity	Sales Value Rupees in Millions
(i) Pharmaceutical Formulations :							
Tablets	Million	**462.47** *(142.44)*	**171.0** *(78.5)*	**187.93** *(462.47)*	**86.6** *(171.0)*	**1,859.58** *(1,949.10)*	**1,742.3** *(1,714.2)*
Capsules	Million	**27.56** *(34.31)*	**29.6** *(36.8)*	**23.03** *(27.56)*	**19.8** *(29.6)*	**56.11** *(54.30)*	**170.0** *(174.9)*
Liquids	Kilo Litre	**407.41** *(524.46)*	**63.8** *(88.2)*	**406.67** *(407.41)*	**102.3** *(63.8)*	**3,970.37** *(3,841.13)*	**1,111.9** *(973.9)*
Ointments	Tonne	**–** *(0.08)*	**–** *(*)*	**7.62** *(–)*	**6.5** *(–)*	**3.64** *(–)*	**5.7** *(–)*
Injectables	Thousand	**2,936.72** *(1,776.09)*	**560.3** *(303.0)*	**3,339.56** *(2,936.72)*	**635.9** *(560.3)*	**23,548.27** *(20,765.80)*	**3,546.8** *(3,022.6)*
(ii) Others :			**7.0** *(10.1)*		**19.9** *(7.0)*		**80.3** *(57.6)*
Excise Duty			**14.7** *(11.1)*		**6.6** *(14.7)*		**–** *(–)*
	Total		**846.4** *(527.7)*		**877.6** *(846.4)*		**6,657.0** *(5,943.2)*

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

(2) * – Less than Rs 0.1 Million.

Purchase of Finished Goods	Unit	**Year ended November 30, 2008 Quantity**	**Year ended November 30, 2008 Value Rupees in Millions**	*Year ended November 30, 2007 Quantity*	*Year ended November 30, 2007 Value Rupees in Millions*
(i) Pharmaceutical Formulations :					
Tablets	Million	**958.72**	**393.4**	*1,603.26*	*688.0*
Capsules	Million	**69.46**	**66.0**	*59.77*	*67.9*
Liquids	Kilo Litre	**1,330.88**	**343.3**	*1,189.81*	*236.9*
Ointments	Tonne	**14.01**	**12.4**	–	–
Injectables	Thousand	**23,999.28**	**3,418.9**	*21,869.57*	*3,158.3*
(ii) Others			**91.2**		*56.2*
	Total		**4,325.2**		*4,207.3*

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

Notes to Accounts

8. Consumption of Raw Materials and Packing Materials+ :

Item	Unit	Year ended November 30, 2008 Quantity	Year ended November 30, 2008 Value Rupees in Millions	*Year ended November 30, 2007 Quantity*	*Year ended November 30, 2007 Value Rupees in Millions*
Active Bulk Ingredients	Tonne	**1,909.24**	**125.2**	*1,742.64*	*75.3*
	Kilo Litre	**61.74**	**2.9**	*61.29*	*5.0*
Foils	Tonne	**152.40**	**19.1**	*148.96*	*19.4*
Miscellaneous			**105.9**		*95.5*
	Total		**253.1**		*195.2*

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

	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
9. Value of Imports calculated on C.I.F. basis :		
(a) Capital Goods	**11.9**	*5.5*
(b) Finished Goods	**236.6**	*142.4*
(c) Consumable Stores	**–**	*0.9*
10. Expenditure in foreign currencies for :		
(a) Export Commission	**4.4**	*3.9*
(b) Travel	**7.1**	*5.3*
(c) Others	**0.8**	*2.7*
11. (a) Consumption of Raw and Packing Materials :		
Indigenous – 100.0% *(2007 : 100.0%)*	**253.1**	*195.2*
Imported – 0.0% *(2007 : 0.0%)*	**–**	*–*
	253.1	*195.2*
(b) Consumption of Stores :		
Indigenous – 100.0% *(2007 : 85.4%)*	**9.8**	*7.6*
Imported – 0.0% *(2007 : 14.6%)*	**–**	*1.3*
	9.8	*8.9*
12. Remittances during the year in foreign currency on account of dividend :		
Number of non-resident Shareholders 1 *(2007 : 1)*		
Equity Shares held on which dividend remitted 9,428,184 *(2007 : 9,428,184)*		
Dividend remitted for the year ended November 30, 2007 (2007 : November 30, 2006)	**165.0**	*165.0*
13. Earnings in Foreign Exchange :		
(a) Goods exported on FOB basis	**43.7**	*34.9*
(b) Reimbursement of expenses/Earning from Affiliates	**29.6**	*4.4*
14. Miscellaneous Income includes :		
Write back of the diminution in value of Investments in units of Mutual Funds	**0.2**	*0.3*

Notes to Accounts

	Year ended November 30, 2008 Rupees in Millions	*Year ended November 30, 2007 Rupees in Millions*
15. (a) Materials cost, purchase of Finished Goods and Manufacturing, Administrative & Selling Expenses include medical samples manufactured/purchased which, valued at standard cost, amounting to............	**70.0**	*69.9*
(b) Inventory of Finished Goods includes medical samples which, valued at actual cost, amounting to	**20.5**	*23.7*
16. Deferred Tax Asset/(Liability) consists of :		
Book/Tax WDV difference..	**(58.3)**	*(60.8)*
Provision for earned leave	**3.1**	*4.0*
Provision for doubtful debts	**9.8**	*3.0*
Disallowance under Section 43B and 40*(a) (ia)* of the Income Tax Act, 1961	**7.5**	*5.1*
Total	**(37.9)**	*(48.7)*

			Rupees in Millions
17. Information regarding Forward Contracts :			
(a) Forward contracts outstanding at the Balance Sheet date	**USD (Buy)**	**1,519,243.0** *(417,726.0)*	**74.4** *(16.5)*
(b) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.			
(c) Foreign currency exposures as on the Balance Sheet date that have not been hedged by the company under a forward cover are given below :			
Amounts recoverable in foreign currency on account of the following :			
As reimbursement of expenses	**USD**	**232,419.0** *(47,383.9)*	**11.7** *(1.9)*
Others..	**USD**	**403,380.0** *(155,343.3)*	**20.2** *(6.2)*
Amounts payable in foreign currency on account of the following :			
– Import of goods	**USD**	**231,537.0** *(341,489.1)*	**11.6** *(13.5)*
	DKK	**–** *(125,000.00)*	**–** *(1.0)*
– As reimbursement of expenditures........................	**USD**	**43,721.0** *(2,161.5)*	**2.2** *(0.1)*
– Others	**USD**	**76,963.0** *(39,000.0)*	**3.9** *(1.5)*

Note: Previous year figures are in bracket.

18. Disclosure for Operating Leases :
    (a) The Company has obtained various residential/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
    (b) Lease payments are recognised in the Profit and Loss Account under “Rent” in Schedule 15 Manufacturing, Administrative and Selling Expenses.

19. Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods manufactured by the Company. Excise duty of Rs 3.1 Million (Credit) *(2007 : Rs 7.8 Million)* included in Miscellaneous Expenses under Schedule 15 Manufacturing, Administrative and Selling Expenses represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as medical samples.

20. Consequent to the sale of the undertaking at Jejuri, Maharashtra, as a going concern in 2002, the eligibility certificate under the package scheme of incentives notified under Maharashtra Government’s Resolution Number IDL-1088/(6603) IND-8, dated 30.09.1988 stands transferred to the purchaser as per Order passed by Office of the Joint Director of Industries dated February 11, 2004. As the Sales Tax deferral benefit was being utilised by the Company, the Company has agreed to repay these amounts on the respective due dates to the purchaser.

Notes to Accounts

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

22. Purchase and Sale of Investments during the year ended November 30, 2008 :
CURRENT INVESTMENTS
IN UNITS OF MUTUAL FUND — NON-TRADE – UNQUOTED :

Mutual Fund	Type	Purchases		Cost of Sales	
		No. of units in Millions	Rupees in Millions	No. of units in Millions	Rupees in Millions
Birla Cash Plus Institutional Premium Reinvestment	WD	**5.7** *(10.2)*	**56.8** *(102.2)*	**27.6** *(23.1)*	**276.4** *(231.5)*
DSPML Fixed Term Plan Series 3 H Institutional	G	**–** *(0.2)*	**–** *(150.0)*	**0.2** *(–)*	**150.0** *(–)*
DSPML Liquidity Fund Institutional Plan Reinvestment Option	WD	**–** *(*)*	**–** *(11.5)*	**–** *(0.3)*	**–** *(328.7)*
DWS Insta Cash Plus Fund Institutional Plan	WD	**4.4** *(5.7)*	**44.8** *(58.0)*	**30.1** *(18.6)*	**303.9** *(187.7)*
HDFC Liquid Fund Premium Plus Plan Reinvestment	WD	**3.2** *(4.1)*	**39.9** *(51.4)*	**19.6** *(16.1)*	**239.6** *(195.4)*
HSBC Fixed Term Series 25 Institutional	G	**–** *(15.0)*	**–** *(150.0)*	**15.0** *(–)*	**150.0** *(–)*
HSBC Cash Fund Institutional Plus Reinvestment	MD	**–** *(0.6)*	**–** *(5.8)*	**–** *(38.1)*	**–** *(381.6)*
Pru ICICI Institutional Liquid Plan Super Institutional Reinvestment	WD	**6.1** *(16.1)*	**61.2** *(160.8)*	**30.2** *(–)*	**302.3** *(–)*
Prudential ICICI Liquid Plan Institutional Plus Reinvestment Option	MD	**0.1** *(0.6)*	**1.3** *(6.7)*	**6.8** *(10.0)*	**81.1** *(119.7)*
Templeton India Treasury Management Account Institutional Plan Reinvestment	WD	**–** *(0.2)*	**–** *(150.3)*	**–** *(0.2)*	**–** *(150.3)*
Templeton India Treasury Management Account Regular Plan Reinvestment	WD	**0.1** *(0.2)*	**62.4** *(227.1)*	**0.3** *(*)*	**259.5** *(30.0)*
Total			**266.4** *(1,073.8)*		**1,762.8** *(1,624.9)*

Note : Figures for the previous year are in bracket.

* – Less than Rs 0.1 Million

23. Related Party Disclosure :
   (a) Parties where control exists :
   Ultimate Holding Company – Abbott Laboratories, USA
   Holding Company – Abbott Capital India Limited, UK
   (b) Other related parties with whom transactions have taken place during the year :
   (i) Fellow Subsidiaries :
   – Abbott Logistics BV, Netherlands
   – Abbott Laboratories (Singapore) Pte Ltd., Singapore
   – Abbott Laboratories Intl Co., USA
   – Abbott Equity Holdings Ltd., England
   – Abbott Australasia Pty Ltd., Australia
   – Abbott Gesellschaft MBH, Austria
   – Abbott Healthcare Pvt. Ltd., India
   – Abbott Laboratories SA, USA
   – Abbott Laboratories SA, UAE
   – Abbott Laboratories, Philippines
   – Abbott Laboratories, Egypt
   – Abbott Laboratories (Pakistan) Ltd., Pakistan
   – Abbott Laboratories, China
   – Abbott Laboratories, South Africa
   – Abbott Laboratories Ltd., UK
   – Abbott Laboratories, Chicago IL

Notes to Accounts

(ii) Key Management Personnel :

Mr V Mohan	– Managing Director
Mr S Jain (upto November 30, 2008)	– Director – Marketing
Mr R Sonalker	– Director – Finance
Mr A Bhatt	– Director – Human Resources
Mr U D Chiniwala	– Director – Risk & Financial Controlling
Dr A Rodrigues (upto May 31, 2007)	– Regional Medical Director
Mr K M Marfatia	– Director – Legal & Secretarial
Mr L N Neti	– Director – Operations
Mr R Vohra (upto March 31, 2008)	– Head – Strategy & Business Development
Dr Z Madan (w.e.f September 28, 2007)	– Director – Medical
Mr A Khedkar (w.e.f. May 13, 2008)	– Director – Business Development
Mr V M Nagesh (w.e.f. September 11, 2008)	– Head – Quality
Dr S Acharya (upto November 30, 2007)	– Head – Quality

(iii) Relatives of Key Management Personnel :

Mrs V Jain	– Wife of Mr S Jain

(c) Transactions during the year : Rupees in Millions

Nature of Transactions	**November 30, 2008**	*November 30, 2007*
Transactions with the Holding Company during the year		
Dividend Remitted		
Abbott Capital India Ltd., UK	**165.0**	*165.0*
Transactions with the Fellow Subsidiaries during the year		
Purchase of Goods		
Abbott Logistics BV, Netherlands	**210.0**	*124.6*
Abbott Laboratories Intl Co., USA	**26.6**	*17.8*
Abbott Healthcare Pvt. Ltd., India	**7.0**	*10.1*
Purchase of Fixed Assets		
Abbott Laboratories, Chicago IL	**1.4**	–
Abbott Gesellschaft MBH, Austria	–	*0.4*
Reimbursement of professional fees, travel and other expenses from Fellow Subsidiaries		
Abbott Australasia Pty. Ltd., Australia	*	*0.1*
Abbott Laboratories Ltd., UK	–	*0.5*
Abbott Laboratories Intl Co., USA	**28.4**	*3.2*
Abbott Laboratories, South Africa	**0.1**	–
Abbott Laboratories (Singapore) Pte Ltd., Singapore	**1.1**	–
Abbott Healthcare Pvt. Ltd., India	**0.2**	*0.3*
Abbott Laboratories SA, UAE	–	*0.1*
Abbott Laboratories, Egypt	–	*0.3*
Abbott Laboratories, Philippines	–	*0.2*
Abbott Laboratories (Pakistan) Ltd., Pakistan	–	*

* – Less than Rs 0.1 Million.

Notes to Accounts

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

Nature of Transactions	November 30, 2008	November 30, 2007
Travel, professional fees, MIS charges and other expenses reimbursed to Fellow Subsidiaries		
Abbott Laboratories Intl Co., USA	**1.8**	*1.2*
Abbott Australasia Pty Ltd., Australia	**1.4**	*0.2*
Abbott Laboratories, China	**–**	*0.2*
Abbott Laboratories SA, USA	**–**	*1.5*
Abbott Healthcare Pvt. Ltd., India	*	–
Transactions with the Key Management Personnel & their relatives during the year		
Remuneration		
Mr V Mohan	**25.5**	*19.6*
Mr R Sonalker	**5.4**	*5.5*
Mr S Jain	**5.9**	*4.7*
Others	**20.0**	*18.5*
Rent		
Mr U D Chiniwala	**0.1**	*0.1*
Mrs V Jain	**0.1**	*0.1*

(d) Outstanding as on November 30, 2008

Nature of Transactions	November 30, 2008	November 30, 2007
Payable to Fellow Subsidiaries at the year end		
Abbott Laboratories Intl Co., USA	**14.3**	*1.6*
Abbott Logistics BV, Netherlands	**74.4**	*28.0*
Others	**1.2**	*0.4*
Receivables from/Deposits with Fellow Subsidiaries at the year end		
Abbott Laboratories Intl Co., USA	**11.6**	*1.4*
Abbott Healthcare Pvt. Ltd., India	**3.2**	*3.2*
Others	*	*0.5*
Receivables from/Deposits with Key Management Personnel & their relatives at the year end		
Mr U D Chiniwala	**2.8**	*2.8*
Mrs V Jain	**–**	*2.3*
Others	**0.9**	*1.3*

* – Less than Rs 0.1 Million.

24. Employee Benefits :

The Accounting Standard-15 'Employee Benefits' as notified in the Companies (Accounting Standards) Rules, 2006 had been adopted by the Company in the previous year effective from December 1, 2006. In accordance with the above Standard, the obligations on account of employee benefits, based on independent actuarial valuation are accounted for in the books of account as under :

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

I. Defined Contribution Plans

(a) Provident Fund/Employees' Pension Fund

(b) Superannuation Fund

(c) Employees' Deposit Linked Insurance Scheme

(d) Group Life Insurance Cover

Notes to Accounts

During the year, the Company has recognized the following amounts in the Profit and Loss Account :

Rupees in Millions

	November 30, 2008	*November 30, 2007*
– Employer's Contribution to Provident Fund/Employees' Pension Fund	**22.2**	*18.3*
– Employer's Contribution to Superannuation Fund	**8.4**	*7.4*
– Employer's Contribution to Employees' Deposit Linked Insurance Scheme	**0.2**	*0.1*
– Premium paid in respect of Group Life Insurance Cover	**0.5**	*0.1*

The above amounts are included in Contribution to Provident and Other Funds and Workmen and Staff Welfare Expenses (Schedule 15 – Manufacturing, Administrative and Selling Expenses)

II. Defined Benefit Plans

(a) Contribution to Gratuity Fund

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

(b) Provision for Post Retirement Medical Benefits (PRMB)

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

(c) Provision for Compensated Absences (CA)

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

(d) Provision for Long Service Benefits (LSB)

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

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

(A) Changes in Defined Benefit Obligation

Rupees in Millions

	Gratuity	PRMB	CA	LSB
	(Funded Scheme)	(Non-Funded Scheme)		
Defined Benefit Obligation as at December 1, 2007	**61.6** *55.7*	**17.2** *18.6*	* *	* *
Current Service Cost	**3.4** *3.1*	**0.1** *0.1*	* *	* *
Interest Cost	**4.6** *4.0*	**1.3** *1.4*	* *	* *
Benefits Paid	**(5.6)** *(4.3)*	**(1.2)** *(1.0)*	* *	* *
Actuarial (Gain)/Loss on Obligation	**(0.9)** *3.1*	**(0.5)** *(1.9)*	* *	* *
Additional Charge on account of updation of discount rate at the Balance Sheet date	**10.4** –	**1.6** –	* *	* *
Defined Benefit Obligation as at November 30, 2008	**73.5** *61.6*	**18.5** *17.2*	**29.2** *21.9*	**2.7** *2.3*

Note: Figures for the previous year are in italics

* – Not Applicable

Notes to Accounts

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

Rupees in Millions

Fair Value of Plan Assets as at December 1, 2007	**67.9** *58.2*
Expected Actual Return on Plan Assets	**4.8** *4.1*
Actuarial Gains/(Losses)	**(2.2)** *4.3*
Contributions	**3.6** *5.5*
Benefits Paid	**(5.6)** *(4.3)*
Fair Value of Plan Assets as at November 30, 2008	**68.5** *67.8*

(C) Amount recognized in the Balance Sheet

Rupees in Millions

	Gratuity	PRMB	CA	LSB
	(Funded Scheme)	(Non-Funded Scheme)		
Defined Benefit Obligation as at November 30, 2008	**73.5** *61.6*	**18.5** *17.2*	**29.2** *21.9*	**2.7** *2.3*
Fair Value of Plan Assets as at November 30, 2008	**(68.5)** *(67.8)*	**–** *–*	**–** *–*	**–** *–*
Amount not recognised as an Asset [limit in Para 59 (b)]	**0.1** *0.2*	**–** *–*	**–** *–*	**–** *–*
Liability/(Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions (Schedule 11)	**5.1** *(6.0)*	**18.5** *17.2*	**29.2** *21.9*	**2.7** *2.3*

(D) Expenses recognized in the Profit and Loss Account

Rupees in Millions

	Gratuity	PRMB	CA	LSB
	(Funded Scheme)	(Non-Funded Scheme)		
Current Service Cost	**3.4** *3.1*	**0.1** *0.1*	* *	* *
Interest Cost	**4.6** *4.0*	**1.3** *1.4*	* *	* *
Expected Return on Plan Assets	**(4.8)** *(4.1)*	**–** *–*	* *	* *
Net actuarial (gain)/loss recognized in the period	**1.3** *(1.2)*	**(0.5)** *(1.9)*	* *	* *
Effect of the limit in Para 59(b) of Accounting Standard 15	**(0.1)** *0.2*	**–** *–*	* *	* *
One Year Renewable Term Assurance (OYRTA) Premium	**0.3** *0.2*	**–** *–*	* *	* *
Additional Charge on account of updation of discount rate at the Balance Sheet date	**10.4** *–*	**1.6** *–*	* *	* *
Total Expenses recognized in the Profit and Loss Account included in Manufacturing, Administrative and Selling Expenses (Schedule 15)	**15.1** *2.2*	**2.5** *(0.4)*	* *	* *

Note: Figures for the previous year are in italics

* – Not Applicable

Notes to Accounts

(E) Category of Plan Assets

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

(F) Actuarial Assumptions

In accordance with Accounting Standard-15, actuarial valuation has been performed by an independent actuary for the year end and has been updated to reflect material changes in circumstances between the valuation date and the Balance Sheet date in respect of the aforementioned defined benefit plans. The assumptions are as under :

		November 30, 2008	*November 30, 2007*
a.	Discount rate (per annum)	**7.4%**	*8.1%*
b.	Average Salary increase rate		
	– for Management	**6.0%**	*6.0%*
	– for Non-management	**5.0%**	*5.0%*
c.	Rate of Return on Plan Assets (for funded scheme)	**7.5%**	*7.5%*
d.	Expected Retirement age of employees (years)	**58/60 years; As applicable**	*58/60 years; As applicable*
e.	Annual Increase in Healthcare Costs (per annum)	**6.0%**	*6.0%*
f.	Increase in Cost of Award (LSB)	**6.0%**	*6.0%*

g. Mortality rates considered are as per the published rates in the Life Insurance Corporation (1994-96) Mortality table.

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

Effect of	1% increase (Rs)	1% decrease (Rs)
On Aggregate of Service Cost & Interest Cost	**294,695**	**(240,672)**
	172,108	*(144,592)*
On Defined Benefit Obligation	**3,016,736**	**(2,463,728)**
	1,911,493	*(1,614,923)*

Note: Figures for the previous year are in italics.

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

Age (Years)	Rates	
	November 30, 2008	*November 30, 2007*
21-44	**2.0%**	*2.0%*
45 & Above	**1.0%**	*1.0%*

j. Leave Availment Pattern

5% *(2007 : 5%)* of the leave balance as at the valuation date and each subsequent year following the valuation date will be availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.

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

l. As this is the second year in which AS-15 has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous three years have not been furnished.

25. **(a) International Stock Ownership Plan (Stocks of the Abbott Laboratories, USA)**

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

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

Notes to Accounts

In view of the above, no stock compensation expenses arises on the Company during the year. During the year ended November 30, 2008, 406 *(2007 : 456)* shares were purchased by employees at weighted average fair value of US$ 45.47 *(2007 : US$ 41.77)* per share.

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

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

	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	**138,837** *(123,651)*	**$46.91** *($45.86)*
Granted during the year ended November 30, 2008	**37,000** *(28,600)*	**$55.41** *($52.54)*
Forfeited during the year	**300** *(300)*	**$52.54** *($52.54)*
Exercised during the year	**35,385** *(13,114)*	**$45.48** *($49.19)*
Expired during the year	**–** –	**NA** *NA*
Outstanding at the end of the year	**140,152** *(138,837)*	**$49.50** *($46.91)*
Exercisable at the end of the year	**77,853** *(85,086)*	**$46.51** *($45.66)*

The weighted average share price at the date of exercise for stock options exercised during the year was US$ 57.82 *(2007 : US$ 58.30)* and weighted average remaining contractual life is 6.98 *(2007 : 6.86)* years.

Note: Figures for the previous year are in bracket.

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

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

    (a) An amount of Rs 1.9 Million *(2007 : Rs 4.4 Million)* and Rs Nil *(2007 : Nil)* was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

    (b) No interest was paid during the year.

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

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

    The above information and that given in Schedule 11 — "Current Liabilities and Provisions" regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

28. In respect of the amounts as mentioned under section 205C of the Companies Act, 1956, no dues are required to be credited to the Investor Education and Protection Fund as on November 30, 2008.

29. The revenue expenditure on Research and Development is Rs 44.8 Million *(2007 : Rs 31.1 Million)*

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

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

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, January 28, 2009

For and on behalf of the Board

VIVEK MOHAN *Managing Director*

R A SHAH *Director*

ASHOK DAYAL *Director*

KRUPA ANANDPARA *Company Secretary*

Mumbai, January 28, 2009

Balance Sheet Abstract and General Business Profile

I. Registration Details

Registration No. 7330 State Code 11

Balance Sheet Date 30-11-2008

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

Public Issue	Right Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

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

Total Liabilities	Total Assets
3,505.5	3,505.5

Sources of Funds

Paid-up Capital	Reserves & Surplus
136.8	2,075.7
Secured Loans	Unsecured Loans
NIL	7.6

Application of Funds

Net Fixed Assets	Investments
506.3	NIL
Net Current Assets	Miscellaneous Expenditure
1,713.8	NIL
Accumulated Losses	
NIL	

IV. Performance of Company (Amount in Rs Millions)

Turnover (including Other Income)	Total Expenditure
6,914.2	5,970.7
Profit/(Loss) Before Tax	Profit/(Loss) After Tax
943.5	628.7
Earning Per Share in Rs	Dividend Rate %
43.62	140%

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

Item Code No. (ITC Code)	Product Description
300431 10	Insulins
300390 35	Antacid
303390 22	Laxatives

For and on behalf of the Board

VIVEK MOHAN *Managing Director*

R A SHAH *Director*

ASHOK DAYAL *Director*

KRUPA ANANDPARA *Company Secretary*

Mumbai, January 28, 2009