

BOARD OF DIRECTORS

MUNIR SHAIKH

Chairman

VIVEK MOHAN

Managing Director

R A SHAH

ASHOK DAYAL

RANJAN KAPUR

NEIL AYLWARD

THOMAS DEE

LAURENT VAN LERBERGHE

ZAHIRALI LAVJI

Company Secretary

Krupa Anandpara

Bankers

Standard Chartered Bank

BNP Paribas

HDFC Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.

Crawford Bayley & Co.

Registered Office

3-4 Corporate Park

Sion Trombay Road

Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate

Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited

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

Behind Sakinaka Telephone Exchange,

Andheri Kurla Road, Sakinaka, Andheri (East)

Mumbai 400 072

CORPORATE MANAGEMENT

VIVEK MOHAN

Managing Director

S VASUDEVAN

Director – Marketing

R SONALKER

Director – Finance

L NETI

Director – Operations

A BHATT

Regional Human Resource Director

U D CHINIWALA

Director – Risk & Financial Controlling

K M MARFATIA

Director – Legal & Secretarial

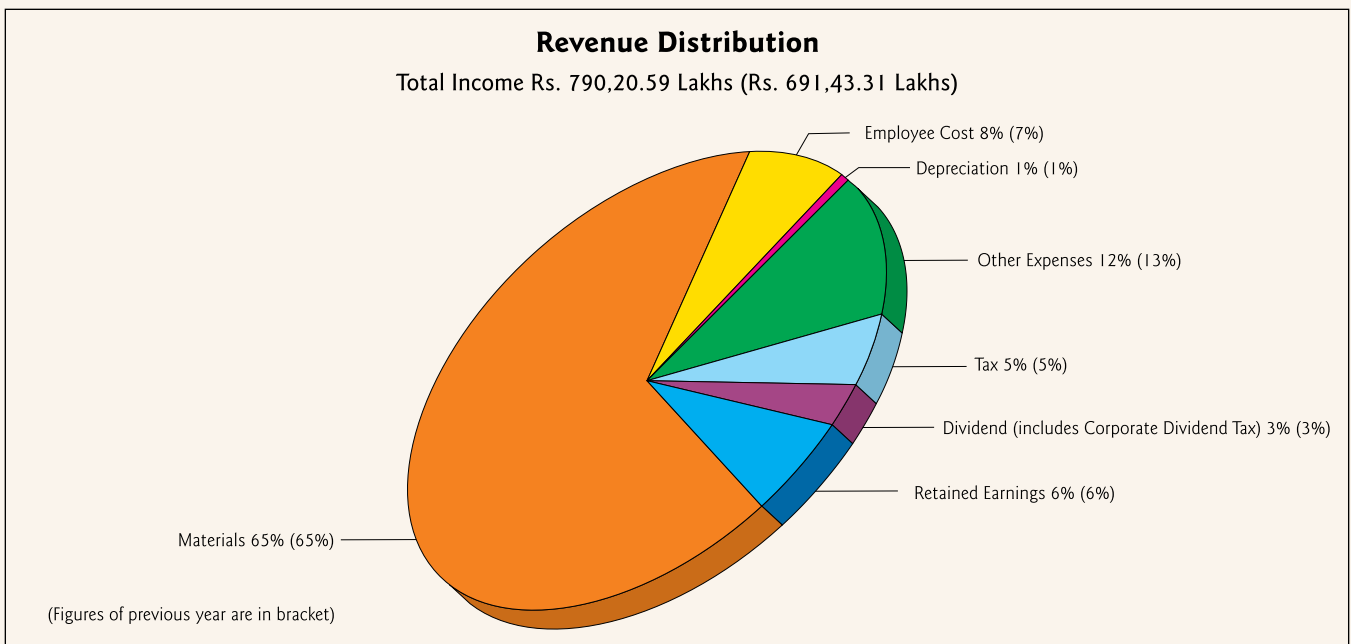
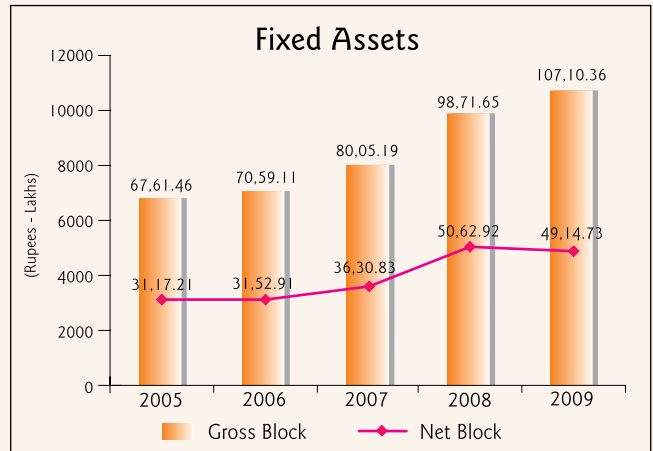
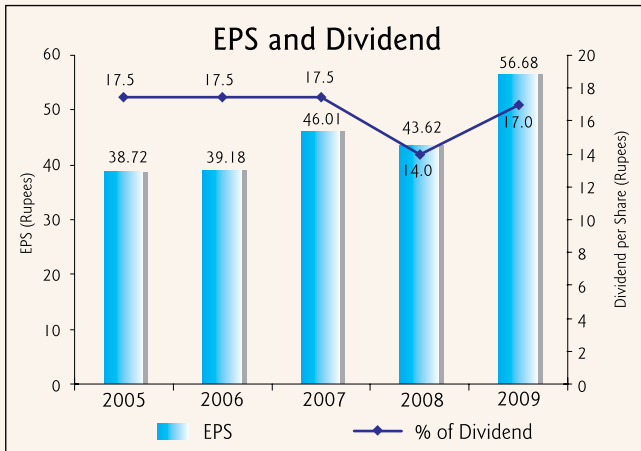
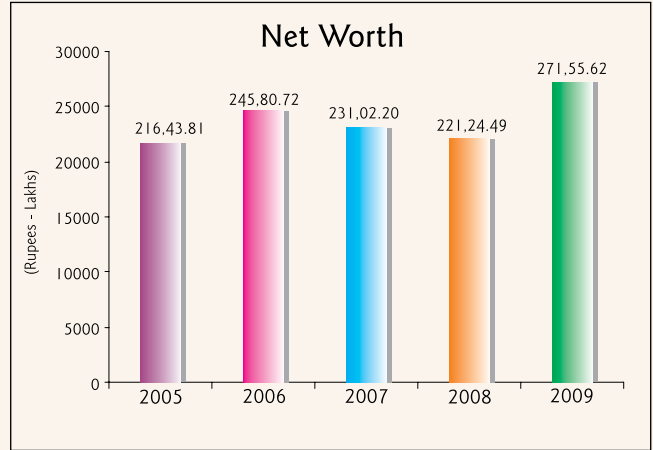
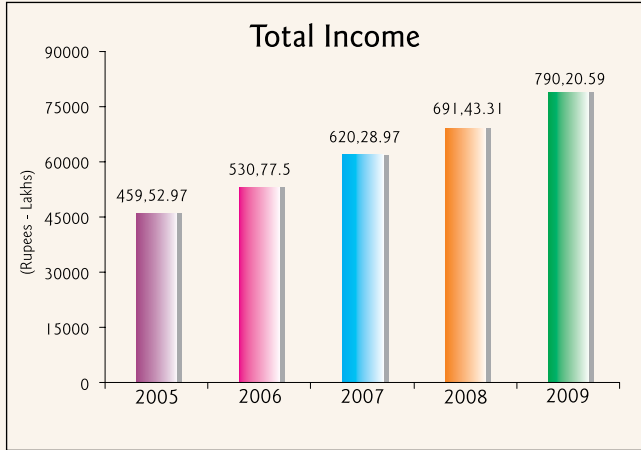
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Performance at a glance



Highlights

(Rupees in Lakhs)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING RESULTS										
SALES AND OTHER INCOME	364,30.78	326,00.42	369,43.83	390,55.78	462,60.95	459,52.97	530,77.50	620,28.97	691,43.31	790,20.59
MATERIALS	192,14.62	191,37.63	210,97.90	221,82.82	249,01.89	295,75.89	353,33.25	408,48.19	454,61.40	504,15.59
SALARIES, BONUS AND STAFF WELFARE	19,91.00	18,57.12	20,36.33	22,81.00	24,38.88	25,01.94	28,18.73	35,34.58	48,92.16	62,37.01
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	73,95.28	46,88.28	47,88.03	46,37.48	47,41.86	47,64.54	57,26.71	68,92.50	86,54.36	97,07.96
DEPRECIATION	5,33.08	4,47.88	5,31.59	4,38.60	4,16.99	3,97.83	4,43.58	5,65.55	6,98.39	9,01.41
INTEREST	1,45.91	12.31	12.53	10.93	16.76	2.19	12.43	1.58	2.23	20.25
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	71,50.89	64,57.20	84,77.45	95,04.95	137,44.57	87,10.58	87,42.80	101,86.57	94,34.77	117,38.37
EXTRAORDINARY ITEM – EXPENDITURE/(INCOME)	(13,15.57)	–	3,14.46	–	–	–	–	–	–	–
PROVISION FOR TAXATION	12,46.12	15,88.02	25,94.21	27,07.50	35,19.25	27,94.19	27,56.85	33,43.11	31,48.32	39,87.35
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	72,20.34	48,69.18	55,68.78	67,97.45	102,25.32	59,16.39	59,85.95	68,43.46	62,86.45	77,51.02
RETAINED EARNINGS	(11,53.44)	30,83.94	36,24.78	5,29.27	41,78.36	28,16.20	29,36.90	39,66.18	40,46.55	50,31.13
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	44.57	30.06	33.88	43.39	66.92	38.72	39.18	46.01	43.62	56.68
DIVIDEND PER SHARE (Rs)	45.00	10.00	12.00	35.00	35.00	17.50	17.50	17.50	14.00	17.00
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	71,04.32	72,95.56	64,24.96	64,87.35	64,24.52	67,61.46	70,59.11	80,05.19	98,71.65	107,10.36
FIXED ASSETS (Net)	43,44.95	41,70.39	36,01.91	33,45.91	32,51.56	31,17.21	31,52.91	36,30.83	50,62.92	49,14.73
CURRENT ASSETS (Net)	55,90.06	89,84.69	133,39.82	115,23.42	157,94.82	187,08.32	215,68.55	195,74.06	171,37.85	222,40.89
TOTAL ASSETS	99,35.01	131,55.08	169,41.73	148,69.33	190,46.38	218,25.53	247,21.46	232,04.89	222,00.77	271,55.62
FINANCED BY										
SHARE CAPITAL	16,20.00	16,20.00	16,20.00	15,28.01	15,28.01	15,28.01	15,28.01	14,47.27	13,67.52	13,67.52
RESERVES AND SURPLUS	79,11.35	112,96.61	150,86.63	131,21.24	172,99.60	201,15.80	230,52.71	216,54.93	207,56.97	257,88.10
TOTAL SHAREHOLDERS' FUNDS	95,31.35	129,16.61	167,06.63	146,49.25	188,27.61	216,43.81	245,80.72	231,02.20	221,24.49	271,55.62
BORROWINGS	4,03.66	2,38.47	2,35.10	2,20.08	2,18.77	1,81.72	1,40.74	1,02.69	76.28	–
DEBT : EQUITY	–	–	–	–	–	–	–	–	–	–
NUMBER OF SHAREHOLDERS	16,156	14,699	14,356	13,747	14,792	14,029	14,905	14,152	13,689	13,422

Notice

Notice is hereby given that the Sixty-Sixth Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Friday, March 12, 2010 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, 2009 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 Munir Shaikh, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr R A Shah, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

6. To appoint a Director in place of Mr Laurent Van Lerberghe who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr Neil Aylward who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-appointment.
8. To appoint a Director in place of Mr Zahirali Lavji who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-appointment.
9. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956, ("the Act"), read with Schedule XIII to the Act, the consent of the Company be and is hereby accorded to the reappointment of Mr Vivek Mohan as Managing Director of the Company for a period of five (5) years from November 1, 2009 on the terms and conditions, including remuneration, as are set out in the Explanatory Statement annexed hereto and in the draft Agreement, approved by the Board and initialed by the Chairman for the purpose of identification and which the Directors of the Company be and are hereby authorized to enter on behalf of the Company.

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

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that in supersession of the Resolution passed by the Shareholders at the Fifty-Fifth Annual General Meeting of the Company held on April 28, 1999, approval be accorded to the Company in terms of Section 163 of the Companies Act, 1956 to keep its Registers and Index of Members and copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or one or more of them at the office premises of the Company's Registrar & Share Transfer Agents viz Sharepro Services (India) Private Limited ("R&T Agents") at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 and/or its premises at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at 3-4 Corporate Park, Sion Trombay Road, Mumbai 400 071.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 1, 2010

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

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- ii. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business set out at Items No. 6 to 10 above and the details of Directors in respect of Items No. 6 to 9 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 5, 2010 to Friday, March 12, 2010 (both days inclusive).
- iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before April 11, 2010 to the Members whose names appear on the Register of Members as on March 12, 2010 and to the Beneficial Owners of the shares as on March 4, 2010, 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 November 30, 2001 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended November 30, 2002 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.

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

Item No. 6

Mr Laurent Van Lerberghe was appointed as an Additional Director of the Company with effect from September 29, 2009 in terms of Article 113 of the Articles of Association of the Company.

Mr Van Lerberghe is Divisional Vice President, Russia, India & China, Abbott Laboratories, based at Singapore. He is a Business Engineer from Catholic University of Louvain and holds CEMS Master's degree from ESADE and is also a Master's in Business Administration from INSEAD. Mr Van Lerberghe has experience in handling major client assignment in pharma which includes strategy redefinition, margin growth action plan, R&D investments and targets prioritization for medium sized pharma companies.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Van Lerberghe holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Van Lerberghe as a Director of the Company liable to retire by rotation. Considering Mr Van Lerberghe's rich and varied experience, the Board recommends his appointment.

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

Item No. 7

Mr Neil Aylward was appointed as an Additional Director of the Company with effect from September 29, 2009, in terms of Article 113 of the Articles of Association of the Company.

Mr Neil Aylward has been associated with Abbott Laboratories since 1988 and currently positioned as Divisional Vice President, Operations - US, Pacific, Asia, Africa & Japan, Global Pharmaceutical Operations, Abbott Laboratories, USA. He holds a Bachelor's degree in Chemistry and Master's degree and Ph.D in Glass Technology from the University of Sheffield, England. He also holds Master's degree in Business Administration from the University of Bradford, England.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Neil Aylward holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Aylward as a Director of the Company liable to retire by rotation. In view of the rich experience of Mr Aylward in process development and manufacturing operations, which will be of immense help to the Company, the Board recommends his appointment.

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

Item No. 8

Mr Zahirali Lavji was appointed as an Additional Director of the Company with effect from September 29, 2009 in terms of Article 113 of the Articles of Association of the Company.

Mr Lavji is Vice President, Pharmaceuticals, International Marketing of Abbott International. He holds a Bachelor's degree in Science and a Master's degree in pharmacology from the University of Toronto and also Master's degree in Business Administration from McMaster University.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Lavji holds office upto the date of this Annual General Meeting.

Report & Accounts 2009

A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Lavji as a Director of the Company liable to retire by rotation. Considering Mr Lavji's varied experience in marketing operations, your Board recommends his appointment.

None of the Directors, except Mr Lavji is concerned or interested in the resolution at Item No. 8 of the accompanying Notice.

Item No. 9

At the Sixty-First Annual General Meeting of the Company held on April 26, 2005, Mr Vivek Mohan was appointed as Managing Director for the period November 1, 2004 to October 31, 2009. The Board, at its meeting held on September 29, 2009, re-appointed Mr Vivek Mohan for a further period of five (5) years with effect from November 1, 2009, subject to the approval of the Members at the Annual General Meeting.

Mr Vivek Mohan holds a Bachelor's Degree in Microbiology from the University of Michigan and M.B.A. in International Business from the University of Illinois. Prior to joining Abbott India, Mr Mohan held several positions with Abbott Laboratories at various affiliates such as Pediatric Nutritional Product Manager, Saudi Arabia, PPD Regional Sales Manager, England, and Commercial Director and then Country Manager of Abbott Indonesia where he was further promoted to General Manager. Under the able leadership of Mr Mohan the Company has, in the last 5 years, recorded impressive all round growth in its business and achieved various landmarks.

The significant provisions of the draft Agreement with Mr Mohan referred to in the resolution at Item No. 9 of the Notice are as under:

1. Mr Mohan to perform such duties and exercise such powers as are entrusted to him by the Board.
2. Mr Mohan to devote sufficient time to enable him to discharge his duties to the Company diligently.
3. Mr Mohan to undertake travel in India and elsewhere as directed by the Board during his period of employment.
4. In consideration of the performance of his duties, Mr Mohan to be entitled to the following remuneration:
 - (a) Salary and allowance: upto a ceiling of Rs 4.50 crores per annum; the above salary and allowances to be paid monthly/annually/one time at the discretion of the Board.
 - (b) Performance Linked Incentive or Bonus: Such sums as may be approved by the Board.
5. In addition to the above, Mr Mohan to be entitled to furnished/non-furnished residential accommodation, gas, electricity, company maintained car, medical reimbursement, leave travel assistance, club fees, telephone and other perquisites/benefits in accordance with the Company's Rules, such as group insurance.
6. The Company's contribution to provident fund, if required under this Agreement shall not be included in the computation of the above ceiling on remuneration and allowances/perquisites/benefits.
7. The use of a car while on the business of the Company and telephone at residence shall not be considered as perquisites. However, personal long distance telephone calls and use of car for private purposes shall be treated as perquisites and valued in accordance with Income-tax Rules, 1962.
8. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 1956, the Board shall be entitled to add to, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Mohan may be entitled as aforesaid.
9. Where in any financial year during the tenure of Mr Mohan, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Mohan shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.
10. Mr Mohan shall not directly or indirectly, engage himself in any other business or occupation or employment whatsoever, without the approval of the Board. PROVIDED HOWEVER that it shall be permissible to Mr Mohan to hold share or shares of any other company or companies.
11. So long as Mr Mohan functions as Managing Director, he shall not become interested or otherwise concerned directly or through his wife, sons or unmarried daughters, if any, in any selling agency of the Company, without the prior approval of the Board.
12. Mr Mohan shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr Mohan shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be a contravention of this Clause.
13. The employment of Mr Mohan under this Agreement shall forthwith determine if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of misconduct or otherwise violates the Abbott Laboratories Code of Business Conduct.
14. In case of the demise of Mr Mohan during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
15. Either party shall be entitled to determine this Agreement by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause.

However, the Company shall have the option to terminate the employment by giving three months' remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such event, the appointment of Mr Mohan as director shall cease as provided in Section 283(1)(l) of the Companies Act, 1956 and simultaneously his employment with the Company shall also come to an end.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the appointment of and remuneration payable to Mr Mohan be approved by the members.

The terms and conditions of Mr Mohan's appointment as set out above may be treated as an abstract of the terms of the draft Agreement between Mr Vivek Mohan and the Company under Section 302 of the Companies Act, 1956.

Mr Mohan is deemed to be concerned or interested in the said resolution.

The draft of the Agreement to be entered into with Mr Vivek Mohan is available for inspection by any Member of the Company at the Registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day of the Company.

Item No. 10:

At the Fifty-Fifth Annual General Meeting of the Company held on April 28, 1999, the members had approved the keeping of the Company's Registers and Index of Members and the copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 (hereinafter collectively referred to as "the aforesaid Records") inter alia at the office of the Company's Registrar & Share Transfer Agents viz. Sharepro Services at Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

Sharepro Services (India) Private Limited ("R&T Agents") has informed the Company that they are operating from its office premises at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 and/or its office premises at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 (hereinafter collectively referred to as "the said Premises").

In terms of the provisions of Section 163 of the Companies Act, 1956, approval of the Members is sought by a Special Resolution for keeping the aforesaid Records at the said Premises of the R&T Agents and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered office of the Company at 3-4 Corporate Park, Sion-Trombay Road, Mumbai 400 071. An advance notice of the proposed special resolution has already been served to the Registrar of Companies as required under the Companies Act, 1956.

The Directors recommend passing of the Resolution at Item No. 10 as Special Resolution.

None of the Directors of the Company is in any way, concerned or interested in this resolution.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 1, 2010

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

Details of the Directors seeking Appointment / Re-appointment at Sixty-Sixth Annual General Meeting
(Pursuant to Clause 49 I(G) of the Listing Agreement)

Name of Director	Mr Munir Shaikh	Mr R A Shah	Mr Laurent Van Lerberghe	Mr Neil Aylward	Mr Zahitaji Lavji	Mr Vivek Mohan	
Date of Birth	March 1, 1943	July 7, 1931	October 14, 1969	June 27, 1954	October 3, 1953	November 26, 1969	
Date of Appointment/ Reappointment	March 2, 2001	February 21, 1983	September 29, 2009	September 29, 2009	September 29, 2009	November 01, 2009	
Expertise in specific Functional Area	Possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.	Specialization in a broad spectrum of corporate laws.	Vast experience in areas of strategy redefinition, margin growth action plan, R&D investments and targets prioritization for medium pharma companies	Vast experience in process development and manufacturing operations.	Varied experience in handling marketing operations.	Expertise in handling International business operations.	
Qualifications	Fellow of the Institute of Chartered Accountants in England and Wales.	Solicitor	Business Engineer from Catholic University of Louvain, CEMS, Master's degree from ESADE, Masters in Business Administration from INSEAD.	Bachelor's degree in Chemistry, Master's degree and Ph.D in Glass Technology from the University of Sheffield, England.	Bachelor's degree in Science, Master's degree in pharmacology from the University of Toronto, Master's degree in Business Administration from McMaster University.	Bachelor's degree in Microbiology from the University of Michigan and M.B.A. in International Business from the University of Illinois.	
No. of Shares held in the Company (* in person/by relatives)	NIL	5098*	NIL	NIL	NIL	NIL	
Other Directorships in Indian Cos.	—	Ciarant Chemicals (India) Ltd. Godfrey Phillips India Ltd. (Phillip Morris affiliate) Pfizer Limited Procter & Gamble Hygiene and Healthcare Ltd. Roche Scientific Co. (I) Pvt. Ltd. Colgate Palmolive India Ltd. Asian Paints Ltd. ACC Limited The Bombay Dyeing & Mfg. Co. Ltd. BASF India Ltd. Century Enka Ltd. Deepak Fertilizers & Petrochemicals Corpn. Ltd. Lupin Limited Piramal Healthcare Limited Wockhardt Limited Atul Limited BASF Polyurethanes India Ltd. Modicare Limited RPG Life Sciences Ltd. Schradler Duncan Ltd. Unde India Ltd.	NIL	NIL	NIL	—	—
Chairman/Member of the Board Committees of other companies	NIL	Colgate Palmolive (I) Ltd. Pfizer Limited Procter & Gamble Hygiene & Healthcare Ltd. Piramal Healthcare Limited The Bombay Dyeing & Mfg. Co. Ltd. Ciarant Chemicals (I) Ltd. BASF India Ltd. Century Enka Ltd. Wockhardt Limited	—	—	—	—	

Report of the Directors

TO THE MEMBERS

Your directors have pleasure in presenting the Sixty-Sixth Annual Report and Audited Accounts of the Company for the year ended November 30, 2009.

Financial Results (Rupees in Lakhs)

	Year ended Nov. 30, 2009	Year ended Nov. 30, 2008
Sales	760,92.64	665,70.35
Profit Before Tax	117,38.37	94,34.77
Profit After Tax	77,51.02	62,86.45
Balance brought forward	193,15.40	204,33.61
Profit available for appropriation	270,66.42	267,20.06
Appropriations:		
Dividend (Proposed)	23,24.79	19,14.53
Corporate Dividend Tax	3,95.10	3,25.37
Adjusted against premium paid on Buy back	—	45,36.11
Transfer to Reserves	7,75.10	6,28.65
Balance carried forward	235,71.43	193,15.40

Dividend

Your Directors recommend a dividend of Rs 17.00 per share on 1,36,75,240 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2009. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 23,24.79 Lakhs (Previous year: Rs 19,14.53 Lakhs) and Corporate Dividend Tax of Rs 3,95.10 Lakhs. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on November 30, 2009 amounted to Rs 257,88.10 Lakhs comprising of Amalgamation Reserve Rs 37.82 Lakhs, Capital Reserve Rs 5,22.62 Lakhs, Capital Redemption Reserve Rs 2,52.48 Lakhs, Revenue Reserve Rs 14,03.75 Lakhs and Surplus as per Profit & Loss Account amounting to Rs 235,71.43 Lakhs.

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, 2009, and of the Profit of the Company for that period, except the following –

As per the practice 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 16 – Significant Accounting Policies 4).
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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, 2009, 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

Report & Accounts 2009

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 Laurent Van Lerberghe, Mr Neil Aylward and Mr Zahirali Lavji were appointed as Additional Directors effective September 29, 2009. Mr Mario Durante and Mr John Berry resigned as directors effective September 29, 2009. The Board placed on record its sincere appreciation for the valuable support rendered by them.

Mr Vivek Mohan was reappointed by the Board for a period of 5 years effective November 1, 2009 subject to approval of shareholders at the Annual General Meeting.

Mr Munir Shaikh and Mr R A Shah 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

Out of the total plot area of approximately 35,000 sq. meters, about 14,600 sq. meters is a green area which constitutes approximately 42% of the total area. The Company has planted over 4,000 trees within the factory premises.

During the year the plant reduced the carbon footprint by reducing 162 tons of CO₂ emission by implementing various electricity saving projects such as, replacing old chillers with energy efficient screw chillers, replacing surface aeration to diffused aeration in waste water treatment plant, installation of Variable Frequency Drives (VFDs) for various equipment, replacing existing lights with energy efficient lights.

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

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

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

ii. Health and Safety

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

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

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

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

Technology Absorption and Development

Development of new formulations and modification of existing ones for lifecycle management, cost containment and improved productivity is an ongoing process. The Company is constantly engaged in activities of development. The R & D Centre of the Company at Goa, which is approved by the Department of Scientific and Industrial Research carries out these development activities. The R&D centre is also the technical monitor and coordinator for all outsourced development projects. It has continued to make significant contributions towards its assigned goals of product and process development, cost reduction and new vendor development. The Company has continued to accelerate the pace of new products introduction in 2009 in its core therapeutic areas, with the introduction of sugar free Digene Tablets in strawberry flavour (Antacids), new strengths of Thyronorm, Rex XR (Bipolar disorders), Obiglo (Diabetes) and new strength of Prothiaden 50 (CNS), Surbex Gold and Betonin XT (Vitamins). The laboratory is currently working on new products, line extensions and also on quality improvement of existing products.

Employees

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

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 Managing Director	R A Shah Director
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Mumbai, February 1, 2010

Annexure I

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

2009 2008

1. Conservation of Energy:

(I) Energy conservation measures taken:

Installation of Variable Frequency Drives (VFDs) for air handling blowers, pumps installed for cooling towers. This project resulted in saving of 73291 KWH units of electricity.

Installation of diffused aeration in Waste Water Treatment Plant resulted in power saving of 27173 KWH units of electricity.

Replacing old chillers with energy efficient screw chillers resulted in power saving of 52812 KWH units of electricity.

Replacing old lights with energy efficient lights resulted in power saving of 22000 KWH units of electricity.

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

Nil

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

Installation of VFDs, diffused aeration, screw chillers and change of light fittings has resulted in significant power savings.

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

2009 2008

A. Power & Fuel Consumption

(a) Electricity

(i) Purchased (Unit Millions)	3.2	3.2
Total amount (Rs Lakhs)	292.91	392.45
Rate/Unit (Rs)	9.16	12.33

(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)

196.6 153.4

Total amount

44.89 51.44

(Rs Lakhs)

Average rate (Rs)

22.83 33.54

(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 Lakhs
(a) Capital	10.10
(b) Recurring	5,93.57
(c) Total	<u>6,03.67</u>
(d) Total R&D expenditure as a percentage of total turnover	0.8%

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 8,55.33 Lakhs, which includes Rs 4,41.75 Lakhs towards exports and Rs 4,13.58 Lakhs towards amount recovered from the affiliates.

(II) Total foreign exchange used and earned.

A. Total foreign exchange used

	Rs in Lakhs
(a) On import of raw materials, finished goods, consumable stores and capital goods	38,93.28
(b) Expenditure in foreign currencies for commission on export sales, business travel, etc.	2,56.49
(c) Remittance during the year in foreign currency on account of dividend	13,19.95

B. Total foreign exchange earned 8,55.33

For and on behalf of the Board

Vivek Mohan Managing Director	R A Shah Director
----------------------------------	----------------------

Mumbai, February 1, 2010

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

- (a) The Board comprises of 9 Directors including 1 Executive and 8 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, 2009, are given in the table below:

Name of Director	Category of Directorship	Attendance at		Number of directorships in other companies*	Number of committee positions held in other companies**
		Board Meetings	Annual General Meeting (March 17, 2009)		
Mr Munir Shaikh Chairman of the Board	Non-Executive	6	Yes	—	—
Mr Vivek Mohan Managing Director	Executive	7	Yes	—	—
Mr R A Shah	Non-Executive Independent	5	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	13	3 (includes Chairmanship of 1 company)
Mr Mario Durante (resigned effective September 29, 2009)	Non-Executive	1	Yes	—	—
Mr John Berry (resigned effective September 29, 2009)	Non-Executive	—	No	—	—
Mr Thomas Dee	Non-Executive	—	No	—	—
Mr Laurent Van Lerberghe (appointed as Additional Director effective September 29, 2009)	Non-Executive	—	NA	—	—
Mr Neil Aylward (appointed as Additional Director effective September 29, 2009)	Non-Executive	1	NA	—	—
Mr Zahirail Lavji (appointed as Additional Director effective September 29, 2009)	Non-Executive	—	NA	—	—

* 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 23, 2008; January 28, 2009; March 17, 2009; March 30, 2009; May 20, 2009; June 24, 2009 and September 29, 2009.
- (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 and 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/ reappointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, periodic discussions with auditors about their scope and adequacy of internal control systems, discussion on any significant findings made by internal auditors and follow up action. The Committee also reviews various information prescribed under Clause 49(II)(E) of the Listing Agreement with the Bombay Stock Exchange Limited.

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

December 23, 2008, January 28, 2009, March 30, 2009, May 20, 2009, June 24, 2009 and September 29, 2009.

Mr Ashok Dayal and Mr Munir Shaikh attended 5 meetings each, Mr Ranjan Kapur attended all meetings and Mr R A Shah attended 4 meetings. The Director – Finance (Head of Finance), remains present at the meeting. 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:

December 23, 2008, March 30, 2009 and September 29, 2009.

A summary of complaints received from shareholders/ investors and resolved by the Company during the year ended November 30, 2009 is given below:

Particulars	Received	Resolved
Non-receipt of share certificates duly transferred	—	—
Non-receipt of dividend warrants	7	7
Miscellaneous		
– Non-receipt of Annual Report	6	6
– Related to Buy-back	1	1

During the year, the Company received 2 letters relating to investor grievance from Bombay Stock Exchange Limited, which were duly replied.

As on November 30, 2009, there were no pending share transfers. Barring certain cases pending over a long period of time in Courts/Consumer Forums relating to disputes over the title of the shares in which the Company has been made a party, no investor complaint is pending for a period exceeding one month.

5. Remuneration of Directors

(a) Executive Directors

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

Details of remuneration and perquisites paid to Mr Vivek Mohan, Managing Director, for the financial year ended November 30, 2009 are as follows:

Terms of Agreement	Mr Vivek Mohan (Managing Director)
Period of appointment	5 years
Date of appointment	November 1, 2004 (reappointed effective November 1, 2009 subject to approval of shareholders at the Annual General Meeting)
Salary & Other Allowances	1,66,12,438
Perquisites	60,05,490
Contribution to Provident Fund	11,40,000
Performance Linked Incentive	26,00,000
Notice Period	Three months
Severance Fees	There is no separate provision for payment of severance fees.
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director is entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program", "Long term Incentive Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan". Details as regards the same are disclosed in Note B 25 - Schedule 16 to the Accounts in the Annual Report.

The above includes remuneration paid to Managing Director, subsequent to the date of re-appointment i.e. November 01, 2009, amounting to Rs. 16.87 Lakhs which is subject to approval of members of the company at the ensuing Annual General Meeting of the Company.

(b) Non-Executive Directors

Mr R A Shah, Mr Ashok Dayal and Mr Ranjan Kapur were paid sitting fees amounting to Rs 1,05,000/-, Rs 1,70,000/- and Rs 1,85,000/- respectively, for attending Board meetings and various Committee Meetings held during the financial year 2008-2009.

None of the 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/their relatives holds any shares of the Company except Mr R A Shah and his relatives hold 5,098 shares.

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6. General Body Meetings

Financial Year	Date	Time	Location	No. of Special Resolutions
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	—
2008	March 17, 2009	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

- 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 – Schedule 16 to the notes forming part of the Accounts in the Annual Report.
- 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.
- 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.
- In terms of requirement of Clause 49 (V) of the Listing Agreement, the Managing Director (CEO) and Director – Finance have made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.
- The Board of Directors of the Company has a Code of Business Conduct, which lays down various principles of ethics and compliance. The Code has been posted on the Company's website.
- 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:

- 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.

- During the financial year 2008-09, 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

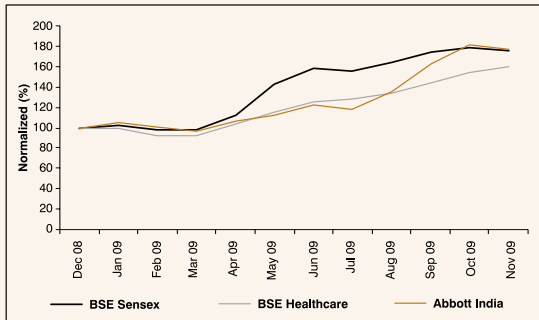
- The quarterly, half yearly and annual results are published in one English daily newspaper (Free Press Journal) circulating in the country and one Marathi newspaper (Navshakti) published from Mumbai. The quarterly results/shareholding pattern are also made available on the website of the Company (www.abbott.co.in) and on SEBI's EDIFAR (Electronic Data Information Filing And Retrieval) System website (www.sebidifar.nic.in).
- During the financial year, the Company has not made any presentation to the institutional investors or analysts.
- Management Discussion and Analysis Report forms part of the Directors Report.

9. General Shareholder Information:

- Annual General Meeting : Friday, March 12, 2010
at 10.30 a.m.
Y B Chavan Auditorium
General Jagannath Bhosale
Marg, Mumbai 400 021
- Financial year : December 1, 2008 –
November 30, 2009
- Date of Book Closure : March 5, 2010 to March 12,
2010 (both days inclusive)
- Dividend Payment Date : On or before April 11, 2010
- Listing on Stock : Bombay Stock Exchange
Exchange Limited (BSE)
- Stock Code : 500488
- Market Price Data (High/Low during each month) on BSE:

Month	High	Low
December 2008	423.00	364.95
January 2009	423.50	400.00
February 2009	414.95	375.00
March 2009	401.90	362.00
April 2009	449.95	391.50
May 2009	485.00	400.00
June 2009	510.00	452.55
July 2009	510.05	415.00
August 2009	570.00	493.55
September 2009	759.00	523.00
October 2009	759.00	672.00
November 2009	755.00	637.10

- viii. Performance in comparison to broad based indices :
December 1, 2008– November 30, 2009.



- ix. Registrars and Share Transfer Agents
Sharepro Services (India) Private Limited
Address :

- 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.
Telephone No.: +91-22-67720400/67720300
Fax: +91-22-28591568
Email: sharepro@shareproservices.com
- Investors Relation Centre
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.
Telephone No.: +91-22-66134700
Fax: +91-22-22825484

- x. Share Transfer System

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

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

- xi. Distribution of shareholding as on November 30, 2009

Number of Equity Shareholdings	Number of Shareholders	Percent age of Shareholders	Number of Shares	Percentage of Shareholding
1-50	6015	44.81	138535	1.01
51-100	2769	20.63	237479	1.74
101-500	3275	24.40	782981	5.73
501-1000	733	5.46	536634	3.92
1001-5000	573	4.27	1142658	8.36
5001-10000	35	0.26	237114	1.73
10001 & above	22	0.17	10599839	77.51
Total	13422	100.00	13675240	100.00

Shareholding Pattern as on November 30, 2009

Sr. No.	Category of Shareholders	No. of shares held	% to total
1.	Promoters	9428184	68.94
2.	Banks	5373	0.04
3.	Foreign Institutional Investors	1279	0.01
4.	Insurance Companies	403555	2.95
5.	Mutual Funds	329244	2.41
6.	Domestic Companies	403399	2.95
7.	Non Resident Indians	67567	0.49
8.	Others	3036639	22.21
	Total	13675240	100.00

- xii. Dematerialisation of Shares as on November 30, 2009

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, 2009, 1,28,77,321 shares representing 94.17% of the Company's total paid-up share capital (including 68.94% held by the Promoter) were held in dematerialised mode.

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

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

- xv. Address for correspondence:

Abbott India Limited

Registered office:

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

Telephone: + 91 22-67978888

Fax: + 91 22-67978727

Email: webmaster@abbott.co.in

investor.relations@abbott.co.in

Sharepro Services (India) Private Limited

- 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.
Telephone No.: +91-22-67720400/67720300
Fax: +91-22-28591568
Email: sharepro@shareproservices.com
- Investors Relation Centre
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021.
Telephone No.: +91-22-66134700
Fax: +91-22-22825484

For and on behalf of the Board

Vivek Mohan R A Shah
Managing Director Director

Mumbai, February 1, 2010

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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, 2009.

Abbott India Limited

Vivek Mohan
Managing Director

Mumbai, February 1, 2010

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, 2009, 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.

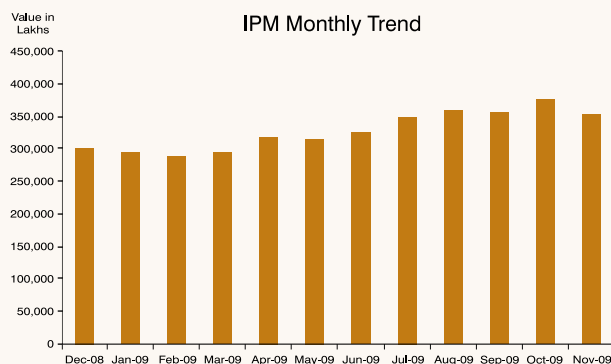
Mumbai,
February 1, 2010

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 117366W)
K. A. Katki
Partner
Membership No.: 038568

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry Structure and Developments

The pharmaceutical market in the year 2008-09 has been relatively stable, and lesser impacted by the economic recession than other industries.



The Indian Pharmaceutical Market achieved 15.7% growth on an annualized basis (Source: ORG IMS MAT Nov 2009) versus 10.3% in 2008 and 12.4% in 2007. Multinational companies also showed a stronger growth of 15% for November 2009 MAT versus the prior year.

The key growth drivers for Indian Pharmaceutical market are increasing per capita income, growing insurance penetration, better health awareness, higher government expenditure and increase in chronic diseases, innovative product launches due to product patents and expanded healthcare access to rural and semi urban markets, aided by the projected GDP increase of approximately 7% in the years ahead. In recent times, pharmaceutical companies have shown high interest in India due to the significant opportunity, a sustained economic growth, healthcare reforms and patent related legislation.

The patent infrastructure in the country has been appreciably upgraded over the past two years to support the new law, with the addition of patent examiners, decentralization of the filing process and digitization of records. The issues relating to data exclusivity and pricing of patented medicines are still being examined by the Government and continued to be areas of concern. These should be settled in a time bound manner to provide clarity to the Industry.

2. Opportunities and Threats

The industry continues to function under a regulated pricing environment. Pricing of medicines continues to be a significant issue with NPPA reducing prices on numerous products. In 2010 the government is expected to implement the Goods and Services Tax which will subsume the current Value Added Tax that had been implemented in all States from 2008 onwards as well as various other taxes. While this would simplify the taxation system and take away the tax on tax levy, the uncertainties in its implementation and the response of the trade bodies could affect the business in the short term.

Corporate Hospital Chains continue to grow and provide world-class medical facility in India. This is encouraging medical tourism in the country which due to affordability and higher benefit to cost ratio will continue to grow strongly. Increasing demand from high and medium affordability segments of our population, present increased opportunities for the Company.

With increasing accessibility to healthcare, the Company has an opportunity to enhance geographical coverage, improve specialist and primary care physicians coverage through various sales force models. The Company sees an opportunity to service the entire continuum of care from generating awareness of the diseases to improving diagnosis and better compliance to remaining on therapy.

Health insurance is an upcoming sector in India, and is poised to grow at over 40% in the coming 5 years. A survey conducted in the year 2008 showed that only 3% of the entire population availed some sort of health insurance coverage. Rising awareness amongst Indians about the health insurance, rising spend on health care, expansion of medical infrastructure, rising prevalence of chronic diseases, adoption of product patents and aggressive market penetration also present opportunities to the business in the coming years.

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, 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. In 2008-09 it has grown faster than the market and its nearest competitors in most of the core therapy areas. Against a participated market growth of 15%, the Company's core business has grown by 19.2% (Source: ORG IMS Nov MAT), with encouraging growth in Gastroenterology, Thyroid disorders, CNS and Anesthesiology.

The Company's product portfolio is balanced and provides therapies for acute as well as chronic health conditions; both segments have recorded good growth.

4. Outlook

Currently the Company continues to focus on CNS, Gastroenterology, Metabolic, Pain Management, Specialized Anesthesia and Neonatology. These segments are serviced through launch of relevant new products, increasing the line extension offerings and entry into related therapy areas. The Company looks at Therapy Shaping as the key growth driver in the years to come. The Company sees a clear opportunity to take some of its brands into the OTC space and to support this, a new division for OTC business is being set up.

Growth in chronic therapy areas is expected to continue while product innovations and life cycle management will continue to support performance in acute therapy segments. In the year 2009, the Company launched sugar free Digene tablets in strawberry flavour (Antacids), two line extensions of Thyronorm (12.5 mcg and 88 mcg), Rex-XR (for bipolar disorders), Prothiaden 50 in CNS, Obiglo (Diabetes), Surbex Gold and Betonin XT in Vitamins. The Company has several brands among the top 300, and focuses on brand building efforts as a key strategic driver.

The Company has embarked on an aggressive mission of being the leader in its core therapy areas within the next 5 years. The sales growth for the Company would be driven through organic and inorganic programs which includes in-licensing and acquisitions. Organic growth will also entail sales force expansion and excellence, new product launches, life cycle management of heritage brands, clinical development etc. on an aggressive scale.

While keeping its focus on achieving robust sales, the Company has continued to work on cost related efficiencies in the areas of Supply Chain. It continues

to refine the manufacturing network through total cost of acquisition as a strategic lever and has been instrumental in enabling new product launches during the year. The distribution team has drawn up detailed plans to address impending GST implementation in India and the team awaits the key policy rate amendment by the Government.

The Company continued to ensure high quality and genuine products to its customers and the Company's initiatives in the areas of branding and anti counterfeiting measures have helped the consumers with the requisite brand authentication. As a part of strategic quality management there has been significant emphasis to unify the quality systems across various suppliers and vendors.

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. Further, increasing privatization over the past few years in the healthcare sector which has led to cost escalation in healthcare and impacting overall spend of people on medical expenditure may be an additional lever for the Government to expand price controls.

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

6. Internal Control Systems and their adequacy

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

The internal control systems are documented with clearly defined authority limits. The authority vested in the various levels of management is exercised within a framework of appropriate checks and balances. 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 system and processes are reviewed and tested by Internal Auditors on a regular basis. The scope of their Audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

Business risks are identified by a team of Risk Champions drawn from each function who also drive the action plan to mitigate those risks. The management committee reviews the same periodically.

7 Discussion on Financial Performance with respect to Operational Performance

During the year under review, Sales amounted to Rs 760,92.64 Lakhs (registering an increase of 14.3% over previous year) and Profit Before Tax stood at Rs 117,38.37 Lakhs as compared to Rs 94,34.77 Lakhs last year, also recording a growth of 24.4%. The Company is focusing on capitalizing on the opportunities in the participated market through revitalization programs, OTC campaign for brands such as Digene, launch of line extensions and new products and expansion of field force.

During the year, the Company continued to invest in Bank Deposits, with a view of safeguarding the principal, maintain liquidity, while also achieving reasonable return on investments. The Company has an investment portfolio of Rs 127,50 Lakhs generated out of operating surplus. The investment strategy is reviewed periodically by the Audit Committee in conjunction with the investment advisors to optimize returns. The Company continues to seek opportunities for acquisition of suitable products.

The Company, being a "Class A" Company (initially certified by Oliver Wight, a UK firm of international repute advising on business process improvements), is committed 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 continues to grow its business, and ensuring sound processes will enable it to achieve its objectives with greater speed.

8. Material developments in Human Resources/ Industrial Relations (HR)

The year 2009 was a pivotal year for Human Resources strategy of the organization. Ensuring that the human capital is attuned to continue delivery of strong performance with focus on the bottom-line was a key business imperative. As on November 30, 2009 the total employee strength of the Company stood at 1,308 employees spread across India.

The year 2009 had the theme, "Shine in '09" with focus on preparing the organization for accelerated growth. Human Resources partnered with the business in strengthening leadership bench across the commercial and technical organization.

Recognizing the need to differentiate and reward superior performance and engage the sales team in objective and transparent process, STAR Programme was designed and launched. The programme focused on creating differentiation of performers on the basis of scoreboard, employee development, best practice and feedback by top performers resulting in one of the best processes across the division for employee engagement and driving superior performance.

In continuation with focused learning and development plan to build organization capability and alignment with Abbott values, programmes such as New Employee Orientation, Situational Leadership, STAR selection, Management fundamentals, Managing Teams along with Sales Force Effectiveness of LAKSHYA 500+ II were conducted entailing more than 6,500 man-days of training.

Living the Abbott values of Pioneering, Achieving, Caring and Enduring was further enhanced by linking the Company's vision and mission to individual goals. 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, February 1, 2010

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, 2009, 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. Attention is invited to note B (4) of Schedule 16 annexed to and forming part of the financial statements, regarding the re-appointment of and remuneration paid to the Managing Director, subsequent to the date of reappointment, i.e. November 01, 2009, amounting to Rs 16.87 lakhs, which is subject to the approval of the Members at the ensuing Annual General Meeting of the Members of the Company.
5. 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on November 30, 2009 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 Significant Accounting Policies and 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, 2009;
 - (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
(ICAI Reg. No. 117366W)

K A KATKI

Partner

Membership No. 038568

Mumbai,
February 01, 2010

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

1. 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.
2. 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.
3. 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. Accordingly sub clauses (a), (b), (c), (d), (e), (f) and (g) of clause (iii) are not applicable.
4. 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 and services. During the course of our audit, we have not observed any major weakness in such internal controls.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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 Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year; except that: Provident Fund (along with Interest

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and damages) in respect of an International worker amounting to Rs 13.47 lakhs, was outstanding for more than 6 months as at the year end. The said amount has since been paid subsequent to the year end.

(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, 2009 on account of any dispute are given below:

Nature of Statute	Nature of Dues	Amount Rs In Lakhs	Period to which the Amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disputed Income Tax Demand	1,15.78	A.Y. 2004-2005	CIT (Appeals)
	Disputed Income Tax Demand	23.90	A.Y. 2005-2006	CIT (Appeals)
	Disputed Income Tax Demand	39.02	A.Y. 2006-2007	CIT (Appeals)
Central Excise Act, 1944	Classification dispute	3.20	1991-1992	Commissioner (Appeals)
	Modvat credit availed on inputs	0.93	1993-1994	Commissioner
	Modvat credit availed on capital goods	0.33	1994-1995	Assistant Commissioner
	Recovery of amount allegedly refunded erroneously	1.00	2000	Assistant Commissioner
	Reversal of credit for Cremaffin & Furamide brought back for relabeling.	2.63	1994-1995	Commissioner
	Denial of Modvat credit on material received beyond the stipulated period of six months from the date of invoice-Jejuri	0.64	1997-1998	Assistant Commissioner
	Demand for excise duty on empty plastic containers	0.54	1998-2002	Assistant Commissioner
	Classification dispute	24.27	2005	CESTAT
		2.33	2006	CESTAT
The Bombay Sales Tax Act, 1959	Disputed Set off	39.87	1999-2000	Assistant Commissioner of Sales Tax
	Disputed Set off	9.07	2000-2001	Maharashtra Sales Tax Tribunal
Uttar Pradesh Trade Tax Act, 1948	Enhancement of turnover	2.30	1988-1989	Additional Commissioner (Appeals)
	Breakages & Damages Claim Disallowed	0.26	1996-1997	Trade Tax Tribunal
	Seizure of Consignment by mobile squad	0.72	2008-2009	Joint Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	Breakages and Damages claim Disallowed	10.17	2003-2004	Revisional Authority, Commercial Taxes, West Bengal
	Disallowance of Bonus Claim and Sales Return	4.77	2004-2005	Appellate Revisional Board, Commercial Taxes, West Bengal
Central Sales Tax Act, 1956 (West Bengal)	Form F Pending	0.19	2003-2004	Revisional Authority, Commercial Taxes, West Bengal
		0.19	2004-2005	Deputy Commissioner of Commercial Taxes
	Form F Demand	0.09	2005-2006	Deputy Commissioner of Commercial Taxes
	Disallowance of declaration forms	2.28	2006-2007	Sr Joint Commissioner of Commercial Taxes
West Bengal Value Added Tax Act, 2003	Non consideration of Challan of Rs 2.68 lakhs, Credit Note disallowance & Interest imposed.	4.17	2005-2006	Appellate Revisional Board, Commercial Taxes, West Bengal
	Disallowance of Credit Notes, Sales to institutions etc	2.44	2006-2007	Sr Joint Commissioner of Commercial Taxes
Kerala General Sales Tax Act, 1963	Tax on stock transfer treated as sales	10.91	2002-2003	Sales Tax Appellate Tribunal, Additional Bench
Rajasthan Value Added Tax Act, 2003	Disallowance of Credit Notes	1.15	2005-2006	Assistant Commissioner, Special Circle
Central Sales Tax Act, 1956 (Rajasthan)	Declaration Forms (F forms)	0.44	2005-2006	Assistant Commissioner, Special Circle
Central Sales Tax Act, 1956 (Goa)	Disallowance of Declaration Forms	2,92.43	2005-2006	Assistant Commissioner of Commercial Taxes, Margao, Goa.
Goa Value Added Tax Act, 2005	Disallowance of Input Tax Credit	0.31	2005-2006	Assistant Commissioner of Commercial Taxes, Margao, Goa.
Customs Act, 1962	Demand for payment of differential duty	4.43	1996	Commissioner (Appeals)

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

10. 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.
11. 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.
12. 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
13. In our opinion, the Company is not a chit fund or a Nidhi/Mutual benefit fund/Society. Therefore, the provisions of clause (xiii) are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. The Company has not obtained any term loans during the year.
17. 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.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. 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
(ICAI Reg. No. 117366W)
K A KATKI

Mumbai,
February 01, 2010

Partner
Membership No. 038568

Balance Sheet

As at November 30, 2009

	Schedule	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in Lakhs
I. SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	(1)	13,67.52		13,67.52
(b) Reserves and Surplus	(2)	257,88.10		207,56.97
TOTAL SHAREHOLDERS' FUNDS			271,55.62	221,24.49
(2) LOAN FUNDS				
Unsecured Loans	(3)		–	76.28
(3) DEFERRED TAX LIABILITY (NET)..... (Refer Note B-16 – Schedule 16)			2,19.79	3,79.63
TOTAL.....			<u>273,75.41</u>	<u>225,80.40</u>
II. APPLICATION OF FUNDS				
(1) FIXED ASSETS				
(a) Gross Block		107,10.36		98,71.65
(b) Less : Depreciation/Amortisation		58,31.22		50,78.82
(c) Net Block		48,79.14		47,92.83
(d) Capital Work-in-Progress		35.59		2,70.09
TOTAL FIXED ASSETS	(4)		49,14.73	50,62.92
(2) CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories.....	(5)	102,37.66		92,12.89
(b) Sundry Debtors	(6)	44,39.75		32,36.79
(c) Cash and Bank Balances	(7)	175,60.91		163,53.85
(d) Other Current Assets	(8)	42.97		71.44
(e) Loans and Advances	(9)	10,95.43		11,17.98
		333,76.72		299,92.95
Less :				
CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	(10A)	57,89.87		80,96.20
(b) Provisions.....	(10B)	51,26.17		43,79.27
		109,16.04		124,75.47
NET CURRENT ASSETS			224,60.68	175,17.48
TOTAL.....			<u>273,75.41</u>	<u>225,80.40</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(16)			

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered Accountants

VIVEK MOHAN

Managing Director

R A SHAH

Director

K A KATKI
Partner

ASHOK DAYAL

Director

KRUPA ANANDPARA

Company Secretary

Mumbai, February 1, 2010

Mumbai, February 1, 2010

Profit and Loss Account

For the Year ended November 30, 2009

	Schedule	Rupees in Lakhs	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
I. SALES AND OTHER INCOME				
(a) Sales : Gross		800,28.06		705,10.63
Less : Excise Duty (Refer Note B-19 – Schedule 16)...		5,72.35		9,78.25
Sales Tax/VAT		33,63.07		29,62.03
Net Sales		760,92.64		665,70.35
(b) Other Income	(11)	29,27.95	790,20.59	25,72.96
II. EXPENDITURE				
(a) Raw and Packing Materials Consumed.....	(12)	46,11.71		25,31.50
(b) Purchase of Finished Goods		468,82.08		432,52.47
(c) (Increase)/Decrease in Work-in-Progress and Finished Goods.....	(13)	(10,78.20)		(3,22.57)
(d) Manufacturing, Administrative and Selling Expenses.....	(14)	159,44.97		135,46.52
(e) Depreciation/Amortisation		9,01.41		6,98.39
(f) Interest	(15)	20.25		2.23
			672,82.22	597,08.54
III. PROFIT BEFORE TAX			117,38.37	94,34.77
IV. PROVISION FOR TAXATION				
Current Income Tax [includes Wealth Tax Rs 5.00 Lakhs (2008 : Rs 5.00 Lakhs)]		40,80.00		31,80.00
Deferred Tax – (Credit) (Net)		(1,59.84)		(1,07.91)
Fringe Benefit Tax		28.36		1,77.00
			39,48.52	32,49.09
V. PROFIT AFTER TAX			77,89.85	61,85.68
VI. PRIOR YEARS' ADJUSTMENTS				
Tax provisions (charged)/reversed pertaining to prior years			(38.83)	1,00.77
			77,51.02	62,86.45
VII. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			193,15.40	204,33.61
			270,66.42	267,20.06
VIII. APPROPRIATIONS				
(a) Proposed Dividend.....			(23,24.79)	(19,14.53)
(b) Corporate Dividend Tax :				
For the year ended November 30, 2009			(3,95.10)	–
For the year ended November 30, 2008			–	(3,25.37)
(c) Adjusted against premium paid on buy-back (Refer Note B-2 – Schedule 16)			–	(45,36.11)
(d) Revenue Reserve.....			(7,75.10)	(6,28.65)
IX. BALANCE CARRIED FORWARD			235,71.43	193,15.40
Earnings Per Share – Basic and Diluted.....			Rs 56.68	Rs 43.62
Face Value Per Share			Rs 10.00	Rs 10.00
Profit After Tax available to Equity Shareholders			77,51.02	62,86.45
Weighted Average Number of Shares used in computing Earnings Per Share – Basic and Diluted.....			1,36,75,240	1,44,12,541
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(16)			

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered Accountants

VIVEK MOHAN
R A SHAH
ASHOK DAYAL
KRUPA ANANDPARA

Managing Director
Director
Director
Company Secretary

K A KATKI
Partner

Mumbai, February 1, 2010

Mumbai, February 1, 2010

Cash Flow Statement for the year ended November 30, 2009

	Rupees in Lakhs	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
A. Cash flow from operating activities :			
Net Profit before tax.....		117,38.37	94,34.77
Adjustments for :			
Depreciation/Amortisation	9,01.41		6,98.39
Net Loss/(Profit) on sale of Fixed Assets	21.63		9.33
Unrealised (Gain)/Loss on Foreign Exchange.....	(18.06)		10.19
Provision for Doubtful Debts/Bad Debts written off.....	67.19		2,09.99
Provision for Replacement of Goods	23.84		2.03
Net Profit on sale of Investments in units of Mutual Funds	-		(3,60.52)
Write back of diminution in value of Investments in units of Mutual Funds.....	-		(2.41)
Dividend from Investments in units of Mutual Funds	-		(2,63.79)
Share buy-back expenses.....	-		96.25
Interest Received (net of expense).....	(5,61.33)		(6,39.15)
		<u>4,34.68</u>	<u>(2,39.69)</u>
Operating Profit before working capital changes.....		121,73.05	91,95.08
Adjustments for :			
Trade and other receivables.....	(12,53.47)		(4,61.48)
Inventories	(10,24.77)		(5,73.67)
Trade Payables and other liabilities	(23,56.79)		41,54.98
		<u>(46,35.03)</u>	<u>31,19.83</u>
		75,38.02	123,14.91
Cash generated from operations			
Direct taxes paid net of refund		(38,22.28)	(35,93.57)
Net cash generated from operating activities		<u>37,15.74</u>	<u>87,21.34</u>
B. Cash flow from investing activities :			
Purchase of Fixed Assets		(7,92.51)	(21,49.26)
Proceeds on sale of Fixed Assets		10.21	13.20
Purchase of Investments in units of Mutual Funds including Dividend Reinvested.....	-		(26,63.79)
Less : Dividend Reinvested.....	-		2,63.79
		<u>-</u>	<u>(24,00.00)</u>
Sale of Investments in units of Mutual Funds		-	179,88.63
Interest Received		6,10.05	5,69.93
Net cash generated from/(used in) investing activities.....		<u>(1,72.25)</u>	<u>140,22.50</u>

Cash Flow Statement for the year ended November 30, 2009 (Contd.)

	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
C. Cash flow from financing activities :		
Repayment of long term borrowings.....	(76.28)	(26.41)
Share buy-back expenses.....	-	(96.25)
Interest Paid	(20.25)	(2.23)
Shares bought-back (including premium)	-	(50,24.26)
Dividend paid (includes Corporate Dividend Tax)	(22,39.90)	(29,63.17)
Net cash used in financing activities	(23,36.43)	(81,12.32)
D. Net increase in Cash and Cash equivalents (A+B+C)	12,07.06	146,31.52
E. Cash and Cash equivalents at the beginning of the year.....	163,53.85	17,22.33
F. Cash and Cash equivalents at the close of the year (D+E).....	175,60.91	163,53.85

Notes to the Cash Flow Statement for the year ended November 30, 2009

1. Cash and Cash equivalents include :		
Cash and Stamps on Hand	0.62	0.59
With Scheduled Banks :		
On Current Accounts	44,31.24	37,82.46
On Deposit Accounts :		
— Maturity less than 3 months.....	23,00.00	16,50.00
— Maturity beyond 3 months (Refer Note 2 below).....	106,39.42	107,28.33
Unclaimed Dividend Accounts	1,89.63	1,92.47
Total.....	<u>175,60.91</u>	<u>163,53.85</u>

- Includes an amount of Rs 1,89.42 Lakhs (2008 : Rs 28.33 Lakhs) placed as security against the tender deposits/guarantees provided by Bank.
- The figures of the previous year are regrouped/rearranged wherever considered necessary.

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered AccountantsK A KATKI
Partner

Mumbai, February 1, 2010

VIVEK MOHAN

R A SHAH

ASHOK DAYAL

KRUPA ANANDPARA

Managing Director

Director

Director

Company Secretary

Mumbai, February 1, 2010

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2009

	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in lakhs
1. SHARE CAPITAL			
Authorised :			
1,62,00,000 (2008 : 1,62,00,000) Equity Shares of Rs 10 each.....		16,20.00	16,20.00
58,00,000 (2008 : 58,00,000) Unclassified Shares of Rs 10 each		5,80.00	5,80.00
		<u>22,00.00</u>	<u>22,00.00</u>
Issued and Subscribed :			
1,36,75,240 (2008 : 1,36,75,240) Equity Shares of Rs 10 each fully paid-up.....		13,67.52	13,67.52
		<u>13,67.52</u>	<u>13,67.52</u>
PER BALANCE SHEET			
[94,28,184 (2008 : 94,28,184) Equity Shares are held by Abbott Capital India Ltd., UK the holding company, which is subsidiary of Abbott Laboratories, USA].			
Of the above (before Buy-back of Shares) :			
(a) 99,995 (2008 : 99,995) Equity Shares were allotted as fully paid pursuant to a contract without payment being received in cash.			
(b) 1,50,99,570 (2008 : 1,50,99,570) Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium and Revenue Reserve.			
(c) 25,000 (2008 : 25,000) Equity Shares were allotted to the financial institutions on conversion of 5% of Debentures into Equity Shares.			
2. RESERVES AND SURPLUS			
Amalgamation Reserve :			
Balance as per last Balance Sheet.....		37.82	37.82
Capital Reserve :			
Balance as per last Balance Sheet.....		5,22.62	5,22.62
Capital Redemption Reserve :			
Balance as per last Balance Sheet.....	2,52.48		1,72.73
Add : Transferred from Revenue Reserve pursuant to buy-back (Refer Note B-2 – Schedule 16)	-		79.75
		2,52.48	<u>2,52.48</u>
Revenue Reserve :			
Balance as per last Balance Sheet.....	6,28.65		4,88.15
Add : Transferred from Profit and Loss Account.....	7,75.10		6,28.65
Less : Transferred to Capital Redemption Reserve pursuant to buy-back (Refer Note B-2 – Schedule 16)	-		(79.75)
Less : Adjusted against premium paid on buy-back (Refer Note B-2 – Schedule 16).....	-		(4,08.40)
		14,03.75	6,28.65
Surplus as per Profit and Loss Account.....		235,71.43	193,15.40
PER BALANCE SHEET		<u>257,88.10</u>	<u>207,56.97</u>
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		-	58.80
– Converted into Long-term interest free Sales tax loan [Repayable within one year Rs Nil (2008 : Rs 12.65 Lakhs)] (Refer Note B-20 – Schedule 16)		-	17.48
		-	76.28
PER BALANCE SHEET		-	<u>76.28</u>

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2009

4. FIXED ASSETS

	GROSS BLOCK AT COST				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at December 1, 2008	Additions during the year	Disposals during the year	As at November 30, 2009	As at December 1, 2008	For the year	On Disposals during the year	As at November 30, 2009	As at November 30, 2009	As at November 30, 2008
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
Leasehold Land.....	47.62	–	–	47.62	6.89	0.50	–	7.39	40.23	40.73
Leasehold Improvement.....	78.70	58.51	–	1,37.21	16.90	65.73	–	82.63	54.58	61.80
Buildings.....	36,32.42	17.07	–	36,49.49	17,76.54	1,23.04	–	18,99.58	17,49.91	18,55.88
Machinery and Equipments.....	44,43.63	5,86.69	1,05.06	49,25.26	21,49.81	4,60.32	84.94	25,25.19	24,00.07	22,93.82
Furniture, Fittings and Office Equipments.....	14,26.18	2,84.28	71.18	16,39.28	10,17.71	2,16.14	60.00	11,73.85	4,65.43	4,08.47
Vehicles.....	2,43.10	73.01	4.61	3,11.50	1,10.97	35.68	4.07	1,42.58	1,68.92	1,32.13
	98,71.65	10,19.56	1,80.85	107,10.36	50,78.82	9,01.41	1,49.01	58,31.22	48,79.14	47,92.83
Previous year.....	80,05.19	19,94.17	1,27.71	98,71.65	44,85.61	6,98.39	1,05.18	50,78.82		
Capital Work-in-Progress and Advances thereagainst, at cost									35.59	2,70.09
									49,14.73	50,62.92
									PER BALANCE SHEET.....	

Notes : 1. Included in buildings is an amount of Rs 2,450 (2008 : Rs 2,290) representing value of shares in co-operative housing societies, of which share certificates of Rs 500 (2008 : 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	Rupees in Lakhs	
		Depreciation for the year	Accumulated Depreciation
Machinery & Equipments.....	19,42.06 (18,07.35)	2,51.12 (2,16.58)	9,27.36 (6,77.73)

Previous year figures are in bracket.

5. INVENTORIES

Stock-in-Trade :

	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in Lakhs
Raw Materials.....		2,09.06	2,85.76
Packing Materials.....		1,06.49	1,06.22
Work-in-Progress.....		87.55	44.42
Finished Goods [Refer Note B-15(b) – Schedule 16].....		98,11.56	87,76.49
PER BALANCE SHEET.....		102,37.66	92,12.89

6. SUNDRY DEBTORS – UNSECURED

Debts outstanding for a period exceeding six months :

	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in Lakhs
Considered Good.....	56.44		66.33
Considered Doubtful.....	3,28.25		2,83.61
	3,84.69		3,49.94
Less : Provision for Doubtful Debts.....	3,28.25		2,83.61
		56.44	66.33

Other Debts :

	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in Lakhs
Considered Good.....	43,83.31		31,70.46
Considered Doubtful.....	4.39		4.07
	43,87.70		31,74.53
Less : Provision for Doubtful Debts.....	4.39		4.07
		43,83.31	31,70.46

PER BALANCE SHEET.....

44,39.75

32,36.79

Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2009

	Rupees in Lakhs	As at November 30, 2009 Rupees in Lakhs	As at November 30, 2008 Rupees in Lakhs
7. CASH AND BANK BALANCES			
Cash and Stamps on Hand		0.62	0.59
With Scheduled Banks :			
On Current Accounts		46,20.87	39,74.93
On Deposit Accounts#		129,39.42	123,78.33
PER BALANCE SHEET		<u>175,60.91</u>	<u>163,53.85</u>
8. OTHER CURRENT ASSETS			
Interest accrued but not due on Bank Deposits		42.97	71.44
PER BALANCE SHEET		<u>42.97</u>	<u>71.44</u>
9. LOANS AND ADVANCES			
(Unsecured, Considered Good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received		6,28.44	6,74.47
(Refer Note B-3 – Schedule 16)			
Sundry Deposits		4,60.21	4,42.58
Balances with Customs and Excise on Current Account		3.58	0.93
Advance Fringe Benefit Tax [Net of Provision Rs 28.36 Lakhs (2008 : Rs Nil)]		3.20	–
PER BALANCE SHEET		<u>10,95.43</u>	<u>11,17.98</u>
10. CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities :			
Sundry Creditors :			
Due to Micro & Small Enterprises (Refer Note B-27 – Schedule 16)	66.98		18.48
Others	42,43.74		70,89.66
Unclaimed Dividends (Refer Note B-28 – Schedule 16)	1,89.63		1,92.47
Other Liabilities	12,89.52		7,95.59
		<u>57,89.87</u>	<u>80,96.20</u>
B. Provisions :			
For Taxation :			
Current Income Tax less payments of Rs 36,89.28 Lakhs (2008 – Rs 34,35.70 Lakhs)	18,12.06		13,82.51
Fringe Benefit Tax less payments of Rs 1,33.00 Lakhs (2008 – Rs 1,57.87 Lakhs)	–		1,01.44
For Proposed Dividend	23,24.79		19,14.53
For Corporate Dividend Tax	3,95.10		3,25.37
For Employees' Benefits	5,26.35		6,11.39
For Replacement of goods (Refer Note B-30 – Schedule 16)	67.87		44.03
		<u>51,26.17</u>	<u>43,79.27</u>
PER BALANCE SHEET		<u>109,16.04</u>	<u>124,75.47</u>

– Includes an amount of Rs 1,89.42 Lakhs (2008 : Rs 28.33 Lakhs) placed as security against tender deposit/guarantees provided by the bank.

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2009

	Rupees in Lakhs	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
11. OTHER INCOME			
Input Tax Credit.....		1,44.05	2,17.34
Insurance, Customs and Carriers Claims.....		37.84	14.09
Profit on sale of Fixed Assets.....		5.61	6.55
Profit on Sale of current investments – units of Mutual Funds.....		–	3,61.41
Interest received on Deposits and others [Tax deducted at source Rs 1,24.47 Lakhs – (2008 : Rs 1,26.65 Lakhs)].....		5,81.58	6,41.38
Dividend on current investments – units of Mutual Funds		–	2,63.79
Miscellaneous Income (Tax deducted at source Rs 35.97 Lakhs – 2008 : Nil) (Refer Note B-14 – Schedule 16).....		21,58.87	10,68.40
PER PROFIT AND LOSS ACCOUNT		<u>29,27.95</u>	<u>25,72.96</u>
12. RAW AND PACKING MATERIALS CONSUMED			
Opening Stock :			
Raw Materials.....	2,85.76		83.38
Packing Materials	1,06.22		57.50
		<u>3,91.98</u>	<u>1,40.88</u>
Add : Purchases :			
Raw Materials.....	31,38.22		17,90.06
Packing Materials	14,20.06		9,92.54
		<u>45,58.28</u>	<u>27,82.60</u>
		49,50.26	29,23.48
Less : Closing Stock :			
Raw Materials.....	2,09.06		2,85.76
Packing Materials	1,29.49		1,06.22
		<u>3,38.55</u>	<u>3,91.98</u>
PER PROFIT AND LOSS ACCOUNT		<u>46,11.71</u>	<u>25,31.50</u>

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2009

	Rupees in Lakhs	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
13. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
Opening Stock :			
Work-in-Progress	44.42		34.50
Finished Goods	87,76.49		84,63.84
		88,20.91	84,98.34
Less : Closing Stock :			
Work-in-Progress	87.55		44.42
Finished Goods	98,11.56		87,76.49
		98,99.11	88,20.91
PER PROFIT AND LOSS ACCOUNT		<u>(10,78.20)</u>	<u>(3,22.57)</u>
14. MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES			
Salaries, Wages and Bonus		55,33.25	40,90.02
Contribution to Provident and Other Funds		3,54.49	4,57.98
Workmen and Staff Welfare Expenses		3,49.27	3,44.16
Consumption of Stores		1,81.28	97.85
Power and Fuel		5,10.26	5,69.60
Repairs and Maintenance :			
Buildings		29.15	28.62
Machinery		50.21	90.63
Others		4,23.55	3,24.28
Rent		4,25.02	4,05.19
Insurance		56.39	84.49
Rates and Taxes		2,69.73	2,29.70
Loss on Fixed Assets Sold/Discarded		27.24	15.88
Loss on Sale of units of Mutual Fund		-	0.89
Advertising and Publicity		23,85.91	20,40.94
Forwarding Charges		11,18.44	9,06.24
Travelling Expenses		15,64.05	14,21.13
Commission to C & F Agents		3,53.66	3,70.47
Export Commission		53.04	43.45
Exchange Loss (Net)		13.28	41.01
Bad Debts written off	22.23		10.65
Less : Adjusted against earlier year's provision	22.23		10.62
		-	0.03
Provision for Doubtful Debts		67.19	209.96
Share Buy-Back Expenses		-	96.25
Miscellaneous Expenses (Refer Note B-19 – Schedule 16)		21,79.56	16,77.75
PER PROFIT AND LOSS ACCOUNT		<u>159,44.97</u>	<u>135,46.52</u>
15. INTEREST			
On Duties/Taxes		15.50	0.53
Others		4.75	1.70
PER PROFIT AND LOSS ACCOUNT		<u>20.25</u>	<u>2.23</u>

Significant Accounting Policies and Notes to Accounts

16. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT NOVEMBER 30, 2009 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 of the forward contract. The exchange differences arising on settlement/translation are recognised in the Profit & Loss Account.

7. Investments

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

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.

Significant Accounting Policies and Notes to Accounts

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 & 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 crystallise.

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

14. Provisions, Contingent Liabilities & Contingent Assets

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

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

A contingent liability is disclosed where the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are not recognised in Financial Statements as they may never be realised.

Notes to Accounts

B. Notes to Accounts :

1. Contingent Liabilities :

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

The said Bank Guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of Rs 79.29 Lakhs (2008 : Rs 75.39 Lakhs) including interest liability till date.

	Year ended November 30, 2009 Rupees in Lakhs	<i>Year ended November 30, 2008 Rupees in Lakhs</i>
(b) Claims against the Company, not acknowledged as debts in respect of :		
(i) Excise on free samples on account of change in valuation method	-	8.34
(ii) Income Tax demand under appeals on account of advertisement expenditure	2,23.18	<i>2,23.18</i>
(iii) Sales Tax disallowances on account of disputed set off	9.16	-
(iv) Reimbursement claimed by third party	47.84	-
(c) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances).....	87.91	<i>1,17.90</i>
(d) In respect of the guarantees issued by the banks	2,56.65	<i>1,11.55</i>

Notes to Accounts

	Year ended November 30, 2009 Rupees in Lakhs	Year ended November 30, 2008 Rupees in Lakhs
2. During the previous year (Sept 08), the Company bought back 7,97,500 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 13,67.52 Lakhs and aggregate public shareholding is 42,47,056 equity shares (31.06%). As required by Section 77AA of the Companies Act, 1956, an amount of Rs 79.75 Lakhs had been transferred to Capital Redemption Reserve.		
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	14.84	—
[Maximum amount due during the year Rs 14.84 Lakhs (2008 : Rs 13.65 Lakhs)]		
(ii) Abbott Healthcare Pvt Ltd., India.....	93.01	31.51
[Maximum amount due during the year Rs 1,20.83 Lakhs (2008 : Rs 58.91 Lakhs)]		
(iii) Abbott Laboratories Intl Co., USA	32.09	1,16.25
[Maximum amount due during the year Rs 1,17.06 Lakhs (2008 : Rs 1,16.25 Lakhs)]		
(iv) Abbott Logistics BV, Netherlands.....	—	—
[Maximum amount due during the year Rs Nil (2008 : Rs 1.77 Lakhs)]		
(v) Abbott Australasia Pty Ltd., Australia	—	—
[Maximum amount due during the year Rs Nil (2008 : Rs 0.61 Lakhs)]		
(vi) Abbott South Africa (Pty) Ltd., South Africa.....	—	0.26
[Maximum amount due during the year Rs 0.26 Lakhs (2008 : Rs 0.26 Lakhs)]		
(vii) Abbott Laboratories, Phillipines	—	—
[Maximum amount due during the year Rs Nil (2008 : Rs 2.03 Lakhs)]		
(viii) Abbott Laboratories, Pakistan.....	—	—
[Maximum amount due during the year Rs Nil (2008 : Rs 0.28 Lakhs)]		
(ix) Abbott Korea Ltd., Korea	11.63	—
[Maximum amount due during the year Rs 11.63 Lakhs (2008 : Rs Nil)]		
(b) Amount recoverable from directors, managers and officers of the Company	32.00	37.75
[Maximum amount due during the year Rs 37.75 Lakhs (2008 : Rs 41.25 Lakhs)]		
4. Payments to Directors :		
(a) Salary, other allowances and performance linked bonus	1,92.12	2,22.32
(b) Contribution to PF & other funds [including provision for the actuarially valued liability in respect of future payment of gratuity amounting to Rs Nil (2008 : Rs 13.78 Lakhs)].....	11.40	21.27
(c) Perquisites.....	60.06	70.80
(d) Directors' Fees	4.60	1.95
The above includes remuneration paid to Managing Director, subsequent to the date of re-appointment i.e. November 01, 2009, amounting to Rs 16.87 Lakhs which is subject to approval of members of the Company at the ensuing Annual General Meeting of the Company.		
5. Auditors' Remuneration (including Service Tax) :		
(a) As Auditors	38.27	39.33
(b) Tax Audit.....	3.31	3.37
(c) Tax Services*	5.52	5.62
(d) Certification	2.92	2.98
(e) Reimbursement of out-of-pocket expenses	1.03	1.13
* Includes payment for taxation matters to an affiliated firm Deloitte Haskins and Sells, Baroda covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India		

Notes to Accounts

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	1,455
Liquids.....	Kilo Litre	4,880	4,880

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

(c) Actual Production :

Pharmaceutical Formulations :	Unit	Quantity	Quantity
Tablets.....	Million	1,334	696
Liquids.....	Kilo Litre	3,316	2,856

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

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

Class of Goods	Unit	Opening Stock		Closing Stock		Sales	
		Quantity	Rupees in Lakhs	Quantity	Rupees in Lakhs	Quantity	Rupees in Lakhs
(i) Pharmaceutical Formulations:							
Tablets	Million	187.93	8,66.58	495.34	18,70.06	1987.85	205,85.17
		(462.47)	(17,10.45)	(187.93)	(8,66.58)	(1,859.58)	(174,22.82)
Capsules.....	Million	23.03	1,98.35	19.78	1,84.69	66.43	20,88.23
		(27.56)	(2,95.66)	(23.03)	(1,98.35)	(56.11)	(17,00.03)
Liquids	Kilo Litre	406.67	10,22.82	730.86	18,50.79	4,402.97	133,49.43
		(407.41)	(6,38.31)	(406.67)	(10,22.82)	(3,970.37)	(111,18.04)
Ointments	Tonne	7.62	65.15	3.58	26.57	14.35	2,37.49
		(-)	(-)	(7.62)	(65.15)	(3.64)	(57.39)
Injectables	Thousand	3,339.56	63,58.95	2,939.11	56,37.88	25,284.70	389,85.19
		(2,936.72)	(56,03.34)	(3,339.56)	(63,58.95)	(23,548.27)	(354,69.07)
(ii) Others :							
			1,98.70		1,40.02		8,47.13
			(69.41)		(1,98.70)		(8,03.00)
Excise Duty			65.94		1,01.55		-
			(1,46.67)		(65.94)		(-)
Total....			87,76.49		98,11.56		760,92.64
			(84,63.84)		(87,76.49)		(665,70.35)

Purchase of Finished Goods	Unit	Year ended November 30, 2009		Year ended November 30, 2008	
		Quantity	Rupees in Lakhs	Quantity	Rupees in Lakhs
(i) Pharmaceutical Formulations:					
Tablets	Million	1,080.81	40,31.81	958.72	39,34.40
Capsules.....	Million	75.20	7,23.17	69.46	6,59.93
Liquids	Kilo Litre	1,697.58	49,42.93	1,330.88	34,33.53
Ointments	Tonne	17.92	1,56.56	14.01	1,24.21
Injectables	Thousand	24,891.66	362,63.04	23,999.28	341,88.54
(ii) Others.....					
			7,64.57		9,11.86
Total....			468,82.08		432,52.47

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

Figures for the previous year are in bracket.

Notes to Accounts

8. Consumption of Raw Materials and Packing Materials + :		(Rupees in Lakhs)			
Item:	Unit	Year ended November 30, 2009		Year ended November 30, 2008	
		Quantity	Value	Quantity	Value
Active Bulk Ingredients.....	Tonne	2,450.06	27,16.19	1,909.24	12,51.99
	Kilo Litre	64.82	32.24	61.74	28.68
Foils.....	Tonne	393.50	3,61.24	152.40	1,91.40
Miscellaneous.....			15,02.04		10,59.43
	Total....		46,11.71		25,31.50
+ Consumption has been arrived by adding purchases to opening stock and deducting closing stock therefrom.					
		Year ended November 30, 2009 Rupees in Lakhs		Year ended November 30, 2008 Rupees in Lakhs	
9. Value of Imports calculated on C.I.F. basis :					
(a) Capital Goods			73.48		1,18.60
(b) Finished Goods.....			37,94.59		23,65.83
(c) Consumable stores			25.21		—
10. Expenditure in foreign currencies for :					
(a) Export Commission.....			53.04		43.45
(b) Travel.....			60.81		70.75
(c) Training.....			47.22		—
(d) Material for Product Development			52.94		—
(e) Others.....			42.48		7.75
11. (a) Consumption of Raw and Packing Materials :					
Indigenous – 100.0% (2008 : 100.0%).....			46,11.71		25,31.50
Imported – 0.0 % (2008 : 0.0%).....			—		—
			46,11.71		25,31.50
(b) Consumption of Stores :					
Indigenous – 81.7% (2008 : 100.0%).....			1,48.05		97.85
Imported – 18.3% (2008 : 0.0%).....			33.23		—
			1,81.28		97.85
12. Remittances during the year in foreign currency on account of dividend :					
Number of non-resident Shareholders 1 (2008 : 1) Equity Shares held on which dividend remitted 94,28,184 (2008 : 94,28,184)					
Dividend remitted for the year ended November 30, 2008 (2008 : November 30, 2007).....			13,19.95		16,49.93
The Company does not have any information as to the extent to which remittances, if any, in foreign currency on account of dividend have been made by non-resident shareholders.					
13. Earnings in Foreign Exchange :					
(a) Goods exported on FOB basis.....			4,40.24		4,37.41
(b) Reimbursement of Insurance and Freight on Exports			1.51		—
(c) Reimbursement of Expenses/Earning from Affiliates..			4,13.58		2,95.84
14. Miscellaneous Income includes :					
(a) Write back of the diminution in value of Investments in units of Mutual Funds			—		2.41
(b) Shared services rendered to fellow subsidiaries.....			10,92.03		2,48.15

Notes to Accounts

	Year ended November 30, 2009 Rupees in Lakhs	<i>Year ended November 30, 2008 Rupees in Lakhs</i>
15. (a) Materials cost, Purchase of Finished Goods and Manufacturing, Administrative & Selling Expenses include medical samples manufactured/purchased which, are valued at standard cost, amounting to	10,29.12	7,00.31
(b) Inventory of Finished Goods includes medical samples which are valued at actual cost, amounting to.....	3,53.91	2,04.68
16. Deferred Tax Asset/(Liability) consists of :		
Book/Tax depreciation difference	(5,04.51)	(5,83.01)
Provision for compensated absences	76.61	30.91
Provision for doubtful debts	1,13.07	97.78
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	95.04	74.69
Total....	<u>(2,19.79)</u>	<u>(3,79.63)</u>
17. Information regarding Forward Contracts :		
	Currency Unit	Rupees in Lakhs
(a) Forward contracts outstanding at the Balance Sheet date	USD (Buy)	20,01,346.70
		(15,19,243.00)
(b) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.		9,31.03
(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 :		(7,44.00)
Amounts recoverable in foreign currency on account of the following		
– As reimbursement of expenses	USD	94,874.57
		(2,32,419.00)
	CHF	49,22.00
		(–)
	EURO	4,00.00
		(–)
	SGD	44,008.09
		(–)
– Others	USD	5,14,058.10
		(4,03,380.00)
Amounts payable in foreign currency on account of the following :		
– Import of goods.....	USD	1,96,040.18
		(2,31,537.00)
– As reimbursement of expenditures.....	USD	28,235.86
		(43,721.00)
	AUD	3,556.80
		(–)
	EURO	35,719.20
		(–)
– Others	USD	1,13,420.34
		(76,963.00)

Note : Previous year figures are in bracket.

Notes to Accounts

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 licence 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 14 – 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 44.04 lakhs (Debit) (2008 : Rs 30.95 lakhs – credit) included in Miscellaneous Expenses under Schedule 14 – Manufacturing, Administrative and Selling Expenses represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as medical samples.
20. Consequent to the sale of the undertaking at Jejuri, Maharashtra, as a going concern in 2002, the eligibility certificate under the package scheme of incentives notified under Maharashtra Government's Resolution Number IDL-1088/(6603) IND-8, dated 30.09.1988 stood 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 had agreed to repay these amounts on the respective due dates to the purchaser. During the year, the Company has repaid the balance outstanding amount.
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, 2009 :

CURRENT INVESTMENTS

IN UNITS OF MUTUAL FUND – NON TRADE – UNQUOTED :

Mutual Fund	Type	Purchases		Cost of Sales	
		No of units in Lakhs	Rupees in Lakhs	No of units in Lakhs	Rupees in Lakhs
Birla Cash Plus Institutional Premium Reinvestment	WD	-	-	-	-
		(56.65)	(5,68.17)	(2,75.62)	(27,64.19)
DSPML Fixed Term Plan Series 3 H Institutional.....	G	-	-	-	-
		(-)	(-)	(1.50)	(15,00.00)
DWS Insta Cash Plus Fund Institutional Plan.....	WD	-	-	-	-
		(44.16)	(4,48.45)	(3,00.68)	(30,38.79)
HDFC Liquid Fund Premium Plus Plan Reinvestment.....	WD	-	-	-	-
		(32.10)	(3,99.13)	(1,95.61)	(23,95.61)
HSBC Fixed Term Series 25 Institutional	G	-	-	-	-
		(-)	(-)	(1,50.00)	(15,00.00)
Pru ICICI Institutional Liquid Plan Super Institutional Reinvestment.....	WD	-	-	-	-
		(61.08)	(6,11.68)	(3,01.96)	(30,23.13)
Prudential ICICI Liquid Plan Institutional Plus Reinvestment Option.....	MD	-	-	-	-
		(1.07)	(12.60)	(68.09)	(8,11.48)
Templeton India Treasury Management Account Regular Plan Reinvestment.....	WD	-	-	-	-
		(0.61)	(6,23.76)	(2.55)	(25,94.90)
	Total....				
			(26,63.79)		(176,28.10)

Note : Figures for the previous year are in bracket.

Notes to Accounts

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 GmbH & Co. KG, Germany
– Abbott Laboratories (Singapore) Pte Ltd., Singapore
– Abbott Laboratories Intl. Co., USA
– Abbott Equity Holdings Ltd., England
– Abbott Australasia Pty. Ltd., Australia
– Abbott Healthcare Pvt. Ltd., India
– Abbott Laboratories, Chicago IL
– Abbott Korea Ltd., Korea
– Abbott S. A., Belgium
– Abbott South Africa (Pty) Ltd., South Africa
– Abbott S.A., China
– Abbott Laboratories Ltd., UK

(ii) Key Management personnel :

Mr V Mohan	– Managing Director
Mr R Sonalker	– Director – Finance
Mr S Vasudevan (w.e.f. February 02, 2009)	– Director – Marketing
Mr A Bhatt	– Regional Human Resource Director
Mr U D Chiniwala	– Director – Risk & Financial Controlling
Mr K M Marfatia	– Director – Legal & Secretarial
Mr L N Neti	– Director – Supply Chain
Dr Z Madan (upto November 30, 2009)	– Director – Medical
Mr V M Nagesh	– Head – Quality
Mr Arun Khedkar (upto February 28, 2009)	– Director – Business Development
Mr S Jain (upto November 30, 2008)	– Director – Marketing
Mr R Vohra (upto March 31, 2008)	– Head – Strategy & Business Development

(iii) Relatives of Key Management Personnel :

Mrs V Jain	– Wife of Mr S Jain
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(c) Transactions during the year :

Rupees in Lakhs

Nature of Transactions	November 30, 2009	November 30, 2008
Transactions with the Holding Company during the year		
Dividend Remitted		
Abbott Capital India Ltd., UK	13,19.95	16,49.93
Transactions with the Fellow subsidiaries during the year		
Purchase of Goods		
Abbott Logistics BV, Netherlands.....	34,75.31	21,00.35
Abbott Laboratories Intl. Co., USA.....	3,19.28	2,65.48
Abbott Healthcare Pvt Ltd., India.....	13.68	69.84
Purchase of Capital Goods		
Abbott Laboratories, Chicago IL	–	14.50
Abbott Laboratories Ltd., UK	19.50	–

Notes to Accounts

(c) Transactions during the year (Contd.):		Rupees in Lakhs	
Nature of Transactions	November 30, 2009	<i>November 30, 2008</i>	
Purchase of Consumables			
Abbott Laboratories Intl. Co., USA.....	0.23		–
Abbott Logistics BV, Netherlands.....	24.98		–
Towards shared services			
Abbott Laboratories Intl Co., USA.....	3,51.60		2,45.84
Abbott Healthcare Pvt Ltd., India.....	7,40.43		2.32
Reimbursement of professional fees, travel and other expenses from Fellow Subsidiaries			
Abbott Australasia Pty. Ltd., Australia.....	–		0.11
Abbott Laboratories Intl Co., USA.....	35.21		38.56
Abbott South Africa (Pty) Ltd., South Africa.....	–		0.23
Abbott Laboratories (Singapore) Pte Ltd., Singapore.....	15.14		11.10
Abbott Korea Ltd., Korea.....	11.63		–
Abbott Healthcare Pvt Ltd., India	1.63		–
Travel, professional fees, MIS charges and other expenses reimbursed to Fellow Subsidiaries			
Abbott Laboratories Intl. Co., USA.....	18.96		17.75
Abbott Australasia Pty. Ltd., Australia.....	1.81		13.68
Abbott S.A., China.....	4.23		–
Abbott S.A., Belgium.....	0.69		–
Abbott GmbH & Co KG, Germany.....	2.84		–
Abbott Healthcare Pvt Ltd., India.....	–		0.75
Transactions with the Key Management Personnel & their Relatives during the year			
Remuneration			
Mr V Mohan.....	2,63.58		2,54.99
Mr R Sonalker.....	57.02		54.29
Mr S Vasudevan (w.e.f. February 02, 2009).....	59.03		–
Mr S Jain.....	–		59.39
Others.....	2,42.37		2,00.30
Rent			
Mr U D Chiniwala.....	0.96		0.96
Mrs V Jain.....	–		1.20
(d) Outstanding as on November 30, 2009			
Nature of Transactions	November 30, 2009	<i>November 30, 2008</i>	
Payable to			
Fellow Subsidiaries			
Abbott Laboratories Intl. Co., USA.....	12.28		1,42.82
Abbott Logistics BV, Netherlands.....	10,47.19		7,44.43
Others.....	2.67		12.33
Receivables/Deposits from			
Fellow Subsidiaries			
Abbott Laboratories Intl. Co., USA.....	32.09		1,16.25
Abbott Healthcare Pvt Ltd., India.....	93.01		31.51
Abbott Korea Ltd., Korea.....	11.63		–
Abbott Laboratories (Singapore) Pte Ltd., Singapore.....	14.84		–
Others.....	–		0.26
Key Management Personnel & their Relatives			
Mr U D Chiniwala.....	28.50		28.50
Others.....	3.50		9.25

Notes to Accounts

24. Employee Benefits :

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

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

I. Defined Contribution Plans

- (a) Provident Fund/Employees' Pension Fund
- (b) Superannuation Fund
- (c) Employees' Deposit Linked Insurance Scheme
- (d) Group Life Insurance Cover

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

Rupees in Lakhs

	November 30, 2009	November 30, 2008
– Employer's Contribution to Provident Fund/Employees' Pension Fund	2,66.66	2,21.56
– Employer's Contribution to Superannuation Fund	84.54	83.64
– Employer's Contribution to Employees' Deposit Linked Insurance Scheme	3.20	1.70
– Premium paid in respect of Group Life Insurance Cover.....	5.74	5.15

The above amounts are included in Contribution to Provident and Other Funds and Workmen and Staff Welfare Expenses (Schedule 14 – Manufacturing, Administrative & 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 Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	November 30, 2009	November 30, 2008	November 30, 2009	November 30, 2008
Defined Benefit Obligation at the beginning of the year	7,35.17	6,15.89	1,85.08	1,71.53
Current Service Cost.....	37.03	33.81	1.51	0.82
Interest Cost.....	54.40	46.47	14.58	13.48
Settlement Cost/(Credit).....	–	–	–	–
Benefits Paid	(1,49.44)	(55.72)	(8.50)	(11.89)
Actuarial (Gain)/Loss on Obligations	1,05.42	(8.99)	(19.96)	(4.57)
(Write Back)/Additional Charge on account of updation of discount rate at the Balance Sheet date.....	(1,03.71)	1,03.71	(15.71)	15.71
Defined Benefit Obligation at the end of the year.....	6,78.87	7,35.17	1,57.00	1,85.08

Notes to Accounts

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

Rupees in Lakhs

	November 30, 2009	November 30, 2008
Fair Value of Plan Assets at the beginning of the year.....	6,85.29	6,78.53
Expected Actual Return on Plan Assets	47.62	47.72
Actuarial Gains/(Losses)	48.42	(21.57)
Contributions	61.08	36.33
Benefits Paid	(1,49.44)	(55.72)
Assets Distributed on Settlement.....	-	-
Fair Value of Plan Assets at the end of the year	6,92.97	6,85.29

(C) Amount recognized in the Balance Sheet

Rupees in Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	November 30, 2009	November 30, 2008	November 30, 2009	November 30, 2008
Defined Benefit Obligation as at end of the year	6,78.87	7,35.17	1,57.00	1,85.08
Fair Value of Plan Assets as at end of the year	(6,92.97)	(6,85.29)	-	-
Amount not recognised as an Asset [limit in Para 59(b)].....	-	0.81	-	-
Liability/(Asset) recognized in the Balance Sheet Included in Provisions (Schedule 10B).....	(14.10)	50.69	1,57.00	1,85.08

Rupees in Lakhs

	CA (Non-Funded Scheme)		LSB (Non-Funded Scheme)	
	November 30, 2009	November 30, 2008	November 30, 2009	November 30, 2008
Defined Benefit Obligation as at end of the year	2,92.72	2,91.54	29.96	26.91
Fair Value of Plan Assets as at end of the year	-	-	-	-
Amount not recognised as an Asset [limit in Para 59(b)].....	-	-	-	-
Liability/(Asset) recognized in the Balance Sheet Included in Provisions (Schedule 10B).....	2,92.72	2,91.54	29.96	26.91

(D) Expenses recognized in the Profit and Loss Account

Rupees in Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	November 30, 2009	November 30, 2008	November 30, 2009	November 30, 2008
Current Service Cost.....	37.03	33.81	1.51	0.82
Past Service Cost	-	-	-	-
Interest Cost.....	54.40	46.47	14.58	13.48
Expected Return on Plan Assets.....	(47.62)	(47.72)	-	-
Curtailment/Settlement cost/(credit).....	-	-	-	-
Net actuarial (gain)/loss recognized in the period	57.00	12.58	(19.96)	(4.57)
Effect of the limit in Para 59(b) of Accounting Standard 15.....	(0.81)	(1.44)	-	-
One Year Renewable Term Assurance (OYRTA) Premium.....	3.67	3.51	-	-
(Write Back)/Additional Charge on account of updation of discount rate at the Balance Sheet date	(1,03.71)	1,03.71	(15.71)	15.71
Total Expenses recognized in the Profit and Loss Account included in Manufacturing, Administrative & Selling Expenses (Schedule 14).....	(0.04)	1,50.92	(19.58)	25.44

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 as at the year end was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

	November 30, 2009	<i>November 30, 2008</i>
a. Discount rate (per annum)	8.0%	7.4%
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	<i>58/60 years; As applicable</i>
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		1% decrease	
	Rupees in Lakhs		Rupees in Lakhs	
	November 30, 2009	<i>November 30, 2008</i>	November 30, 2009	<i>November 30, 2008</i>
On Aggregate of Service Cost & Interest Cost.....	1.70	2.95	(1.42)	(2.41)
On Defined Benefit Obligation	18.55	30.17	(15.47)	(24.64)

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

Age (Years)	Rates	
	November 30, 2009	<i>November 30, 2008</i>
21-44	2.0%	2.0%
45 & Above.....	1.0%	1.0%

j. Leave Availment Pattern

5% (2008 : 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.

Notes to Accounts

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

Rupees in Lakhs

	Period Ended		
	November 30, 2007	November 30, 2008	November 30, 2009
Defined Benefit Obligation	6,15.90	6,31.46	6,78.87
Plan Assets	6,78.53	6,85.29	6,92.97
Surplus/(Deficit)	62.63	53.83	14.10
Experience Adjustments on Plan Liabilities.....	63.36	31.38	55.55
Experience Adjustments on Plan Assets.....	43.23	(21.57)	48.42

- m. Expected Employer's contribution for the next year Rs 40.00 Lakhs.

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

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

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

In view of the above, no stock compensation expenses are incurred by the Company. During the year ended November 30, 2009, 287 (2008: 406) shares were purchased by employees at weighted average fair value of \$ 42.06 (2008 : \$ 45.47) per share.

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

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

	November 30, 2009		November 30, 2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period..	1,40,152	\$49.50	1,38,837	\$46.91
Granted during the year ended November 30, 2009	–	NA	37,000	\$55.41
Forfeited during the year.....	9,066	\$53.77	300	\$52.54
Exercised during the year	2,392	\$45.51	35,385	\$45.48
Expired during the year.....	–	NA	–	NA
Outstanding at the end of the year.....	1,28,694	\$49.28	1,40,152	\$49.50
Exercisable at the end of the year	1,00,127	\$47.73	77,853	\$46.51

The weighted average share price at the date of exercise for stock options exercised during the year was US\$ 51.24 (2008: US\$ 57.82) and weighted average remaining contractual life is 5.86 years (2008:6.98 years).

Notes to Accounts

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

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

	November 30, 2009		November 30, 2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period..	–	NA	–	NA
Granted during the year ended November 30, 2009.....	9,550	NA	–	NA
Forfeited during the year.....	500	NA	–	NA
Exercised during the year.....	–	NA	–	NA
Expired during the year.....	–	NA	–	NA
Outstanding at the end of the year.....	9,050	NA	–	NA
Exercisable at the end of the year.....	–	NA	–	NA

The weighted average share price at the date of exercise for stock options exercised during the year was \$ Nil.

NA – Not applicable.

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 66.98 Lakhs (2008 : Rs 19.04 Lakhs) and Rs Nil (2008 : Rs 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 10 – "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, 2009.

29. The revenue expenditure on Research and Development is Rs 5,93.57 Lakhs (2008 : Rs 4,48.15 Lakhs).

Notes to Accounts

30. Disclosure as per Accounting Standards (AS-29) for provisions is as under :

The Company, based on prevailing trade practices, makes provision for the cost of replacement of its date expired and damaged products upon return of such products, subject to certain terms and conditions. It is made based on the best estimates of the management taking into consideration the type of products sold, the likely returns and the costs required to be incurred for such replacements.

Rupees in Lakhs

	November 30, 2009	<i>November 30, 2008</i>
Carrying Amount at the beginning of the year	44.03	42.00
Add /(Less) : Amount provided/(utilized) during the year	23.84	2.03
Carrying Amount at the end of the year	67.87	44.03

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

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

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, February 1, 2010

VIVEK MOHAN

R A SHAH

ASHOK DAYAL

KRUPA ANANDPARA

For and on behalf of the Board

Managing Director

Director

Director

Company Secretary

Mumbai, February 1, 2010

Balance Sheet Abstract and General Business Profile

I. Registration Details		
Registration No.	7330	State Code 11
Balance Sheet Date	30-11-2009	
II. Capital Raised during the year (Amount in Rs Lakhs)		
<u>Public Issue</u>	NIL	<u>Right Issue</u>
		NIL
<u>Bonus Issue</u>	NIL	<u>Private Placement</u>
		NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs Lakhs)		
<u>Total Liabilities</u>	382,91.45	<u>Total Assets</u>
		382,91.45
Sources of Funds		
<u>Paid-up Capital</u>	13,67.52	<u>Reserves & Surplus</u>
		257,88.10
<u>Secured Loans</u>	NIL	<u>Unsecured Loans</u>
		NIL
Application of Funds		
<u>Net Fixed Assets</u>	49,14.73	<u>Investments</u>
		NIL
<u>Net Current Assets</u>	222,40.89	<u>Miscellaneous Expenditure</u>
		NIL
<u>Accumulated Losses</u>	NIL	
IV. Performance of Company (Amount in Rs Lakhs)		
<u>Turnover (including Other Income)</u>	790,20.59	<u>Total Expenditure</u>
		672,82.22
<u>Profit/(Loss) Before Tax</u>	117,38.37	<u>Profit/(Loss) After Tax</u>
		77,51.02
<u>Earning Per Share in Rs</u>	56.68	<u>Dividend Rate %</u>
		170%
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

VIVEK MOHAN
R A SHAH
ASHOK DAYAL
KRUPA ANANDPARA

For and on behalf of the Board
Managing Director
Director
Director
Company Secretary
Mumbai, February 1, 2010