



Abbott India Limited  
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BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

July 18, 2022

**Scrip Code: 500488**

Dear Sir/Madam,

**Sub: Submission of Annual Report for the year ended March 31, 2022 as per Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform you that the Seventy-eighth Annual General Meeting ("AGM") of the Company is scheduled to be held on **Wednesday, August 10, 2022 at 9:30 a.m. (IST) through Video-Conferencing ("VC")/Other Audio-Visual Means ("OAVM")** in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"). We hereby enclose a copy of the Annual Report of the Company for the financial year ended March 31, 2022, for your records.

In compliance with the relevant circulars issued by MCA and SEBI, the Annual Report for the financial year 2021-22, comprising the Notice of the 78<sup>th</sup> AGM and the Standalone Financial Statements for the financial year 2021-22, along with Board of Directors Report, Auditors' Report and other documents required to be attached thereto, are being sent through email to all the Members of the Company whose email address are registered with the Company/Depository Participant(s)/Depositories.

The detailed procedure to be followed for remote e-voting or e-voting during the AGM, speaker registration, posting of queries, joining the AGM through VC/OAVM and live webcast has been provided in the Notice of the AGM which is also available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in). Further, please note that the cut-off date for determining the eligibility of Members to vote through remote e-voting or during the AGM is Wednesday, August 3, 2022.

Further, final dividend of Rs. 145/- and special dividend of Rs. 130/- per Equity Share of Rs. 10/- each, as recommended by the Board of Directors at its Meeting held on May 17, 2022, if approved by the Members at the Annual General Meeting, will be paid on and from August 17, 2022 to the Members whose names appear on the Register of Members as on August 10, 2022 and to the Beneficial Owners of the Shares as on August 3, 2022, as per the details furnished by the Depositories for this purpose.

You are requested to take the same on record.

Thank you.

Yours faithfully,  
**Abbott India Limited**

**Krupa Anandpara**  
**Company Secretary**  
**Membership No.: ACS 16536**

**Encl: a/a**



**Abbott**

ABBOTT INDIA LIMITED  
ANNUAL REPORT 2021-22

**ENRICHING LIVES,  
EVERYDAY**





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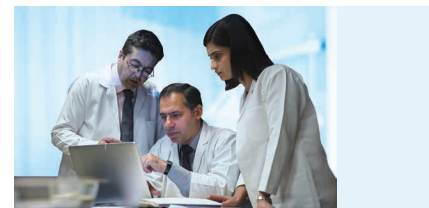
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Enriching Lives of Our Patients through **Holistic Solutions** [Read more](#) 16



Enhancing Customer Experience through **Scientific Knowledge** [Read more](#) 20



Protecting a **Healthy Environment for Us All** [Read more](#) 34

# 78<sup>TH</sup>

## ANNUAL GENERAL MEETING

Date: August 10, 2022

Time: 9.30 a.m.

Through Video Conferencing (VC)/Other Audio-Visual Means (OAVM)

## FORWARD-LOOKING STATEMENT

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

References to “Abbott India” in this Annual Report shall mean “Abbott India Limited” or “the Company”.

# ENRICHING LIVES, EVERYDAY

At Abbott India Limited, we strongly believe that quality health is critical to enriching the world around us. We are happy and proud to play a part in building a healthier and better world.

We are consciously designing products and solutions to help ensure maximum access and affordability because a sustainable future starts with health, and that the best medical solution is the one that helps the most people. We have made a choice to create holistic healthcare solutions that address the entire continuum of care and help us bring meaningful change in people’s lives.

During last year, we were able to enrich our performance despite the challenges around us, and we continued to explore new avenues. Our relentless focus to provide value for all our stakeholders helped us in delivering consistent growth and strong returns.

Through constant innovations in our products and offerings, we have been able to enrich our value delivery to our customers who depend on our solutions every day – be it patients or doctors. We play a key role in helping society and the people around us. Our commitment to our people, the environment and community remains as strong as ever.



## ABOUT ABBOTT INDIA



# IMPROVING THE HEALTH OF INDIANS

Abbott India Limited, a publicly listed company and subsidiary of Abbott Laboratories, USA, is committed to providing quality healthcare through a mix of global and local products for people in India. Our in-house development and medical teams work on product and clinical development, targeted to the specific needs of Indians. Our 3500+ strong human capital use cost-effective processes to develop high-quality, high-volume formulations.

We endeavor to maintain the highest level of quality throughout our business. This effort starts with the sourcing of materials and moves through how we market, sell, and supply our products, including through our business partners – delivering excellent quality is imperative every step of the way.

Our commitment to the health and safety of the people who use our products is always at the forefront of everything we do. We have been helping people lead better lives through our trusted medicines and solutions for over 75 years, and we will continue to do so.

₹ **4,919** Crores  
Revenue, +14.1%

₹ **1,165** Crores  
EBITDA, +16.2%

₹ **799** Crores  
PAT, +15.6%

## EVOLVED OFFERINGS FOR OUR CUSTOMERS

We have over seven decades of unparalleled experience in offering high-quality treatment and services. As a leader in the industry, we need to be fast, agile and more competitive than ever. That's why our product portfolio caters to therapies and indications that will lead the healthcare ecosystem. Our differentiated offerings reflect our drive for sustained innovation that will help make people's lives healthier.

### WOMEN'S HEALTH

We are committed to supporting women in India through every stage of their lives - from menarche, pregnancy and menopause support to changes after that. Over the last few years, we have built our legacy brands for pregnancy and are currently shaping the menopause, labor management and endometriosis therapies.

### GASTROENTEROLOGY

Aligned with our purpose to harness and nurture the promise of human potential, our offerings in the gastrointestinal space span the spectrum of gastrointestinal health, provide solutions for every age and stage, and address all areas of gut care. Our products in this portfolio cater to ailments covering the gastrointestinal tract from the stomach to intestines and associated organs. Our differentiated offerings in this area are indicated for constipation, irritable bowel syndrome, pancreatic exocrine insufficiency, dyspepsia and gut health.

### MULTI-SPECIALTY

A healthy body enables us to live well. To ensure that people can live their best possible lives, our multi-specialty portfolio caters to a wide range of conditions-be it a headache or lack of sleep. Our differentiated products range from pain management, pre-term labor, vitamin D (liquid and gummy bears), and insomnia for overall well-being.

### METABOLICS

The thyroid category has many undiagnosed patients, and our path-breaking work in this space for over a decade has helped shape the therapy along with improving diagnostic screenings and scientific engagements. We offer treatment for conditions such as hypothyroidism and continue to focus on the metabolic health space to evolve newer sub-therapies.

### CENTRAL NERVOUS SYSTEM (CNS)

We continuously strive to reduce the impact that diseases of the central nervous system have on people's lives. Our CNS portfolio help people better manage their acute as well as chronic problems. Our main products in this therapeutic area are indicated for vertigo, epilepsy, migraine and depression.

### VACCINES

We are tackling some of the world's most pressing healthcare challenges and we focus on vaccines that help alleviate the disease burden of vaccine preventable diseases. Our portfolio caters to the immunology segment with products targeting influenza, typhoid, diarrhea and hepatitis A.

### CONSUMER HEALTH

We are always looking to the future, anticipating changing consumer needs. Putting our customers at the center of everything we do, we are building our consumer portfolio strategically for relevance to where medicine and technology, our markets, customers, and health consumption are heading. We provide a range of Consumer Health products including antacids (in tablets, syrups and stick packs), laxatives and pain reliever spray.

## OUR ENVIRONMENT ACHIEVEMENTS FOR FY 2021-22

KPI	TARGET	UTILIZED	RESULT AGAINST THE TARGET
Water (KL)	48,615	46,869	1,746 KL less water used
CO <sub>2</sub> (MT)	4,809	4,808	1 MT less CO <sub>2</sub> emission

## PRODUCT PROFILE

# HOLISTIC SOLUTIONS FOR BETTER HEALTH OUTCOMES

We have been successful in sustaining leadership in the areas we operate. A large number of our high-performing brands are market leaders (at number 1 or 2 positions)\* in their respective therapy segments. We continuously endeavor to identify emerging healthcare needs and invest in innovative solutions to help shape a new-age healthcare ecosystem.

## NEW PRODUCTS LAUNCHED



Brivertoin Solution (epilepsy), Havshield (hepatitis A vaccine), Femoston 2/10 (postmenopausal symptoms), Riligel (post-partum haemorrhage), Vertin DT (vertigo), Florachamp (probiotic for irritable bowel syndrome), Preservgest (pregnancy maintenance), Cremaffin Stick Pack (constipation), Digene Stick Pack (acidity), Arachitol Gummies (vitamin D supplementation)

\*Source: IQVIA: MAT March 2022

## KEY BRANDS



Duphalac (constipation), Digene (antacid), Vertin (vertigo), Influvac (prevention of influenza), Thyronorm (hypothyroidism), Creon (pancreatic insufficiency), Duphaston (miscarriage and IVF), Udiliv (cholestatic chronic liver disease), Brufen Power Spray (analgesics)



Arachitol (vitamin D deficiency), Pankreoflat (indigestion), Librax (irritable bowel disease), Heptral (liver disease), Zolfresh (insomnia), Prothiaden (pain & depression), Ganaton (gastrointestinal dysmotility), Duvadilan (preterm labor), Cremaffin Plus (constipation), Cremaffin (constipation), Colospa (irritable bowel disease)

## OUR BUSINESS CASE

# SHARING GROWTH AND ACTIONING POSSIBILITIES

### STEPPING UP OUR DELIVERABLES

Differentiated new product introductions for key therapy areas

Increasing use of digital technology to support doctors and patients

Robust distribution networks and process developments to ensure timely outcomes

Proven scientific expertise, holistic solutions beyond the pill and stakeholder centricity make Abbott India an enduringly successful company. We prioritize purpose, profitability, and progress in equal measure, which makes us a responsible and prudent growth and investment vehicle for investors.

### DIVERSIFIED OFFERINGS

To cater to diverse and different range of health needs, we offer comprehensive range of products across multiple therapeutic categories, including Women's Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management, General Care, Vitamins and Vaccines.

### SCIENCE BASED BRANDED PORTFOLIO

Our broad portfolio of over 125 products has been consistently outpacing industry growth. Our top 15 brands are leaders\* (positioned at #1 or #2) in their respective segments and contribute to over 80% of the Company's core business.

### HIGH QUALITY MANUFACTURING

We earn trust of our customers by providing high-quality and safe products. Product quality remains one of the key differentiating factors and strongest driver of equity with doctors as well as patients. We have a world-class state-of-the-art manufacturing plant at Goa.

### ENTERING NEW MARKETS/NEW THERAPIES

#### NEW PRODUCTS LAUNCHES

Introduction of new drugs and entering new therapeutic areas will continue to be driven by the need-gaps in the healthcare pipeline. We are consistently working towards identifying new opportunities.

We expanded the breadth of our key portfolios and introduced 10 new products this year in different therapeutic areas - Women's Health, Gastroenterology, Central Nervous System, Multi-speciality and Vaccines.

#### FOCUS ON INTERNATIONAL BUSINESS

We have operations in four countries – Nepal, Sri Lanka, Maldives and Bhutan. Our focus on developing business in these neighboring countries and serving people through our quality products is increasing.

### MARKET SHAPING INITIATIVES

To promote therapy leadership and achieve market-beating growth, it is crucial to shape important therapies.

Our initiatives in therapies like Thyroid disorders, Women's Health, Vaccines, etc. have helped improve brand focus and unlock growth opportunities while delivering more evolved outcomes for a larger number of patients.

#### PILL PLUS OFFERINGS

We aim to drive differentiation for doctors and better outcomes for their patients by engaging across the continuum of care. Our constant interactions with our partners and stakeholders allow us to identify their unmet needs and deliver innovations that help patients lead a healthy life.

Our value is not limited to providing high-quality, safe medicines but extends to providing solutions for better patient education, faster diagnosis and increased medication adherence.

### STRONG PARTNERSHIPS

We have built a strong network of valued partners over the years of our operations in India. Our trusted partners in the government, educational institutions, NGOs and healthcare professionals help us deliver better products, shape therapies, increase reach and eventually deliver better health outcomes for our customers.

#### ROBUST PEOPLE DISTRIBUTION NETWORK

We have a robust distribution network of more than 8,600 stockists and 60 Lakhs retailers. This network helps us to reach closer to our patients on one hand and also acts as a strong feedback channel for our products and solutions.

### RESILIENT SALES FORCE

The 3,000+ member resilient sales force are passionate and committed to making a difference through consistently engaging with the medical fraternity to drive growth of the Company. Further, we have empowered the sales force and equipped them with effective digital tools to drive seamless engagement.

### RESPONSIBLE CITIZEN

We are a responsible corporate citizen and trusted partner. We consistently take steps to protect and safeguard the environment for our people and customers.

We invest in long-term well-being and development of our associates and communities.

### ROBUST FINANCIALS

The strength of our business model has been consistently translating into superior financial performance. We have consistently been able to drive double digit EBITDA and net profit margins. We have generated strong return to each rupee invested in the business.

**11.4%**  
Revenue from Operations  
10 years CAGR

**17.9%**  
EBITDA  
10 years CAGR

**18.6%**  
PAT  
10 years CAGR

**125+**  
Quality products portfolio

**8,600+**  
Stockists  
60 Lakh+ Retailers

**3,597**  
Employee strength

**29.5%**  
RoCE in FY 21-22

\*Source: IQVIA: MAT March 2022

\*Source: IQVIA: MAT March 2022

# CHAIRMAN'S MESSAGE

## STAYING TRUE TO OUR PURPOSE



### Dear Members,

I am happy to report that for the year ended March 31, 2022, revenue grew by 14.1% and net profit grew by 15.6% over the previous year. Your team has achieved this in an uncertain and challenging environment. Your Board has recommended a dividend of ₹ 275 per share including ₹ 130 special dividend for FY 2021-22.

During the year, Anil Joseph resigned as the Managing Director effective January 2022. The Board recognizes his contribution and is thankful to him. I welcome Vivek V Kamath as your new Managing Director effective February, 2022. Vivek brings extensive industry experience, and I am confident that the Company will continue to progress under his leadership.

We must acknowledge the perseverance, determination, and efforts of our people in keeping patients' needs first. Your management team has been instrumental in driving the organization to achieve its aspiration.

### DRIVING INNOVATION THROUGH CO-CREATION

During the year, we continued our portfolio expansion journey and launched 10 differentiated products in the market to meet increasing healthcare needs. This consistent portfolio expansion is well-aligned to our strategy to be present in key therapeutic areas.

We continue to leverage on actionable insights through meaningful engagement with our stakeholders as a large number of them are using digital platforms to manage health. Our engagement with the doctors to deliver value-driven, science-based content continued even during the pandemic. This demonstrates our agility in the face of adversity.

We also increased our efforts to provide greater access to our high-quality medicines to people across India this year through a dedicated team working in rural areas, and this will remain our focus going forward.

### DEVELOPMENT AND WELL-BEING OF OUR EMPLOYEES

Our employees are our strength, and their health and well-being remain our top priority. During the year, employee assistance programs were amplified to support employees and their families. In addition, wellness initiatives were rolled out during the year, both at plant and head offices,

which focused on the financial, mental, emotional, and physical health of employees. Abbott's continuous investments in the training and development capabilities of its people is a key element for our long-term sustainability.

### CARING FOR THE COMMUNITY

We remained committed to robust community interventions, aimed at building scalable and sustainable solutions to solving social problems.

In partnership with SEWA, we expanded the access to quality and affordable non-communicable disease care among low-income communities. Through a combination of physical clinics, telemedicine services, community health workers and electronic medical records, the program serves patients across 27 districts in 3 states. We also collaborated with SEWA to educate its 2.1 million members on COVID-19 prevention, detection and treatment. As a science-based company, we worked with Smile Foundation to promote STEM (Science, Technology, Engineering and Mathematics) learning, health education and sports among children from under-served communities across 6 schools in and around Mumbai. Our health clinics have enabled access to diagnosis and mass awareness about various diseases through qualified doctors. In partnership with AmeriCares, we are upgrading 40 Primary Health Centers to Health & Wellness Centers across 5 States in India.

### COMMITTED TOWARDS A HEALTHIER FUTURE

Making the lives of patients better is at the heart of everything that we do. For more than 130 years, Abbott worldwide, has built its reputation by doing what's right for the people we serve. We will continue this journey of creating value and enriching the lives of our stakeholders through innovation and growth. With a single-minded focus on ensuring access and affordability, our initiatives are aimed at adding significant value to society and the ecosystem around us. We will remain empathetic while improving sustainability.

## AWARDS

**"BEST PLACES TO WORK"**

For 8 consecutive years-Business today

**"BEST COMPANIES IN INDIA"**

Avatar and Working Mothers

**'GOLDEN PEACOCK HR EXCELLENCE AWARD'**

For second consecutive year- Institute of Directors

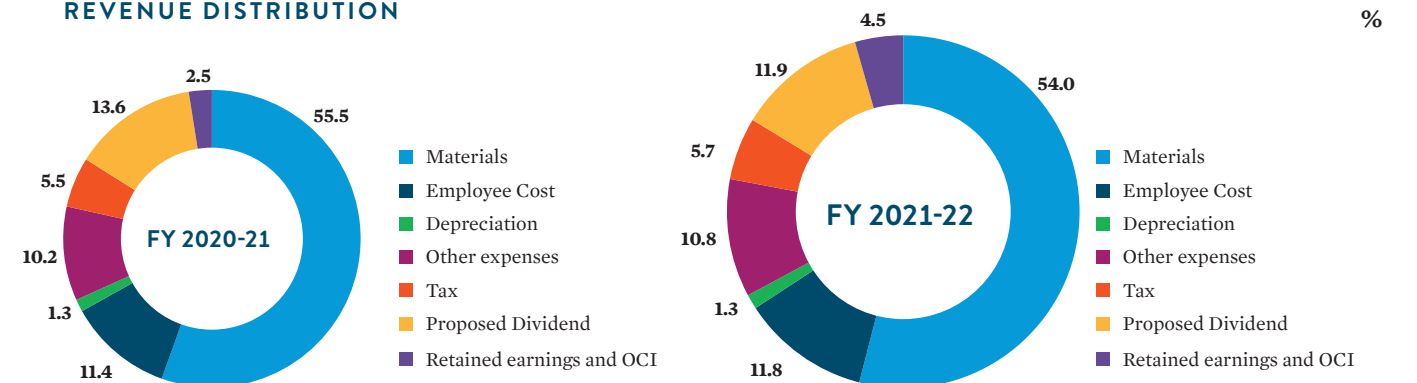
Delivering consistent performance has its own responsibilities - and we intend to pioneer and deliver so that we outperform the market year on year. The branded generics market has always been competitive, and it will be critical for us to leverage on our legacy and trust amongst our customers. Our achievements are testament to our belief. Our broad portfolio and innovative strength will allow us to be well-positioned in our commitment to make important contributions to the health of people in India.

On behalf of my fellow Board Members, I express sincere thanks to all our partners for their unwavering support, to our employees for their continued passion and commitment, and to all our shareholders for your continued trust and confidence.

Warm regards,

**Munir Shaikh**  
Chairman

### REVENUE DISTRIBUTION





## 10-YEAR FINANCIAL PERFORMANCE

ROUNDING UP A  
DECADE OF IMPACT

(Amounts in ₹ Crores, unless otherwise stated)

OPERATING RESULTS	INDIAN GAAP					IND AS <sup>@</sup>					
	2012	2014 (15m)	2015	2016	2017	2018	2019	2020	2021	2022	
Revenue From Operations <sup>#</sup>	1,675	2,309	2,317	2,646	2,939	3,307	3,679	4,093	4,310	4,919	
Other Income	22	49	48	50	57	117	113	114	81	77	
Material Cost	972	1,296	1,313	1,492	1,712	1,905	2,088	2,314	2,391	2,657	
Employee Benefit Expense	206	300	305	341	345	394	436	476	493	579	
Other Expenses	295	445	387	448	484	484	550	545	505	595	
Depreciation and Amortization	19	22	15	14	16	16	17	60	58	66	
Finance Cost	-	-	1	3	2	4	2	9	18	19	
Profit Before Tax and Exceptional Items	205	295	344	398	437	621	699	803	926	1,080	
Exceptional Items	10	-	-	-	-	-	-	-	-	-	
Provision For Taxation	70	97	115	143	160	220	249	210	235	281	
Profit After Tax and Exceptional Items	145	198	229	255	277	401	450	593	691	799	
Earning Per Share - Basic & Diluted (₹)	68.10	93.39	107.75	120.12	130.19	188.81	211.93	279.04	325.04	375.86	
Dividend Per Share (₹)	17.00	23.00	31.00	35.00	40.00	50.00	50.00	107.00	120.00	145.00	
Special Dividend Per Share (₹)	-	-	-	-	-	5.00	15.00	143.00	155.00	130.00	
<b>ASSETS EMPLOYED</b>											
Fixed Assets (Net)	109	100	100	111	116	84	106	271	251	272	
Other Assets (Net)	538	688	837	1,084	1,271	1,609	1,902	2,160	2,351	2,548	
<b>TOTAL ASSETS</b>	<b>647</b>	<b>788</b>	<b>937</b>	<b>1,195</b>	<b>1,387</b>	<b>1,693</b>	<b>2,008</b>	<b>2,431</b>	<b>2,602</b>	<b>2,820</b>	
<b>FINANCED BY</b>											
Share Capital	21	21	21	21	21	21	21	21	21	21	
Other Equity	626	767	916	1,174	1,366	1,672	1,987	2,410	2,581	2,799	
<b>TOTAL EQUITY</b>	<b>647</b>	<b>788</b>	<b>937</b>	<b>1,195</b>	<b>1,387</b>	<b>1,693</b>	<b>2,008</b>	<b>2,431</b>	<b>2,602</b>	<b>2,820</b>	
<b>SHAREHOLDERS</b>	<b>20,826</b>	<b>18,270</b>	<b>19,407</b>	<b>21,250</b>	<b>23,004</b>	<b>22,583</b>	<b>27,559</b>	<b>51,442</b>	<b>87,794</b>	<b>90,567</b>	
<b>EMPLOYEES</b>	<b>2,667</b>	<b>2,766</b>	<b>2,867</b>	<b>2,956</b>	<b>3,083</b>	<b>3,322</b>	<b>3,485</b>	<b>3,551</b>	<b>3,585</b>	<b>3,597</b>	

# Inclusive of Excise duty on sales/ Net of GST

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





## MANAGING DIRECTOR'S MESSAGE

# MAKING CONTINUOUS HEADWAY IN ENRICHING THE ECOSYSTEM



### Dear Members,

It's a privilege for me to lead the Abbott India Limited team. We are known for our legacy products, innovative solutions, and patient-centric initiatives across the care continuum. I am excited to further build on this trust and innovation.

FY 2021-22 was yet another great year for us. We have delivered impressive results with 14.1% growth in revenue and 15.6% in net profits over the previous year. The agility of the Company and our ever-evolving business model ensured that we were able to tackle the dynamic environment with minimal disruptions in our production or distribution.

Our focus on entering new therapies will continue and we will bring new and innovative products and offerings to the market. This is critical to our aim to transform healthcare for people in India.

### RESILIENT TO CHANGE

What separates us from the rest is our business model that helps us remain tough and competitive. Our consistent performance is a testament to the fact that we have been able to overcome most of the recent disruptions. Our leadership and unwavering success stems from the strong legacy brands and the robust infrastructure in place.

As the operating environment around us changed, we leveraged on multi-channel engagement and digital tools to ensure that our connect with stakeholders was not affected. Our field force is equipped with e-detailing tools and therefore, communication with healthcare professionals remained seamless.

To ensure that we can leverage channel diversification for effective reach, we have also increased our focus on alternate channels – such as modern trade pharmacy chains, and e-pharmacies. Moving forward, we will continue to pioneer new ways of engaging with all our stakeholders – doctors, patients, distributors and institutions.

### EVER-EVOLVING WAYS

It is a rapidly evolving healthcare environment, and there is a spotlight on the importance of good health. At Abbott India, we have made a choice to move from creating medicines to creating holistic healthcare solutions that address the entire continuum of care. We have brought in synergy in our efforts that concentrate on pill plus offerings, and are leveraging on economies of scale to ensure the very best for our patients. Considerable insights and strategic thought help us bridge the gaps in the care continuum which includes generating awareness. For example, Epilepsy is a much-misunderstood condition, where there are several myths and taboos leading to underdiagnosis and treatment. We spearheaded an innovative messaging and content-led campaign, “E for Epilepsy”, in an endeavor to shift the belief system and bring to light facts about the condition.

Our ‘D Strong Active Life’ campaign launched last year also saw considerable traction and we continued to strongly engage with consumers. Pioneering efforts in the insomnia category saw the launch of the first online, self-screening sleep score tool in India that helps reduce the time taken to consult a doctor for sleep disturbances. We also launched two unique products, PreservGest, which is a micronized progesterone, and Arachitol Gummies, vitamin D and calcium gummies in the multi-speciality medicine portfolio.

Our Vaccine division continued patient education initiatives to ensure patients with comorbidities who are at higher risk for influenza, have adequate relevant information. We look forward to expanding the portfolio beyond the current set of vaccines and target segments.

The Women's Health portfolio, led by the globally trusted Duphaston, weathered competition challenges quite well. The team continues to work on building advocacy with peer-to-peer experience sharing and evidence dissemination. The Tender, Love & Care, patient support program launched last year evolved further, helped the parents-to-be. Our presence in new focused segments such as menopause saw traction for raising awareness in the form of a unique multilingual menopause patient awareness program “Pausetive Talk” through doctors for their patients.

Your Company's strong presence in the Gastrointestinal space was further strengthened with the success of Digeraft. In this portfolio, we also launched a unique pre-probiotic, Florachamp, to help restore gut balance. Our strategies in this portfolio continue to evolve as we ensure that our business plans match the momentum of the growth of our brands.

I am proud to say that our Consumer Health portfolio, led by Digene, has continued its growth trajectory over the last few years. The team has also evolved packaging to

cater to single serve, on-the-go needs and launched Digene and Cremaffin stick packs this year. The metered pain relief spray, Brufen Power spray, launched last year has gained momentum in many markets.

What also makes me happy and #AbbottProud is that along with differentiated campaigns and growing offerings to our patients, we have continued to invest in our people to ensure that they are equipped with relevant capabilities and resources. Our training team has best-in-class learning programs. As we shifted to virtual learning last year, we are now able to provide 100% digitized content.

We remain committed to building a diverse workforce and creating an inclusive working environment for people to excel. In this quest, we have continuously launched initiatives and spearheaded programs that ensure that our efforts are in the right direction. We had over 370 employees joining the Abbott India family last year with a close to ~50% increase in diversity representation.

There has been an increasing focus on ESG parameters across the world. As a part of the global mandate, we endeavor to maximize responsible resource usage and reduce our carbon emission. We have a holistic approach across our initiatives, and efforts are made to curtail adverse environmental impact. We continued our commitment to reducing the gap in accessing quality healthcare. We upheld the highest level of governance measures, ensuring complete transparency and conformance to ethical standards.

### ENRICHING THE QUALITY OF LIFE

Together, we have learnt from the challenges and supported each other to ensure that we delivered as a team. We have achieved a lot in FY 2021-22, even though it was not an easy year. Yet there is much to be done. Our task is to build on the momentum and deliver results. We are focused on helping people and the communities we serve. We are an important player in the area of healthcare, and we must step up even further with this responsibility. Our culture, values, and our one Abbott mindset fostering collaboration, will ensure that we continue to deliver long-term sustainable growth. The scale and diversification of our products and solutions will further help us in this ambition.

I would like to thank our customers and shareholders for the trust they have placed in us. Thank you for your loyalty and support.

We remain Abbott Proud.

Sincerely,

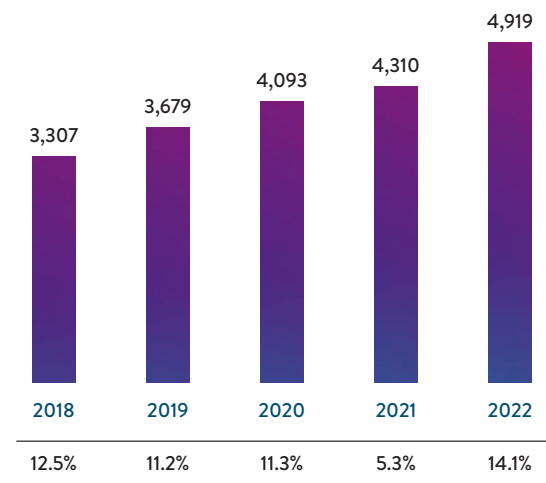
**Vivek V Kamath**  
Managing Director

## KEY PERFORMANCE INDICATORS

# DELIVERING WITH PROVEN EXPERTISE

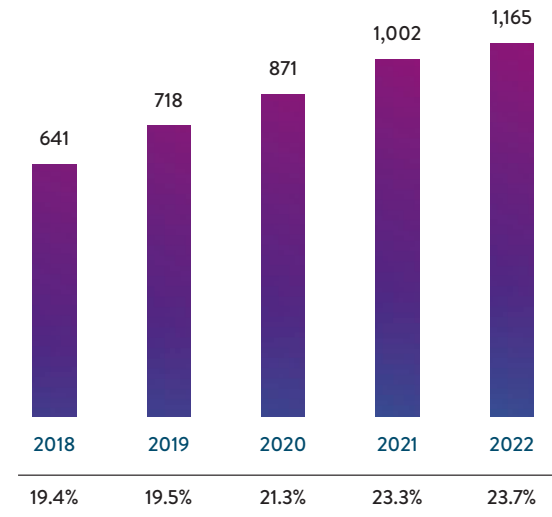
### REVENUE GROWTH 14.1%

REVENUE (₹ IN CRORES)



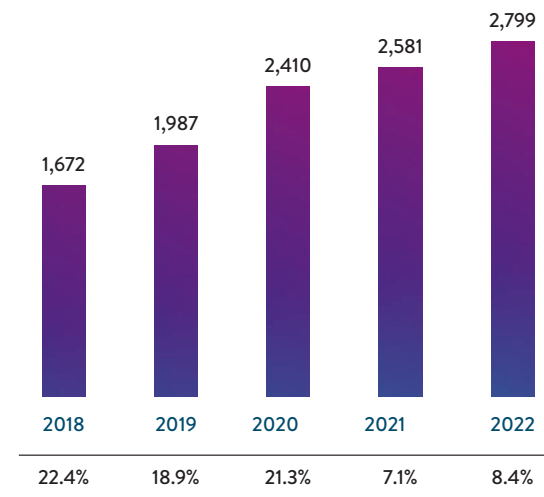
### EBITDA MARGIN 23.7%\*

EBITDA (₹ IN CRORES)



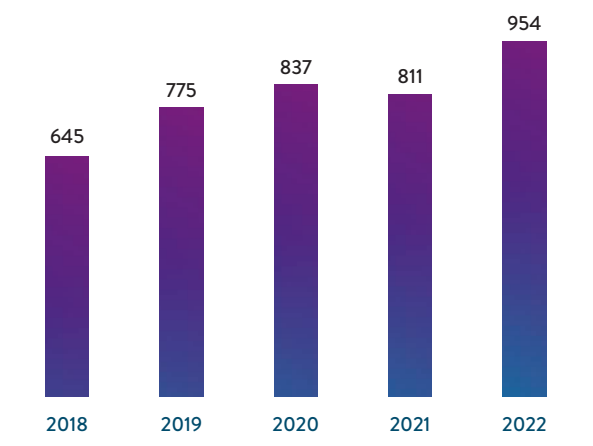
### RESERVES AND SURPLUS GROWTH 8.4%

RESERVES AND SURPLUS (₹ IN CRORES)



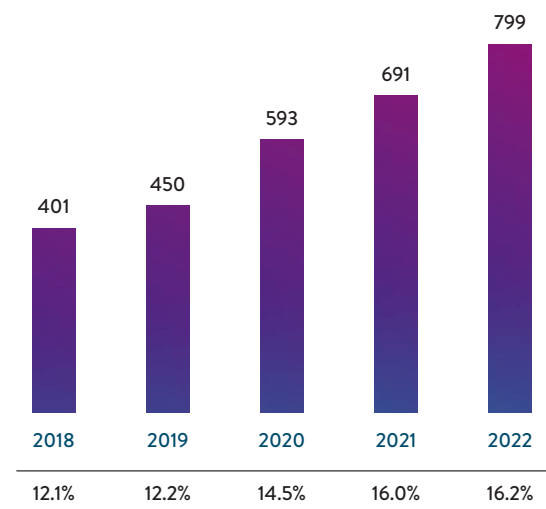
### CONTRIBUTION TO EXCHEQUER

(₹ IN CRORES)



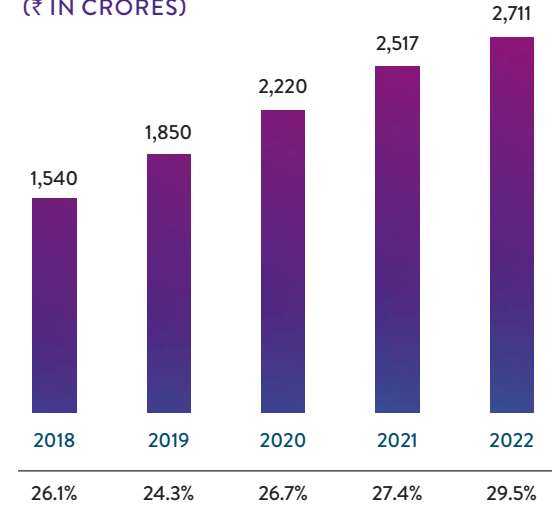
### PAT MARGIN 16.2%\*

PAT (₹ IN CRORES)



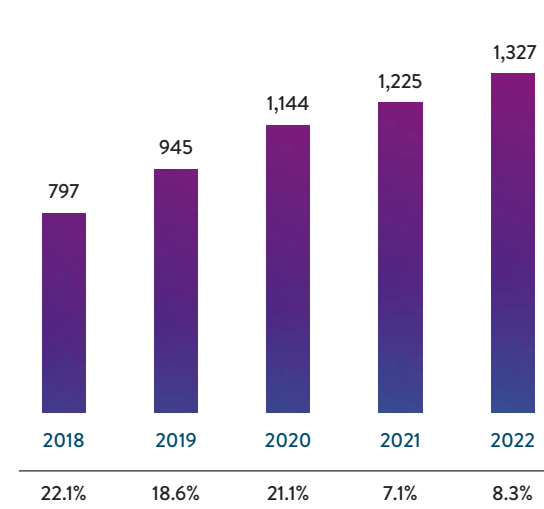
### RETURN (PAT) ON AVERAGE CAPITAL EMPLOYED 29.5%

AVERAGE CAPITAL EMPLOYED (₹ IN CRORES)



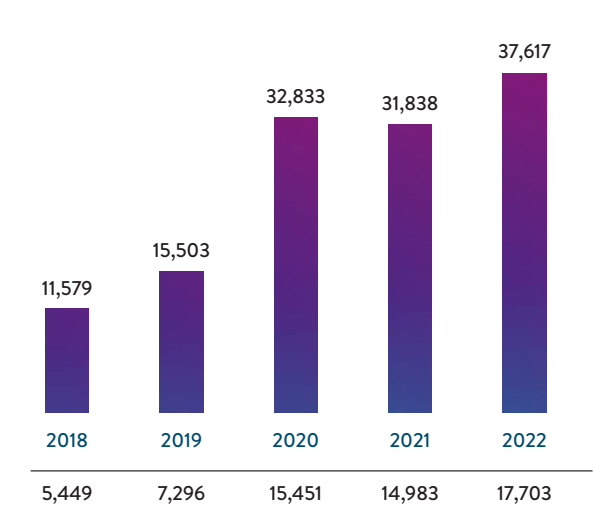
### BOOK VALUE GROWTH 8.3%

BOOK VALUE PER SHARE (₹)



### SHARE PRICE (₹) 17,703

MARKET CAPITALIZATION (₹ IN CRORES)



\*% To Revenue from Operations

## CUSTOMER CENTRICITY

# ENRICHING LIVES OF OUR PATIENTS THROUGH HOLISTIC SOLUTIONS



At Abbott India, our therapy-shaping campaigns are meant to educate and help people make informed decisions, bust myths around conditions and improve access and efficiency. To enhance the marketing efforts and drive better health outcomes, we also rely on real-time data and analytics, along with actionable insights for all our initiatives.

### E FOR EPILEPSY

In India, ~1 Crore people with epilepsy are left undiagnosed or untreated. As a condition, people (children and adults alike) feel shy to talk about epilepsy due to the associated social stigma. To transform the outlook and approach towards epilepsy, we launched a unique messaging campaign #EforEpilepsy where we connected with the audience to raise awareness and fight social stigma. The campaign saw a participation of 500+ healthcare professionals via a signature campaign committing to changing the belief system.



### INNOVATIVE SOLUTIONS

Our Consumer Health business has been innovating constantly to serve the needs of the people. We launched convenient pocket-sized, easy to carry packs to ensure wider access for our flagship brands Digene and Cremaffin. Multi touchpoint campaigns across TV, digital media and influencers were activated to reach consumers at scale and cascade the information on the science-backed technology and innovation of our products.

# CUSTOMER CENTRICITY



## HEALTH CLINICS

We have been consistently trying to meet the need gaps across the care continuum. Our health clinics help boost timely awareness and diagnosis across a range of symptomatic and asymptomatic conditions in India. For asymptomatic conditions such as Non-Alcoholic Fatty Liver Disease (NAFLD) or thyroid, timely screening and diagnosis is a life saver. Our Fibroscan and Liver clinics help to provide quick, reliable, and timely diagnosis to people.

**~1,69,000**  
Screenings through the health clinics

## D ACTIVE STRONG LIFE

Being a leading healthcare company, we take the responsibility to drive credible health conversations in society. It is always important to have the right conversations around the role of Vitamin D and immunity. Led by Key Opinion wLeaders (KOLs) our campaign, D Strong Active life, an integrated media campaign on social media, print, radio, and TV along with the field, continued to create awareness on the role of Vitamin D, in the interest of patients, doctors and retailers.

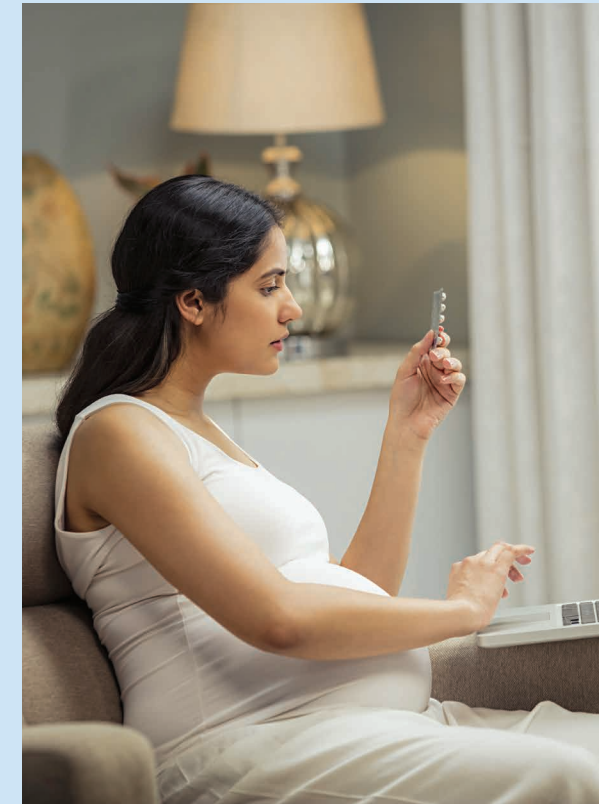
The campaign reached ~20 Lakhs patients, ~1 Lakh healthcare professionals and ~13,000 retailers to create right awareness on Vitamin D



## VACCINATION OUTREACH PROGRAM

We have been creating awareness on flu for a number of years. This year, for addressing preventable health conditions such as influenza, we focused on strengthening the concept of annual vaccinations through strategic compliance support. Our multi-channel Direct-to-Consumer campaign “Mothers Against Influenza” helped garner considerable awareness amongst moms. We also reached out to parents across more than 50 schools to create awareness and talk about the importance of flu vaccines.

**50+**  
Schools where we created awareness on flu and the importance of flu vaccine



## TENDER, LOVE & CARE

Under our Tender, Love & Care initiative, we provide lifestyle and psychological support for at-risk patients or parents-to-be. This program has helped open doors to developing unique bonds between doctors and patients, as patients start their much-awaited journey to parenthood. It is a first-of-its-kind helping hand in the women’s health space for holistic care and counselling. This initiative has helped in several healthy and successful pregnancies.

## WAKE UP FRESH

Insomnia is a commonly neglected condition, especially in urban India. It can cause long-term effects on an individual’s health. As part of our work on insomnia awareness, we launched the first-ever online self-screening sleep score tool in India that assessed risk factors for insomnia. It helps reduce the time taken to consult a doctor for sleep disturbances. Within months of the launch, close to 1 lakh patient screened themselves and around half of them consulted their doctor for next steps.

## PATIENT SERVICE EXCELLENCE

As an innovator and key player in gastrointestinal health, we are always looking at ways to help our patients across the care funnel. Gutfit was one such solution that was developed to help patients through their health journey. It is one of India’s largest lifestyle management programs that serves as the perfect bridge between doctors and patients. This provides credible disease awareness on 17 GI and comorbid conditions along with diet and exercise counselling in 9 different languages. In 2021, Gutfit adapted a virtual model to increase brand footprint and was able to onboard more than 3,000 healthcare professionals on the program.

**~28,000**  
Counselling sessions delivered



## MENOPAUSE CLINICS AND PAUSETIVE TALKS

To create awareness of menopause symptoms and their impact amongst women and caregivers, we have established over 500 menopause clinics, across India. In this program, we are placing patient awareness material in 12 regional languages. We conduct a unique multilingual menopause patient awareness program “Pausetive Talk” in clinics through the doctors for their patients. Till now we have executed around 100+ Pausetive Talks, digitally and physically.

**500+**  
Menopause clinics established pan India





## KNOWLEDGE SHARING

# ENHANCING CUSTOMER EXPERIENCE THROUGH SCIENTIFIC KNOWLEDGE



At Abbott India, customer-centricity is at the heart of our offerings and actions. We strive to deepen our interactions with them in order to facilitate better understanding of health and healthcare, and engage meaningfully on every platform.

### KNOWLEDGE DISSEMINATION

With the learning environment going virtual following the pandemic, reliable alternate channels of communication with our healthcare practitioners, and flagship scientific models were created. These included advisory boards, digital masterclass, collaboration with societies, thought leader videos, and therapy updates, to lend credence to our academic engagements.

**6,500**  
Medical Education programs conducted

**~2 Lakhs**  
Doctors reached

### MULTI-CHANNEL ENGAGEMENT

To increasingly enable access to quality and latest information in the field, we have effectively utilized our multi-channel engagement model with healthcare professionals. Leveraging digital tools, information on various therapies, unique web portals, and virtual counselling platforms was provided.

### EVIDENCE-BASED INTERVENTIONS

Inspired by the developments in research and science, we are paving ways for new approaches to treatment and adherence. We have undertaken various research studies throughout the year that will help us improve overall health outcomes. Our long-term strategies are defined by this high-quality scientific evidence.

**17**  
Medical publications

**20**  
Clinical studies conducted

PEOPLE

ENRICHING CAPABILITIES AND CAREERS

We are equal parts an employer of choice and an enterprise that believes in shared growth. We invest in the engagement, well-being and development of our people to help them discover and retain their winning edge in the industry, while encouraging their strengths and potential.

HOW WE DRIVE VALUE FOR OUR EMPLOYEES

Continuous strengthening of our succession pipeline, by investing in the development of managerial capabilities

Enabling accelerated growth in the organization

Driving a high performance and inclusive culture

Strengthening capabilities with new talent infusion wherever required



TRAINING AND CAPABILITY BUILDING INITIATIVES

To enable the continuous development of our front-line field force, we have a 3-tier certification program. This is designed to help participants excel in their current role by upskilling and preparing them for future challenges.

In FY 2021-22, over 750 Therapy Business Managers underwent 70 virtual training sessions and 71 assessment sessions.

ACADEMY PARTNER

In FY 2021-22, a new initiative, 'Academy Partner' was launched for Therapy Business Managers (TBMs) and First-Line Managers (FLMs) with the inclination and competencies to support the various training initiatives. Over 100 TBMs and FLMs provided their candidature to become an 'Academy Partner'.

ENHANCING SKILLS OF OUR PEOPLE

With the pandemic, e-learning became an essential and we provided all employees access to a vast and diverse learning portfolio to upskill themselves through an online portal accessible in real time.

- **RAISING FUTURE LEADERS:** These programs focus on the development of key personnel who are part of the succession pipeline across levels and building skills and capabilities required for the next level roles.
- **EXECUTIVE COACHING AND MENTORING:** Executive coaching and mentoring are used as development interventions for senior leaders. We measure the success of these programs through the lens of milestones and development goals achieved by those who are coached.
- **MENTORING PROGRAMS:** Business leaders like vice presidents, general managers, senior directors, and functional leaders actively engage in mentoring talent across the organization. Mentoring helps employees drive new, cross-functional expertise and perspectives.
- **LEADERSHIP WITH IMPACT - INTEGRATED MANAGERIAL CAPABILITY PROGRAM:** This program was rolled out to reach more than 2,000 people managers help them effectively lead employees, enhance their leadership skills, and understand what is expected of a leader at Abbott.

DIVERSITY, EQUITY & INCLUSION (DE&I)

Diversity continues to be non-negotiable for Abbott and we have identified following focus areas for us:

- **WORKPLACE POLICIES AND PRACTICES** to make the organization more inclusive
- **HIRING PRACTICES** reviewing, strengthening, and monitoring our practices and approach to enable effective hiring of diverse talent across businesses
- **CAPABILITY AND MINDSET** to continue building the managerial pipeline to leverage diverse ideas and talent, and build high performing, inclusive teams
- **FORUMS AND NETWORKS** extend opportunities to employees to engage with and learn from different communities creating robust and extensive employee networks and resource groups

Key DE&I interventions undertaken and promoted during the year include:

- **WOMEN LEADERS OF ABBOTT (WLA):** WLA takes a proactive role in connecting women within the organization and offers dynamic programs to enhance leadership experiences and career.
- **ABBOTT SECOND CAREER ENGAGEMENT PROGRAM:** This program aims to strengthen our diversity commitment by providing second career opportunities to veterans and women returning from career breaks.
- **UNCONSCIOUS BIAS TRAINING FOR MANAGERS:** Regular training is conducted for building individual awareness to identify unconscious biases and their impact at work.
- **HAPPY FEET-JOY OF MOTHERHOOD:** This program is designed to support and provide a conducive work environment for our women employees as they step into motherhood.
- **WO-MENTORING PROGRAM:** A dedicated initiative for high potential women employees. We have mentored more than 150 women employees so far and of these, 40% have had a role rotation, promotions, and transfers.
- **EMPOWER:** As a part of this initiative, women employees receive curated content that includes theme specific webinars, videos, articles and podcasts to sharpen and enhance skills.
- **AVENUE:** Launched in FY 2021-22 to support women during any relocation requirement due to a change in personal circumstances.

# PEOPLE

## ADVANCING PROFESSIONALS NETWORK

This is Employee Resource Group, set up in India and has been launched to help our early career professionals explore the mammoth organization that Abbott is, engage and network with leaders and diverse talent across the organization. The aim is to help these individuals evolve as professionals resulting in long and meaningful careers with the Company.

## ABBOTT DISABILITY NETWORK

To be a best-in-class network supporting people of all abilities within Abbott, we are empowering people with disabilities to reach their fullest career potential.

## THANKING THE MENTORS

“Thank You Coach” is a story series launched in FY 2021-22 to propagate coach culture in the Company. Employees share their success stories by thanking their coaches.

“iLearn” is a series where the trainees share articles mentioning about their experiences and learnings during their training in the Company.

## ENSURING OVERALL WELL-BEING OF OUR PEOPLE

Our India Wellness Program covers initiatives around emotional, physical, financial and social wellness as the four key pillars of employee well-being, this program has been amplified further in FY 2021-22 anticipating employee challenges in the light of the tough external environment.

## HEALTH AND SAFETY

We are committed to keeping employees safe by preventing incidents in and around the workplace. We educate and empower them to promote safer and healthier lives in their wider communities.

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

## EMPLOYEE ASSISTANCE PROGRAM (EAP)

While employees focus on building their careers, their families support them. The EAP recognizes the support employees need, by making a meaningful contribution towards the well-being of employees and their families.

EAP is a customized counselling and resource service introduced by Abbott India to support employees and their families. This program offers free counselling, referrals and follow-up services.

## WORK LIFE HARMONY

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

## LISTENING TO OUR EMPLOYEES - YOUR VOICE COUNTS

At Abbott, it is important for us to feel the pulse of our employees. With this objective, we introduced the “Your Voice Counts” survey. It helps the organization identify areas that our employees think are important and need improvement. The survey includes several questions on the overall mindset around intrapreneurial behaviors – speed, agility, competitiveness as well as diversity and inclusion. The survey is anonymous and is released to a sample set of employees on a quarterly basis to drive continuous improvement.



### EMPLOYEE VACCINATION PROGRAM

Amid the Pandemic, the Company rolled out a vaccination drive to support employees to get vaccinated. We partnered with third parties and hospitals across the country to help employees with their vaccinations.

### TELEMEDICINE AND HOME ISOLATION SUPPORT

Unique initiative launched in 2021 was the provision of a company sponsored 24x7 telemedicine support for employees and their immediate family. This has seen high utilization and resonance with employees.

**5,500+**  
hours live learning sessions conducted for frontline field force

**750+**  
Therapy Business Managers were trained and assessed for certifications

**100%**  
of the sales employees completed Road Safety training



## OPERATING ENVIRONMENT

# FACTORS THAT INFLUENCE OUR OPERATIONS

Every change that occurs, global or domestic, affects the healthcare industry. We learn to utilize these effects to our advantage and enhance every aspect of our business. The recent pandemic has evolved healthcare in unique ways and digital technology has suffused the sector bringing in a push for teleconsultations and online pharmacies. We are leveraging our market understanding to ensure that our stakeholders benefit the most from these emerging practices.

### DYNAMIC EXTERNAL ENVIRONMENT

#### AYUSHMAN BHARAT

The central government's health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), is expected to drive up public health insurance coverage. 107.4 million underprivileged and vulnerable families or 40% of India's population are covered under the scheme. By February 2022, more than 174 million e-cards had been distributed to PMJAY affiliates. While limited coverage of hospital inpatient care under the program, it will allow a growing number of patients to gain access to healthcare, increasing rates of diagnosis and raising disease awareness, benefitting private clinics and the retail pharmacy sector.

#### E-PHARMACY AND PHARMACY CHAINS

New-age channels are gaining increasing salience and have emerged as an additional access point for consumers along with brick-and-mortar retailers. The rapid growth of the sector further driven by COVID tailwinds has led to the entry of conglomerates and e-commerce players. Propelled by the impact of the pandemic, and its impact on consumer behavior, the online pharmacy channel is expected to continue growing, and it is estimated to reach 70 million households by 2025.



### ABBOTT INDIA'S APPROACH

#### LEVERAGING NEW ENGAGEMENT CHANNELS

As healthcare systems and engagement platforms evolve to keep pace with the times, we are utilizing this opportunity to reach audiences in new and engaging ways. Digital innovations are driving the expansion of telehealth and e-commerce. Both trends are broadening access to health for those who need it the most, especially in the context of the pandemic. We are strengthening our multi-channel engagement models to increase our reach to professionals, build business across traditional retail and institution channels, and explore the e-commerce avenues to expand access of our medicines.

#### REIMAGINING INNOVATION BEYOND THE PILL

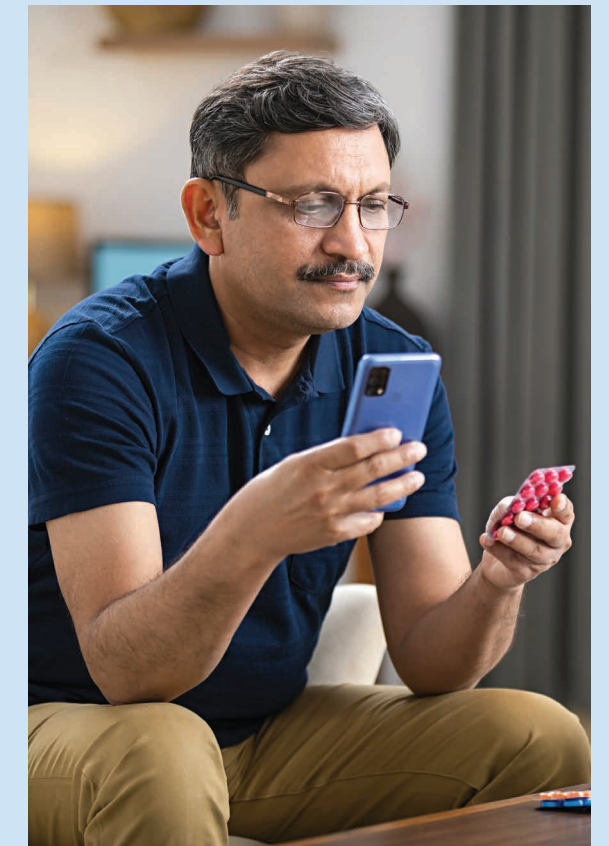
With branded generics dominating the Indian pharma industry, it is imperative for us to offer competitive advantage that provides beyond the pill solutions. We are pioneer in supporting our patients with solutions that help them across the treatment journey. Along with being a leader GI space patient support programs, we also reimagined innovation through unique support programs in the Women's Health, Vertigo, and Liver health space.

### CREATING STRATEGIC PARTNERSHIPS

New collaborations with pharmacy chains, retailers, other healthcare players in the ecosystem, help us drive innovation and provide new possibilities to engage with our stakeholders to improve health outcomes. We leverage strategic partnerships and co-development to be the first to offer unique medicines and health solutions in the markets we serve, for a lasting impact. Our strategies are informed and driven by analytics and performance metrics of marketing content.

### FOCUSED ON CONSUMERIZATION, PREVENTION AND WELLNESS

Easy availability of health information is influencing health decisions and the behavior of today's patients. Increased focus on preventive care and wellness pushes for a better healthcare ecosystem in India. We intend to leverage this opportunity and are driving responsible consumerization of some of our products portfolio and continue to shape the therapy standards for prevention and wellness.







## STRATEGIC PRIORITIES

# ACHIEVING ORGANIC GROWTH

We maintain our market leadership through a differentiated and cutting-edge strategy that considers external volatilities and shifts, while prioritizing resource optimization and overall strengthening of capabilities and culture.




**STEADFAST ON PATIENT-CENTRIC CULTURE**

**Objective**

Deliver unique patient-centric solutions for 'now' and 'next' therapies and shaping therapy standards

- Progress made during the year**
- Launched 10 new products during the year
  - Increased presence in high growth therapy areas such as adult vaccination and new sub-therapies like menopause
  - Strengthened our multi-channel engagement and leveraged technology to engage with patients and doctors for better health outcomes

- Outlook for FY 22-23**
- Make informed decisions about new products and line extensions through therapy and patient landscaping
  - Focus on identification of new products for gastroenterology, neurology, metabolics, vaccines and women's health
  - Build on strategic geographies and channels to reach out to a wider, new-age consumers
  - Strengthen the OTC/OTX offerings
  - Extend the reach of health initiatives beyond the pill



**PARTICIPATING ACROSS THE CARE CONTINUUM**

Deliver comprehensive and effective patient care across the continuum of care (Awareness, Diagnosis, Treatment, Compliance and Life Style Modifications)

- Empowered patients across multiple therapies (vertigo, epilepsy, influenza, Vitamin D, insomnia) with multi-media awareness campaigns
- Led strategic partnerships with key associations to advance our therapy shaping standards.
- Brought synergy in our patient care efforts through the launch of a Center of Excellence
- Lead differentiated Healthcare Professionals (HCPs) facing initiatives to drive therapy leadership in key therapeutic areas

**Awareness:** Continue our focus on helping people understand their symptoms with the help of credible HCP-led interventions.

**Diagnosis:** Lead efforts for timely diagnosis and care management of patients to improve access and well-being. Bring in information flow between patients and doctors with concerted diagnostic efforts.

**Treatment:** Continue to utilize multiple channels to strengthen the scientific scientific of HCPs; rely on evidence-based interventions to help improve treatment outcomes

**Compliance:** Focus on long-term growth levers including adherence enhancement through patient support programs, enhanced packaging, and innovative dosage forms



**INSPIRING AND BUILDING A DIVERSE WORKFORCE**

To ensure that our strategic intent is delivered through a dedicated talent strategy aimed at building capacity, capability and culture.

- Several employee engagement and learning initiatives such as Thank You Coach, I-LEARN, Mid-Year Summit, Digital Newsletter, were launched during the year.
- Through regular employee interventions, attrition level remained at minimal.
- Rewards and Recognition framework are place for encouraging our employees to outperform while following Abbott behaviors
- Diversity, Equity & Inclusion (DE&I) continued to be the high priority for the Company. We identified certain key focus areas to help bring the Diversity and Vision at Abbott to life. Various interventions for DE&I were undertaken and promoted during the year.

- Continue to have a culture of diversity, inclusivity and intrapreneurship through different forums
- Continue to invest in training, capability building programs for upskilling and reskilling of our employees



# STRATEGIC PRIORITIES



## REMAINING SUSTAINABLE

### Objective

Minimize environmental impact, as a responsible business, and aim to achieve zero harm, zero liquid discharge and zero waste to landfill

### Progress made during the year

- Initiatives implemented at Goa plant to reduce CO<sub>2</sub> emissions, water use and waste, water conservation, and to make product packaging more sustainable.
- These initiatives led to reduction in water consumption by 1,740+ KL, CO<sub>2</sub> emissions by 1 MT, energy savings of 29,300+ KWH and reduction in fuel consumption by 500+ tonnes. Also, water consumption and CO<sub>2</sub> are kept at same level, in spite increase in production volumes by 37% for liquid formulations and 8.5% in tablets.
- Pioneering and innovative changes were undertaken in the manufacturing process during the year resulted in the enhancement of the yield improvement in liquid and solid manufacturing and, reduction in man and machine hours.

### Outlook for FY 22-23

- Up-gradation of Effluent Treatment Plant (ETP) at Goa to cater additional load of effluent due to future increase in production volumes.
- Various other initiatives are planned and budgeted to reduce the generation of hazardous waste at site.
- Installation of Solar panels at site to harness clean energy thus reducing carbon footprint of site.



## CONTRIBUTING TO THE SOCIETY

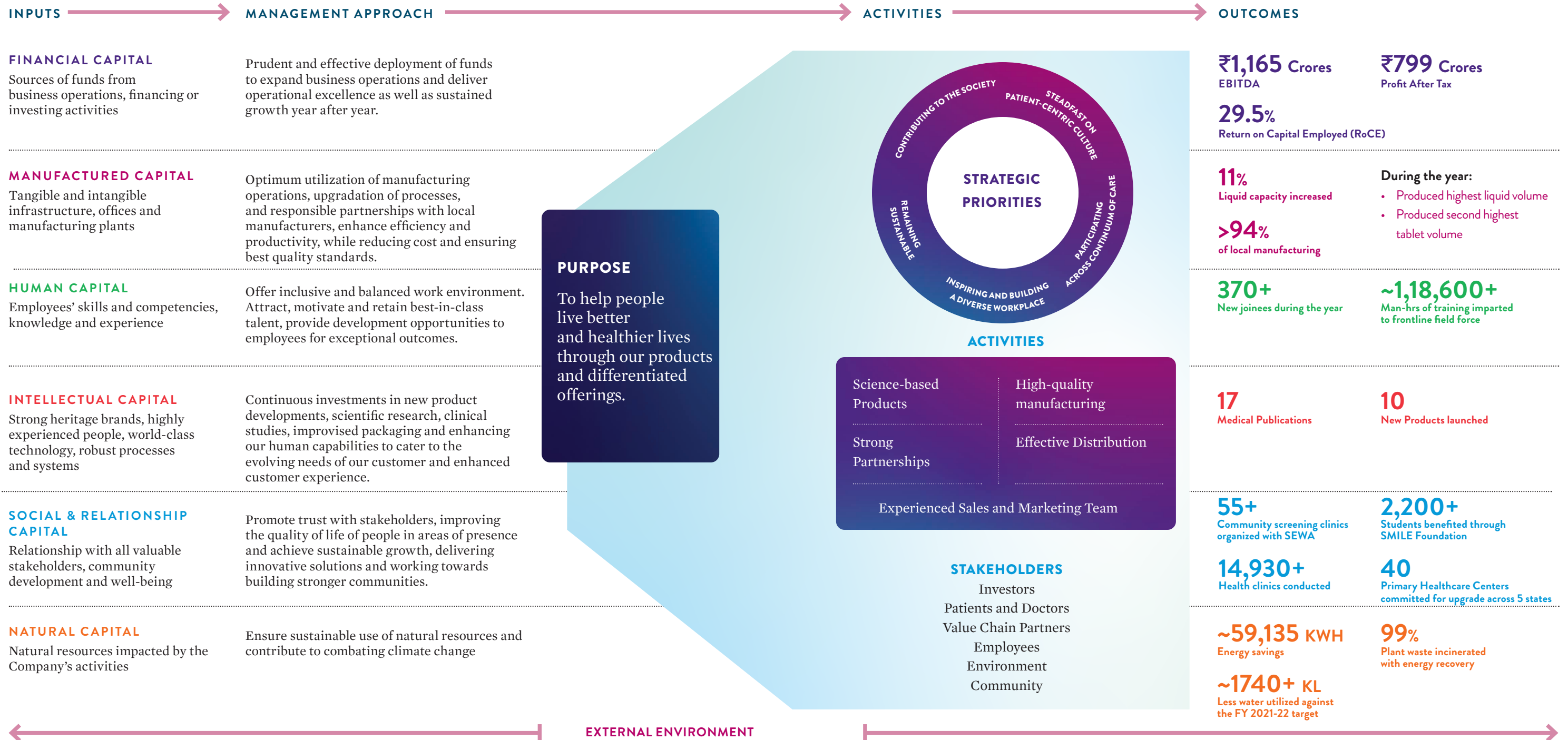
Develop differentiated solutions to alleviate the burden of Non-Communicable Diseases (NCDs) through community-based and community-led models that demonstrate both sustainability and scale

- Advanced access to quality and affordable care across 27 districts in 5 states.
- Introduced tech-based care delivery for low-income communities to improve adherence to treatment.
- Supported Ayushman Bharat Program by upgrading 40 Primary Health Centers to Health & Wellness Centers.
- Supported children from underserved communities across 6 schools with interventions around STEM (Science, Technology, Engineering, and Mathematics) learning, Health Education and Sports.

- Refine tech-based interventions to improve the efficacy of care delivery, and drive higher levels of adherence to treatment.
- Expand access to program services across newer geographies through tech platform and community health workers.
- Train more SEWA (Self-Employed Women's Association) women across more locations as health workers to strengthen and expand program's reach.
- Forge new partnerships with care providers for efficient, cost-effective and sustained care delivery.
- Upgrade more Primary Healthcare Centers to Health & Wellness Centers and strengthen access to quality healthcare infrastructure and service for low-income communities.
- Support more underserved children with STEM Learning, Health Education and Sports.

# BUSINESS MODEL

## CREATING A DIFFERENTIATED VALUE CREATION MODEL





## ENVIRONMENT

DRIVING RESPONSIBILITY  
WITHIN THE ECOSYSTEM

Over the years, we have lowered our environmental impact with the intention of preserving it for future generations. We have taken steps to transform the way we source, produce, design, and develop our products. Our efforts will remain dedicated to building a sustainable environment that is critical to the health of individuals, communities, and a better future.

## GOALS AND TARGETS

Environment stewardship is a mandate at Abbott. As we grow our business, we have outlined targets around environmental impact reduction to align with the world-wide science based environmental targets set by Abbott globally for 2030. A major component of these targets is looking at the entire product life cycle and bringing in more environmental sustainability, with focus on recycling and prudent use of materials.

## APPROACH

We work to maximize the use of renewable resources and bring down carbon emission. Across our initiatives, a holistic approach is adopted to curtail adverse environmental impact. We have a state-of-the-art effluent treatment plant with parameters of treated effluent, well within the limit set by the local State Pollution Control Board. We implemented multiple water conservation and emission reduction projects. The rainwater harvesting project is helping save water by reducing the intake of purchased water.

## ONGOING EFFORTS

During the year, we focused on energy and water conservation, reduction in waste, water use and CO<sub>2</sub> emission, process optimization and yield improvement through several initiatives at the Goa plant. Besides increasing productivity, they helped prevent the discharge of raw materials and solvents into the environment.

## WASTE MANAGEMENT AND RECYCLING

- We installed a vermi-composting unit to convert canteen food waste into organic manure used in the lawns and plantation inside the Goa plant.
- Out of total non-hazardous waste generated at site, 60% of the waste is used for the beneficial purpose without undergoing any recycling process. Remaining 40% of waste is sent for recycling. Out of total hazardous waste generated at site, 0.7% of the waste is incinerated without energy recovery, 0.4% is sent for recycling (Used oil and E-waste). The balance hazardous waste is disposed off through co-processing (in cement factories).
- During the year, we engaged various waste management agencies for plastic packaging waste collection and processing. Collected and processed -1,500 MT of plastic waste from all states and union territories of India where we operate.

## ENERGY CONSERVATION AND EFFICIENCY

- We installed air handling units across offices, and secondary packing areas and ventilation units for packing material store areas leading to energy savings of 29,384 KWH.
- The new technology of heat pump eliminates the conventional method of generating heat from a boiler, thereby reducing fuel consumption by 507 tonnes. The heat pump is turning out to be a cost/energy saving project even though it has its own power consumption.
- 3 Diesel Generator (DG) sets installed at plant are operating with High Speed Diesel (HSD) fuel and PNG (Piped Natural Gas). The dual fuel project leads to cost saving along with footprint reduction.

## WATER CONSERVATION AND REGENERATION

- The site is supported by three sources of water i.e., tanker, raw water and treated wastewater. The tanker water is used only for de-mineralized plant/purified water system water generation. Raw water and treated wastewater are used for all other purposes in the plant. Earlier, there was more dependence on the expensive tanker water, which has now reduced by approximately two tankers every day leading to cost saving.

RECOGNIZED FOR EXCELLENCE  
(INTERNAL)

Our Goa plant received the prestigious Abbott Global EHS Excellence award for upgrading the fire-fighting facility without business interruption. The plant also received Best Plant award from Abbott Global.

IMPROVING ECO-EFFICIENCY IN THE  
MANUFACTURING PROCESS

**LIQUID MANUFACTURING:** During the year, various pioneering and innovative changes were initiated for productivity improvement like camera detection system and elimination of visual inspection, which led to reduction in man and machine hours. We also completed Retorquer machine installation successfully on liquid lines to switch from Roll-on Pilfer Proof caps to Polypropylene caps. Further, we increased average run speed of bottle filling machine by 14% by reducing speed losses and minor stoppages.

**SOLID MANUFACTURING:** As a step towards enhancing efficiency, we have optimized the Brufen coating process by reducing overages of coating material by 15%. Further, replacement of the legacy 230 XT semi-automated blister pack machine with the new C-350 automated blister pack machine resulted in savings of over 750 machine hours. In a further bid towards modernization, we have replaced the Cadpress II 45 station semi-automated compression machine with new high-speed 49 station Fette compression machine, resulting in reduction of over 2,600 machine hours.

## IMPACT

We achieved our highest-ever liquid volumes, since inception of the plant. We also produced second-highest tablet volumes in FY 2020-21, despite planned shut-downs owing to machine replacements. Further, we recorded global top decile cost per unit performance in 2021 as per POBOS reports for liquid and solid manufacturing

SOCIAL – COMMUNITY

FACILITATING ACCESS AND PROGRESS FOR COMMUNITIES



We support and uplift communities, and work towards enabling access to quality healthcare. We preserve and deepen the trusted relationships we have forged with non-profits, academic institutions, healthcare professionals and governments to address societal concerns in healthcare and education

**ENSURING QUALITY AND AFFORDABLE HEALTHCARE DELIVERY**

**PARTNER: SEWA**

In collaboration with Self-Employed Women’s Association (SEWA), we are working towards improving access to affordable healthcare for low-income communities by developing resilient systems and procedures for non-communicable disease prevention, diagnosis, and treatment (NCDs). This initiative not only meets the health needs of people, but also gives SEWA members the opportunity to earn livelihood.

We helped increase access to quality and affordable primary, acute, and NCD treatment for ~12,000 patients across 27 districts in Gujarat via 3 community-based clinics and telemedicine services. Over 270 Health Master Trainers in the field were trained on aspects of NCD prevention, diagnosis and treatment. These Health Master Trainers advance access to care and help improve level of adherence to the prescribed treatment.

We also collaborated with SEWA to inform its 2.1 Million members about COVID-19 prevention and treatment activities in their localities. In addition, via three livelihood-earning initiatives that now serve over 1,500 SEWA women and their families, we helped raise economic resilience and restore livelihoods for low-income, daily wage earners.

**BUILDING QUALITY HEALTHCARE INFRASTRUCTURE AND SERVICES**

**PARTNER: AMERICARES**

In partnership with AmeriCares, we committed to upgrading 40 Primary Healthcare Centers (PHCs) across 5 states in India to Health & Wellness Centers. We invested in the capacity development of community healthcare workers, who serve as a critical link between healthcare institutions and communities, easing access to the updated infrastructure and services.

Under this program, we are also training PHC staff, ASHAs, and community health workers, and engaging communities in the vicinity of these centers to help them better understand their health, educate them on healthcare services available through upgraded facilities, and support them in accessing services and managing their health effectively.

The program is resulting in a steep change in high-quality, cost effective services and infrastructure, and community health-seeking behavior via early diagnosis, treatment, and improved adherence.

**PROMOTING STEM EDUCATION AND GOOD HEALTH**

**PARTNER: SMILE FOUNDATION**

We continue to work with children from underserved communities who have no access to quality education and infrastructure in and around Mumbai. The program includes helping the children develop their problem-solving and logical-reasoning abilities by extending cutting-edge digital STEM learning resources. The program also aids in improving their knowledge and awareness on NCDs, nutrition, and menstrual hygiene. We also provide schools with indoor and outdoor sports equipment and curriculum.

**~12,000**  
Patients reached in Gujarat

**40**  
Primary Healthcare Centers across 5 states are committed for upgrade

**2,200+**  
Students across 6 schools are provided STEM-learning through digital tools

# GOVERNANCE

# UPHOLDING UNMATCHED INTEGRITY AND COMPLIANCE

Across facets of our business, responsible corporate governance, highest level of compliance and ethical conduct are priorities as they propel the long-term viability of our business. As a leading healthcare company, our ability to inspire and hold the trust of our stakeholders is the key. We do this by staying true to our core governance principles, which serve as the cornerstone of our actions.

## ETHICS AND COMPLIANCE

At Abbott, our Code of Business Conduct provides a framework for ethical behavior. The Code highlights Abbott's principles and the importance of each employee living them every day. Employees must adhere to the highest ethical standards, keep a close check on business actions, report concerns as they are discovered, and behave with honesty, fairness, and integrity according to the guidelines. We are committed to adhering to all the applicable laws and regulations in every aspect of our work.

## OUR VALUES

Our core values of Pioneering, Achieving, Caring and Enduring are the foundation of our identity and define how we operate and serve our stakeholders. Aligning our

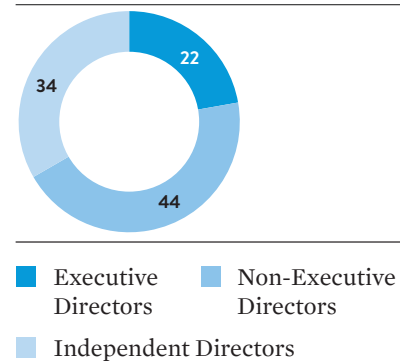
organization around this cohesive set of values is critical to the fulfillment of our mission and achievement of our business goals.

## GOVERNANCE STRUCTURE

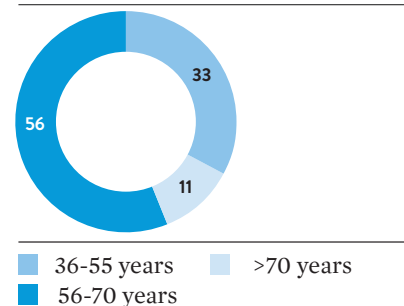
Abbott India is committed to strong corporate governance that is aligned with our stakeholders' interests. The Board of Directors understands the business dynamics and environment under which the Company operates, challenges and opportunities associated with the business operations and provides guidance, oversight, and strategic direction to the management.

The Board ensures that the strategies and plans are aligned to the overall mission of the Company to help people live better lives and that operations are conducted in an ethical manner following organizational behavior and values.

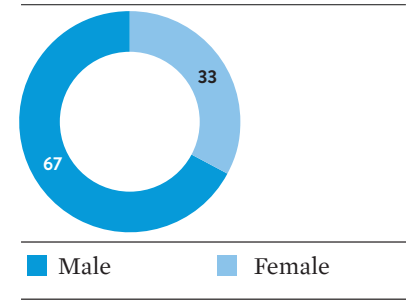
**BOARD COMPOSITION (%)**



**BOARD AGE PROFILE (%)**



**BOARD DIVERSITY (%)**



## BOARD COMPOSITION AND DIVERSITY

The Board composition is optimal and comprises nine Directors, three of whom are independent. Women make up one-third of our Board. The diversity of the Board on all fronts ensures that the Company's thinking is shaped by a multitude of relevant perspectives. Our Board is made up of highly qualified professionals with wide-ranging expertise, diverse perspectives, and strong business experience.

## BOARD COMMITTEES

The Board Committees operate under specific terms of reference which set out its role and responsibilities, composition and scope of authority.

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



## RISK MANAGEMENT

We have integrated risk management practices into our business, which include aligning risk appetite and strategy, improving risk response, and decreasing operational volatilities.

The Company's Enterprise Risk Management (ERM) process focuses on risks that have the capacity to impact our business performance. Our analysis of materiality broadens our perspective to consider all our stakeholders' expectations of a sustainable business, and the risks and opportunities that relate to meeting those expectations. Enterprise Risk Management process is designed to evaluate risks on a consistent basis, measuring likelihood, impact, and velocity to ensure the largest risks to the Company have the appropriate focus and attention of our management team. The Risk dashboards along with its mitigation plans are presented to the senior leadership team.

The Board and Risk Management Committee reviews the enterprise risks throughout the year.

## INTERNAL CONTROL FRAMEWORK

We have put in place an adequate internal control system to safeguard the Company's assets and ensure operational excellence. The internal control operates through well-documented standard operating procedures, policies and process guidelines and provide a reasonable assurance on achievement of its operational, compliance and reporting objectives. This framework is sound in design and is continuously evaluated for effectiveness and adequacy.

## BOARD OF DIRECTORS

# LEADERS WHO ENRICH OUR VISION

**Sitting:**  
From left to right

**Shalini Kamath**  
Independent Director



**Munir Shaikh**  
Chairman



**Anisha Motwani**  
Independent Director



**Sudarshan Jain**  
Independent Director



**Standing:**  
From left to right

**Rajiv Sonalker**  
CFO and Whole-Time Director



**Ambati Venu**  
Non-Executive Director



**Vivek V Kamath**  
Managing Director



**Kaiyomarz Marfatia**  
Non-Executive Director



**Sabina Ewing**  
Non-Executive Director

### COMMITTEE DETAILS

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

**C** Chairman **CP** Chairperson **M** Member





## SENIOR LEADERSHIP TEAM

# LEADING WITH EXCELLENCE



**Vivek V Kamath**  
Managing Director



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



**Sridhar Kadangode**  
Director - Finance



**Sandeep Reddy**  
Commercial Director - Women's Health



**Prateek Gupta**  
Director - Commercial Excellence



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



**T Ramakrishna Prasad**  
Commercial Director - Specialty Care



**Kunal Chowdhury**  
Commercial Director - GI Businesses



**Shantaprasad Nagarmath**  
Commercial Director - Gennext, Vaccines and Consumer Health



**Jejeo Karankumar**  
Director - Medical Affairs



**Rajan Kalantre**  
Director - Business Human Resources



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





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

### TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-eighth Report and the Audited Financial Statements of the Company for the financial year 2021-22.

### FINANCIAL HIGHLIGHTS

Particulars	₹ in Crores	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	4,919.27	4,310.02
Other Income	77.21	80.90
<b>Total Income</b>	<b>4,996.48</b>	4,390.92
Profit Before Tax	1,079.73	925.95
Profit After Tax	798.70	690.69
<b>Retained Earnings and Other Comprehensive Income (OCI)</b>		
Balance brought forward	2,014.18	1,922.54
Profit After Tax	798.70	690.69
OCI arising from remeasurement of employee benefits	2.92	1.25
Dividend – FY 2019-20	-	(531.23)
Dividend – FY 2020-21	(584.36)	-
Transfer to Reserves	(79.87)	(69.07)
<b>Balance carried forward</b>	<b>2,151.57</b>	2,014.18

### DIVIDEND

Your Directors have recommended a final dividend of ₹ 145/- and special dividend of ₹ 130/- per share for the year ended March 31, 2022 on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 584.36 Crores.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly, make the payment of the proposed dividend for the year ended March 31, 2022 after deduction of tax at source.

### DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy adopted by the Company in terms of requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time

to time ("SEBI Listing Regulations") is available on the Company's website at <https://www.abbott.co.in/investor-relations/corporate-governance-and-policies/policies.html>. The said Policy lays down various factors which are considered by the Board while recommending the dividend for the year.

### MATERIAL CHANGES AFFECTING THE COMPANY

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

### MANAGEMENT DISCUSSION AND ANALYSIS

#### ECONOMIC OUTLOOK

In the last decade, India has been one of the fastest-growing economies, with annual growth rate averaging 6-7%. The increase in GDP can be attributed to a variety of reasons, including favorable demographics, influx of investment capital and technological efficiency and productivity gains.

As per IMF, the economy grew by 8.7% in 2021, recovering from a contraction of 8% in 2020 as the country recovered from the COVID-19 pandemic and lockdown. Growth in 2022 is expected to reach 8.2% according to latest forecasts boosted by a recovery from COVID-19 restrictions. However, new COVID-19 strains and the Ukraine-Russia war remain as major concerns to the projected growth.

#### INDUSTRY REVIEW

India ranks as one of the top countries in terms of pharmaceuticals production with ~3,000 drug companies and ~10,500 manufacturing units. According to IBEF, the Indian Pharmaceuticals Industry ranks 3<sup>rd</sup> worldwide by volume (10% share of production) and 14<sup>th</sup> by value (1.5% share). It contributes about 2% to India's GDP and 8% of the countries merchandise exports. Indian pharmaceuticals hold an important place in the global supply chain with over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in UK supplied by India. Further, the sector has been historically resilient to economic shocks exemplified by the fact that drugs and pharmaceuticals was one of the two commodity groups that did not degrow.

As per IQVIA, India's domestic pharmaceuticals market (IPM) is estimated at ₹ 2,08,452 Crores in 2022 with growth of 9.5% vs growth of 18.5% in 2021. Growth in 2021 was driven by a boost to nutritional supplements, antibiotics and anti-virals due to COVID-19 impact whereas the demand is expected to normalize in 2022. Over the long-term, the market is expected to grow annually at 9.2% till 2026.

The IPM remains dominated by branded generics which make up 80% of sales by value as per IQVIA. Brand names and company image are regarded as de facto indicators of quality.

With healthcare becoming a key government agenda in the wake of the COVID-19 pandemic, government interest in the pharmaceuticals industry will continue. The government is expected to continue to build on initiatives to improve access to healthcare. Initiatives like improvements in the drug registration process, OTC regulations, expansion of Ayushman Bharat, etc., are expected to be long-term growth drivers.

### OPPORTUNITIES AND CHALLENGES

The COVID-19 pandemic has transformed the industry with increasing digitization, and traction of e-pharmacy and pharmacy chains. Increased healthcare coverage and better policy support are likely to boost growth whereas adverse regulation could impact in a negative way.

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

- **E-pharmacy and Pharmacy Chains** : New-age channels are gaining increasing salience and have emerged as an additional access point for consumers along with brick-and-mortar retailers. The rapid growth of the sector further driven by COVID-19 tailwinds has led to the entry of conglomerates and e-commerce players like Reliance, TATA and Flipkart. Propelled by the impact of the pandemic and its impact on consumer behavior, the online pharmacy channel is expected to continue growing and it is estimated to reach 70 Million households by 2025.
- **Ayushman Bharat** : The central government's health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), is expected to drive up public health insurance coverage. 107.4 Million underprivileged and vulnerable families – equivalent to around 500 Million people or 40% of India's population are covered under the scheme, with the provision of hospital care to an annual value of ₹ 5,00,000 per family. By February, 2022, more than 174 Million e-cards had been distributed to PMJAY affiliates, covering over 26 Million hospital admissions across 25,000 participating public and private hospitals. While coverage under the scheme itself is limited to hospital inpatient care, it will allow a growing number of patients to gain access to healthcare, increasing rates of diagnosis and raising disease awareness. This will further benefit private clinics and the retail pharmacy sector.

- **GST** : The Indian Government is looking at rationalizing GST rates. Currently, majority of drugs are in 12% category. If drugs are put in higher category and if it is not implemented rationally, it may impact the industry.

- **OTC Drug Regulations** : The OTC sector in India has been growing at a healthy rate driven by growing access to information for patients and willingness to self-medicate. The Ministry of Health (MOH) has published a draft notification which proposes to allow 16 OTC drugs used for treatment of common ailments to be sold without doctor's prescription. The MOH also plans to formulate an OTC regulation to promote responsible self-medication for treatment of common ailments, which will also enhance access to healthcare services. Any policy mandate is likely to benefit the Company given its dedicated OTC vertical.

- **Uniform Code of Pharmaceutical Marketing Practices (UCPMP)** : UCPMP, while currently voluntary, could become mandatory in future. A mandatory code would require ethical marketing practices to be followed by all companies. Given that the Company has robust compliance processes in place, it would be well positioned under a strict enforcement of UCPMP.

- **NMC Regulations** : The National Medical Council has published draft Registered Medical Practitioner (Professional Conduct) Regulations, 2022, which has proposed several restrictions on RMP's engagements with the pharmaceutical industry and proposed changes in prescription guidelines. The draft once notified will replace the existing MCI regulations.

- **Digital Engagement** : Field force activity witnessed major disruption during the pandemic prompting companies to utilize digital means for engagement with Healthcare Professionals (HCPs). The trend is expected to continue with HCPs looking for high quality, scientific promotional material that is available at their convenience.

### REVIEW OF OPERATIONS

The Company has consistently grown above market\* in the last several years by keeping a clear focus on providing scientific, trusted products, backed by expert clinical support.

The Company's position has been enhanced through consistent scientific engagement with doctors, increasing geographic penetration, strong customer insights, innovative products and comprehensive pill plus service approach.

\*Source : IQVIA



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

### Financial performance

**Revenue from Operations :** Revenue from Operations for the year ended March 31, 2022 is ₹ 4,919.27 Crores in comparison to ₹ 4,310.02 Crores last year, recording a growth of 14.1%.

**Profit Before Tax :** Profit Before Tax for the year ended March 31, 2022 is ₹ 1,079.73 Crores grew by 16.6% over the previous year.

**Other Income :** Other Income stood at ₹ 77.21 Crores, mainly comprising interest income from bank fixed deposits. The Company continues to invest in fixed deposits with banks that have high credit ratings, with a view to safeguarding the principal and maintaining liquidity. Income from bank deposits reduced by 4.7% due to reduction in interest rates. The Company has an investment portfolio of ₹ 2,669.83 Crores as on March 31, 2022.

**Material Cost :** Material Cost increased on account of inflation, but was compensated by improved sales price realization, resulting in a decrease in the same as a percentage to Sales from 56.3% in financial year 2020-21 to 54.8% in the current year.

**Employee Cost :** The Company increased its employee strength to 3,597. The increase in Employee Cost by 17.6% over the last year is mainly due to merit increase and increased sales incentives to field force. The Employee Cost as a percentage to Sales shows an increase at 12.0% in the current year vis-à-vis 11.6% in the financial year 2020-21.

**Other Expenses :** Other Expenses including Depreciation and Finance Cost increased by 17.0% over the last year. The percentage to Sales marginally increased to 14.0% compared to 13.7% for the financial year 2020-21, mainly on account of increased marketing spend to support volume growth.

### Key Financial Ratios :

Particulars	2022	2021	Change
Debtors Turnover (Days)	20.0	24.1	(17.0%)
Inventory Turnover (Days)	96.6	95.1	1.6%
Interest Coverage Ratio	57.5	51.7	11.2%
Current Ratio	3.2	3.4	(5.9%)
Debt Equity Ratio	0.1	0.1	-
Operating Profit Margin (%)	22.3	22.0	1.4%
Net Profit Margin (%)	16.2	16.0	1.3%
Return on Net Worth (%)	29.5	27.4	7.4%

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

### Detailed explanation of ratios :

#### (i) Debtors Turnover (Days)

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

#### (ii) Inventory Turnover (Days)

Inventory Turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing Cost of goods sold by average inventory.

#### (iii) Interest Coverage Ratio

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

#### (iv) Current Ratio

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

#### (v) Debt Equity Ratio

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

#### (vi) Operating Profit Margin (%)

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

#### (vii) Net Profit Margin (%)

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

#### (viii) Return on Net Worth (%)

Return on Net Worth is a measure of profitability of a company expressed in percentage. It is calculated by dividing profit after tax for the year by average capital employed during the year.

### Business Performance

The Company operates in a single reportable business segment i.e., "Pharmaceuticals".

The Company provides products and solutions across various therapeutic areas such as Women's Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty, Vaccines, Consumer Health, etc.

Performance for the year under review in respect of above therapeutic areas are highlighted below :

**Women's Health :** Women's Health portfolio grew by 23.3% during the year led by the key brand Duphaston (miscarriage and IVF). Our robust medico-marketing initiatives, legacy and equity of the brand and our first of its kind patient support program "Tender Love & Care" give us high confidence of sustaining this growth momentum of Duphaston amidst further generic launches.

During the year, 3 new products viz. Riligol (post partum haemorrhage), Preservgest (pregnancy maintenance) and Femoston 2/10 (postmenopausal symptoms) were launched. Shaping the treatment landscape of Menopause in India will be yet another key priority for us in Women's Health space and we will continue building Femoston in management of Menopause over the next few years.

**Gastroenterology :** The Gastroenterology portfolio showed a robust growth of 26.9% and was a key growth driver for the Company. Strong growth of top brands in this segment i.e., Udiliv (cholestatic chronic liver disease), Duphalac (constipation) and Cremaffin Plus (constipation) was driven by increased geographic presence, differentiated medico marketing programs and targeted micro market interventions. Next set of mid-sized brands Creon (pancreatic insufficiency) and Ganaton (gastrointestinal dysmotility) continued to outperform the market\*. Focus on new launches has yielded substantial results and accelerated the portfolio growth. Digeraft (anti reflux antacid) continued to be one of our best performing new products in recent years. Our beyond pills offerings have also seen significant scale up and we continue to invest in this area to extend better support to our patients. Going forward, our focus would remain to identify need gaps in our core therapy areas to maintain therapy leadership, launch new products to augment our portfolio offerings and support our consumers with a comprehensive and differentiated service offerings. During the year, Florachamp (probiotic for irritable bowel syndrome) was launched.

**Metabolics :** The portfolio grew by 9.4% mainly driven by Thyronorm (hypothyroidism). Thyronorm continues to be market leader\* and is growing faster than the representative market\*. We have increased our focus on enhancing digital footprint in all therapy shaping initiatives especially during and after COVID-19 affected period. We have continued efforts to scale up access towards affordable diagnosis in Tier II/III

\*Source : IQVIA

geographies. We collaborated with the Indian Thyroid Society and conducted multiple Thyroid Updates across country to establish the emerging concept of 'Pragmatic Thyrovigilance'. Under strategic lever of 'Regionalization' we have enhanced resource allocation in states of Tamil Nadu, Maharashtra and West Bengal and also, enhanced our scientific initiatives to develop therapy advocacy. Combinorm continues to grow faster than market\* as we made good progress towards establishing the concept of usage of pre-probiotics in the treatment of bacterial vaginosis.

**Central Nervous System (CNS) :** The CNS segment achieved a growth of 12.8%, mainly driven by Vertin (vertigo). Vertin continues to perform better than the anti-vertigo market\* driven by its market shaping initiatives, like the first of its kind Vertigo Care in the differential diagnosis area of patient care. The recent launch of innovative formulations like Vertin DT (disintegrating tablet) offer solutions for broader vertigo management. Strengthening key therapies such as epilepsy with new generation drug launches such as Brivetoine (epilepsy), is part of the long term strategy to build a relevant portfolio offering.

**Multi-Specialty :** Under Multi-Specialty, the Company offers products for insomnia, Vitamin D, pre-term labor and pain management. This business showed a strong growth of 39.5% despite the dynamic situations, consistently growing higher than represented market\*. Zolfresh (insomnia), Arachitol portfolio (vitamin D), Brufen (analgesics) and Duvadilan (preterm labor) are the key contributors in this business. Differentiated public awareness initiatives such as D Strong Active Life, Wake up fresh and scientific therapy initiatives like D Active India Symposium (DAIS), Sustaining Term Enabling Pregnancy (STEP), etc. in collaboration with India's leading scientific bodies, were launched during the year. Zolfresh, Duvadilan and Brufen are leaders in their respective category\* while Arachitol is among top 3 as faster growing brand in represented market\*.

To expand this portfolio, we launched a new brand Arachitol Gummies, an innovative orange flavored FSSAI approved to fulfill daily requirements of Vitamin D and Calcium. Going ahead, our focus is to establish base brands to be among mega brands of the Company and robust new products pipeline to offer comprehensive portfolio to covered specialties.

**Vaccines :** The key brands in vaccines portfolio are Influvac (influenza), Enteroshield (typhoid) and Rotasera (rotavirus diarrhea). During the year, we have launched Havshield, vaccine for immunization against Hepatitis-A in line with our portfolio building strategy.

Vaccine segment was adversely impacted during the year due to the new COVID-19 strain and preventive measures like home schooling, etc. reducing the infections. Vaccine business declined by 13.2% during the year; however, there are robust medico-marketing and awareness plans in place to improve the pediatric vaccination numbers; specially Influenza vaccination where we are the leader with significant market share\*.



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

We have launched several Mom education initiatives under our Influenza flagship program “Mother’s Against Influenza”. We, in partnership with USISPF, FOGSI, etc., launched guidelines for adult vaccination for critical patient profiles. We have made focused efforts through Influenza awareness drive on Social Media, YouTube, Radio and Parental Platforms. We also launched ‘In-Home-Vaccination’ and ‘FLU-Vaccine-Reminder’ service to improve the vaccine compliance.

Our Priorities are to expand the Influenza market with pediatric and adult, launch newer patient services and strengthen the portfolio through new vaccine introductions.

**Consumer Health :** During the year, this portfolio delivered a growth of 8.0%. We significantly strengthened consumerization initiatives during the year. Consumer Health portfolio now includes products offerings across antacids, laxatives and topical analgesics with Digene, Cremaffin and Brufen Power as key brands. We undertook significant marketing driven initiatives on e-pharmacies. Innovative products as stick packs of Digene and Cremaffin were launched during the year, aimed at convenience and increasing access of antacid and laxative solutions for Indian consumers.

### IMPACT OF COVID-19

Throughout the year, the Company and its employees displayed speed, resilience and agility to ensure minimum disruption in business operations by proactively assessing the demand and ensuring uninterrupted supply of our products. There has not been any significant adverse impact on the business operations.

### MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

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

During the year, the Company completed 10 clinical studies, and executed 10 new clinical studies and published 17 articles in major indexed journals. All the studies were conducted in compliance with Good Clinical Practice (GCP) and regulatory requirements.

Capability building of HCPs has remained a high priority for the Company. During the year, more than 6,500 medical education programs were conducted towards achieving this objective. The Company also partnered with over 12 medical associations to drive capability building in various therapeutic areas. Furthermore, as a ongoing commitment towards scientific knowledge dissemination, Continued Medical Education programs were conducted, training

over 1,98,000 medical doctors. During the year, the Company used digital technologies to reach out to doctors and provide therapy updates to them. Over and above these, over 25,000 patient awareness programs were conducted across India reaching ~2.2 Million patients.

### OUTLOOK

The pharmaceuticals industry is expected to grow at 9.5% in 2022. With economic growth expected to continue in India along the lines of 2021, patient spending on healthcare and drugs is expected to recover in non-COVID-19 therapies. However, due to the current geopolitical environment along with the continued threat of COVID-19 resurgence, there remains a risk on the industry.

In 2022, we are striving to deliver market beating growth to continue gaining share in the IPM. We have identified a few critical areas which provide opportunities for us to improve our business model and relationships with our customers :

- **Therapy shaping to accelerate pillar brands :** We aim to gain therapy leadership and grow faster than market through an approach focused on accelerating existing pillar brands via innovative marketing campaigns and partnerships. Our brand strategies are a result of a detailed analysis of market trends and our capabilities.
- **Beyond the pill patient support :** We have always strived to deliver a holistic healthcare experience for patients which has interventions at each stage of the continuum of care. Patient engagement by providing them with adequate information, counselling and compliance support will enable higher awareness, therapy adoption, adherence and eventually better health outcomes. We have several patient support programs running including, “Tender Love & Care” - a program to provide virtual counselling and curated lifestyle management support for couples undergoing pregnancy and “Gutfit” - counselling and nutrition advice for patients. To optimize delivery of patient support programs, we have launched a:care, a patient facing mobile application and will be setting up a centralized management team to drive all patient service programs.
- **Increase portfolio depth :** To ensure presence in strategic therapeutic areas and leverage loss of exclusivity of competition brands, we have built a robust plan for the new product pipeline. Building new launches into future pillar brands will remain a key focus area.
- **Digital differentiation :** The Company continues to build differentiated digital assets for HCPs engagement with a key focus on getting multiple physical and digital touchpoints with HCPs. We have continued utilization

of the multi-channel engagement capabilities developed during the pandemic and are building a HCP facing application to drive scientific engagement. We will also continue to drive gains in operational efficiency, and rich data collection through the adoption of ipad detailing and updated sales review tools.

- **Channel engagement :** We are focusing on building the business across traditional retail and institutions channels and in the emerging organized retail channel of pharmacy chains and e-pharmacies. Building strong relationships with our pharmacists, building partnerships with players in emerging channels and further strengthening our channel management capabilities will be an important focus going ahead.

### RISKS AND CONCERNS

High government control on drug pricing through the National List of Essential Medicines (NLEM) and Drug Price Control Orders (DPCO) along with restrictions on trade margins mark-ups create price pressure across the industry. Expansion of NLEM will remain a critical risk for the Company. Further, any supply chain disruptions due to new waves of the pandemic or geo-political incidents might affect operations negatively. With high government oversight in the sector, any adverse regulation could cause a negative impact on the business.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

This mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented standard operating procedures, policies and process guidelines and segregation of duties. Periodic analysis and reviews are conducted by the senior management to assess its efficiency. Also, the same is discussed with auditors on a regular basis. Change in control structure is carried out to meet business needs along with control effectiveness.

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

The Internal Audit Reports issued by the Internal Auditors are discussed with the Senior Management and presented to the Audit Committee on a quarterly basis. An independent and empowered Audit Committee reviews the significant

observations and assesses the adequacy of the actions proposed while monitoring their implementation. The Internal Auditors conduct a quarterly follow up for implementation/ remediation of all audit recommendations and the status report is presented to the Audit Committee on a regular basis.

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

- The Abbott Code of Business Conduct requires annual certification by all employees;
- The Compliance Committee is formed with representatives from all the operating groups;
- Senior Management has oversight of the compliance programs;
- The Business Compliance Cell is assigned the responsibility of training, monitoring and ensuring employees’ compliance with the Company’s policies and procedures;
- The Company has a Whistle-Blower mechanism in place;
- Internal Investigation reports are presented before the Audit Committee on a quarterly basis;
- Business divisions have periodic meetings with the Director - Office of Ethics and Compliance, to monitor and discuss compliance with various business processes.

The Management has assessed the adequacy and effectiveness of internal controls over financial reporting for the year ended March 31, 2022 and basis the assessment, believes that the processes are working efficiently and effectively.

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

### DIRECTORS

During the year, Mr Anil Joseph (DIN : 08753233) resigned as a Director and Managing Director of the Company effective January 31, 2022. The Board places on record appreciation for his contribution during his tenure.

The Board of Directors of the Company, basis the recommendation of the Nomination and Remuneration Committee, have approved the :

- Re-appointment of Mr Sudarshan Jain (DIN : 00927487), as an Independent Director of the Company for a period of 5 (five) years effective April 1, 2022, not liable to retire by rotation;
- Appointment of Mr Vivek V Kamath (DIN : 06606777), as Director and Managing Director of the Company for a period of 5 (five) years effective February 15, 2022, not liable to retire by rotation.



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

The above appointment/re-appointments were approved by the Shareholders through Postal Ballot on March 26, 2022.

In compliance with Section 152 of the Companies Act, 2013, Mr Ambati Venu (DIN : 07614849) and Mr Munir Shaikh (DIN : 00096273) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. All the Independent Directors have registered themselves in the Independent Director's Database managed by the Indian Institute of Corporate Affairs.

### Number of Board Meetings

Five Board Meetings were held during the year on May 18, 2021; August 6, 2021; November 12, 2021; February 9, 2022 and March 15, 2022. The intervening gap between the Meetings was within the period prescribed under the Act, Rules framed thereunder read with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors.

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

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

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

- criteria, terms and conditions with regard to identifying suitable candidates who are qualified to become Directors and Senior Management;
- appointment mechanism for Managing Director/Executive and Non-Executive Directors/Independent Directors/Key Managerial Personnel and Senior Management;
- tenure of Managing Director/Executive Directors/Independent Directors;
- their removal process and succession planning.

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

### Performance Evaluation of the Board, Board Committees and Directors

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

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

Written Evaluations solicit feedback on various parameters described below :

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

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

For Directors : skill set, knowledge, attendance, effective participation at Board/Committee meetings, their contribution at the meetings, leveraging on his/her experience to provide the necessary insights/guidance on Board discussions and display of candor in expressing views even when they are in divergence with the rest of the Board, etc.

Review and discussions :

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

Feedback incorporation :

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

During the year 2021-22, evaluation of the Board, Committees and Directors was conducted as per the process described above. Also, the Independent Directors conducted separate assessment of the Board, Non-Independent Directors and the Chairman basis the feedback from the other Board Members.

### KEY MANAGERIAL PERSONNEL

Mr Vivek V Kamath, Managing Director, Mr Rajiv Sonalker, Chief Financial Officer and Ms Krupa Anandpara, Company Secretary, are the Key Managerial Personnel of the Company as on March 31, 2022.

### AUDIT COMMITTEE

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

### VIGIL MECHANISM/WHISTLE-BLOWER POLICY

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

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

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

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profits of the Company for that year;
- 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;
- they have prepared the Annual Accounts of the Company on a going concern basis;
- they have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### RELATED PARTY TRANSACTIONS

#### Policy on dealing with Related Party Transactions and Materiality

The Company has in place the Policy on dealing with Related Party Transactions and Materiality in terms of requirements of the Act and the SEBI Listing Regulations. The said Policy is available on the Company's website at <https://www.abbott.co.in/investor-relations/corporate-governance-and-policies/policies.html>

The said Policy was reviewed and updated at the Meeting of Board of Directors held on February 9, 2022. The amendments made by SEBI in the relevant provisions of the SEBI Listing Regulations have been duly incorporated in the said Policy.

As per the said Policy, all Related Parties Transactions are pre-approved by the Independent Directors, Audit Committee and Board, as and when required as per the requirements under the Act and SEBI Listing Regulations. The details of such transactions are also reviewed by the Audit Committee on a quarterly/annual basis. Material transactions, if any, with the Related Parties are pre-approved by the shareholders.



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

### Details of Related Party Transactions

The Company enters into the business transactions with various Abbott affiliate companies ("Related Parties") in the normal course of business and on arm's length basis.

All the transactions with the Related Parties during the financial year 2021-22 were pre-approved by the Independent Directors and Audit Committee. Prior approvals of the shareholders are in place for the Material Related Party transactions. Actual transactions were reviewed by the Audit Committee on a quarterly basis. The details of the same are provided in Note 39 to the Financial Statements.

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

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

During the year, the unpaid dividend and shares were transferred to IEPF in line with the aforesaid requirements. The details of the same are given in the Corporate Governance Report.

### CORPORATE SOCIAL RESPONSIBILITY

#### Corporate Social Responsibility (CSR) Policy

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

#### CSR Programs/Activities undertaken during the financial year 2021-22

The Company spent an amount of ₹ 16.36 Crores on various CSR programs during the financial year 2021-22. The Annual Report of the CSR activities undertaken by the Company is annexed as "Annexure I" and forms part of this Report.

### RISK MANAGEMENT

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

- Risk mitigation measures;
- Business Continuity Plan (BCP);

- Risk identification framework (particularly Environment, Sustainability and Governance related risks [ESG]).

The framework above is not limited to ESG but would also cover financial, operational, sectoral, cybersecurity risks and any other risk determined by the Risk Management Committee (RMC).

#### 1. Objective

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

- Aligning risk appetite and strategy considering the risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks;
- Enhancing risk response decisions and select among alternative risk responses – risk avoidance, reduction, sharing and acceptance;
- Reducing operational surprises and losses by identifying potential events and resultant responses, thus reducing surprises and associated costs or losses;
- Identifying and managing multiple and cross-enterprise risks;
- Seizing opportunities by considering a full range of potential events and thus identify and proactively realize opportunities;
- Improving deployment of capital through robust risk information to effectively assess overall capital needs and enhance capital allocation.

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

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

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

#### 2. Roles and Responsibilities

- Board of Directors

The Board provides oversight about Risk Management and is responsible for approving Risk Management Framework;

The Board has constituted Risk Management Committee with defined roles and responsibilities.

- Audit Committee

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

- Risk Management Committee

Key roles and responsibilities are outlined below :

- Monitoring and implementing Risk Management Plans;
  - Ensures that the adequacy of the Company's Risk Management Framework is being assessed and that action is taken if it is inadequate;
  - Reports Risk Management activities and information, including top risks and mitigation, to the Audit Committee and Board;
  - Understands the significant or high risks affecting Company and ensures that processes to mitigate them are effective;
  - Reviewing and amending Risk Management Framework from time to time;
  - Such other functions as may be delegated by the Board from time to time.
- Risk Management Core Team

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

- Design, develop and periodically update the Risk Management framework and procedure;
- Ensure appropriateness of risk culture and understanding across the Company at all levels;
- Plan and organise risk management programs;
- Ensure adherence to Risk Management policies and procedures within Abbott;
- Facilitate validators in preparation and execution of control validation plan;
- Conduct adequate awareness;
- The Core Team along with the concerned Division/Function heads identifies risks faced/perceived by the Company and way forward for tackling them.

### STATUTORY AUDITORS

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

### AUDITORS' REPORT

The Auditors' Report for the financial year 2021-22 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/comments by the Board.

### COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are the Cost Auditors of the Company for the financial year 2021-22.

M/s Kishore Bhatia & Associates, are appointed as Cost Auditors of the Company for the financial year 2022-23 at a remuneration of ₹ 0.08 Crore plus taxes as applicable and reimbursement of out-of-pocket expenses. The said remuneration to the Cost Auditors shall be subject to ratification by the Members at the ensuing Annual General Meeting.

### COST AUDIT REPORT

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

Cost Audit Report along with the Compliance Report for the financial year 2020-21, issued by M/s Kishore Bhatia & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs on August 18, 2021 (due date of filing was September 27, 2021).

### INTERNAL AUDITORS

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

### SECRETARIAL AUDITOR

Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) is the Secretarial Auditor of the Company for the financial year 2021-22.



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

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary for the financial year ended March 31, 2022 does not contain any adverse remark, qualifications, reservations or disclaimer except the observation that the name of the Company is appearing in the breach list displayed on the website of the BSE Limited for having foreign investment in excess of prescribed sectoral cap.

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

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

### REPORTING OF FRAUD BY AUDITORS

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

### HUMAN RESOURCES

The Company has 3,597 employees as on March 31, 2022. Our people are our greatest assets. They play key role in the Company's success.

Our employees' innovative ideas, hard work and dedication are helping build a sustainable and healthy future. As they drive our growth, we provide a supportive, inclusive culture, and programs that help ensure their continued development and encourage them to build a successful career with us.

Our talent priorities are aligned to help the organization achieve its strategic goals. The talent priorities are centered around Talent, Growth, Productivity.

#### Talent Strategy

A strong talent strategy was developed to help us attract and retain the right talent and emerge as the employer of choice in the Indian healthcare industry. We believe in motivating and engaging our employees through shared goals, capability building initiatives, career growth opportunities and providing an environment of transparency, accountability and positive reinforcement.

### Training and Capability building initiatives

#### 1. Training and Development Resources

Calendarized programs are designed for employees across grades. The programs are planned in the beginning of the new year. Our Learning and Development team caters to specific training requests from business in parallel to the open enrollments. E-Learning and virtual learning play an integral role in our learning offerings. All employees have access to a vast and varied learning portfolio to upskill themselves through the online learning portal accessible on real time basis.

#### 2. Leadership Pipeline Building Programs

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

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

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

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

#### 3. Executive Coaching and Mentoring

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

#### 4. Mentoring Programs

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

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

This program was rolled out across 2000+ people managers in India to help them effectively lead people and enhancing the leadership skills and understand what is expected as a leader at Abbott through 12 weeks module consisting of online learning and simulations, practical application of learnings through on the job experiences, discussion with peers on the learnings, coaching from certified global coaches and pre and post program leadership effectiveness surveys. The program outlined modules such as See, Hear, Speak, Coach and Develop.

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

Diversity continues to be a big priority for the Company. The guiding principles towards that is to promote workforce diversity and not discriminating against any employee for reasons such as race, religion, color, age, gender, ethnicity, disability, marital status and sexual orientation, in addition to any other status protected by local law. It is a focus area and is driven at a leadership level.

The Company's Equal Employment Opportunity Policy reinforces the commitment in ensuring that workplace is free from discrimination and employment is based solely on merit.

We also identified certain key focus areas to help bring the Diversity, Equity and Inclusion vision at Abbott to life. These focus areas include :

- **Workplace Policies and Practices :** We strive to make our policies and processes more inclusive. The Equal Employment Opportunity Policy continues to drive our agenda on diversity, equity and inclusion.
- **Hiring Practices :** To review, strengthen and modify our hiring practices and approach to enable effective hiring of diverse talent across businesses.
- **Capability and Mindset :** To continue building managerial capability to leverage diverse ideas and talent and build the high performing, inclusive teams.
- **Forums and Networks :** Provide opportunities for employees to engage with and learn from different communities creating robust, extensive employee networks and resource groups.

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

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

- **Women Leaders of Abbott (WLA) :** WLA takes a proactive role in connecting women within the organization and offers dynamic programs and initiatives to enhance leadership experiences and career development of women. It acts as a platform for attracting, retaining and advancing women in the organization, thereby becoming an Employer of Choice for women.
- **ASCENT-Abbott Second Careers Engagement Program :** This program aims to strengthen our diversity commitment by providing second career opportunity to veterans and women returning from career breaks. ASCENT aims at empowering these professionals with relevant opportunities and providing the required support and flexibility to ensure a seamless transition.
- **Unconscious Bias Training for all Managers :** Building individual awareness of unconscious bias and their understanding of its impact at work.
- **Happy Feet-Joy of Motherhood :** Happy feet is a program designed to support and provide a conducive work environment for our women employees as they step into the phase of motherhood. The Joy of Motherhood document is shared with women employees who are expecting and also provide details of preparing for maternity leave and provide support before, during and after pregnancy.
- **Wo-Mentoring Program :** A dedicated initiative for high potential women employees. We have mentored 150 women employees so far and of these 40% have had a role rotation, promotions and transfers.
- **Empower :** As a part of this initiative, women employees receive curated content that includes theme specific webinars, videos, articles and podcasts to sharpen and enhance skills.
- **Avenue :** Avenue was an initiative launched in September 2021, an offering designed to support women during any relocation requirement due to a change in personal circumstances.
- **Advancing Professionals Network :** This is our second employee resource group set up in India and has been launched with the purpose to help our early career professionals explore the mammoth organization that Abbott is, engage and network with leaders and diverse talent across the organization. The aim is to help these individuals evolve as professionals resulting in long and meaningful careers with Abbott.



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

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

### Prevention of Sexual Harassment (POSH) at Workplace

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

Appropriate training is imparted to employees regularly through the online learning portal. All employees have completed the mandatory online training program on POSH. This training also forms part of the new Employee Orientation program.

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

### HEALTH, SAFETY AND ENVIRONMENT

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

#### Health and Safety :

The health and safety of our employees and contract workers is paramount for Abbott. During the COVID-19 pandemic, the Company took key steps to protect and safeguard employees. Crisis Management Team (CMT) formed on Day 1 of the COVID-19 outbreak, regularly keeps assessing the situation and takes timely steps to provide all support to employees.

For those employees working at the Goa plant, local transport is provided for commuting to the workplace safely. The cleaning frequency was increased at the plant and in offices to ensure best health and hygiene and to curb the chances of infections substantially. All the norms and measures of social distancing were followed. Guidance/ Rules of the State and Central Government from time to time are being rigorously followed. The Company launched project 'Empire' for weekly rapid test of COVID-19 for all its employees working at plants and offices. This proved to be

very important proactive step to safeguard employees and the business amidst COVID-19. Project 'Rainbow' was launched for employee vaccination and thereby to safeguard them against COVID-19.

Our Goa plant donated a set of personal protective equipment (PPE) consisting of respiratory and non-respiratory protective equipment to Goa Inspectorate of Factories and Boilers. These PPEs are placed in museum and are used as an educational aid for the various courses conducted by Inspectorate of Factories and Boilers.

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

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

Goa site underwent Global EHS audit in month of November 2021. The audit was successful, without any critical/major findings.

New Occupational health center was constructed with dedicated observation room for patients at plant. New ambulance was procured, which can facilitate mobilizing of casualty using wheeled stretcher. Automatic sprinkler system was installed in FG store area including the FG expansion block thus providing 100% sprinkler coverage to the most expensive block of the Goa plant.

We upgraded Dust Extraction System at the plant which has benefits like compliance with Abbott Global Engineering standard, approval as per FM, ATEX and NFPA, air quality superior than relevant OSHA standard, energy efficiency and explosion protection.

Detailed Machine guarding assessment was carried out and corrective actions are being taken.

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

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

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

#### Road Safety :

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

- 100% of the sales employees completed the online defensive riding refresher training module;
- 430 new sales employees were trained virtually on defensive riding skills and behaviors, and COVID-19 Safety guidelines and behaviors, within 60 days of joining;
- 362 new sales employees were provided with 2 helmets (one for self and one for the pillion rider) as a part of the joining kit;
- A new online defensive driving refresher training module will be rolled-out to all field employee. This module covers all the new risks that a driver faces post COVID-19.

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

#### Environment :

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

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

The Company continued to focus on process optimization and yield improvement through various initiatives. Along with increasing productivity, these initiatives have helped prevent the discharge of raw materials and solvents into the environment.

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

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

Out of total hazardous waste generated at site, 0.7% of the waste is incinerated without energy recovery, 0.4% is sent for recycling (Used oil and E-waste). The balance hazardous waste is disposed off through co-processing (in cement industries).

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

Our plant is certified as Zero Waste to Landfill facility which means no waste is disposed off through landfill. Out of total fresh water intake of site, 1.5% of water is consumed is obtained from rain water harvesting. The plant has installed digital Environmental Display Board at site in compliance towards the requirement of Central Pollution Control Board.

#### Plastic Waste Management :

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Central Pollution Control Board.

For plastic packaging waste collection and processing, the Company has engagement with various waste management agencies for plastic waste processing facilities. During the financial year, the Company has collected and processed 1,500 MT of plastic waste from all the states and union territories of India where it operates.

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

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

#### ANNUAL RETURN

The Annual Return of the Company as on March 31, 2022 has been placed on the website of the Company at <https://www.abbott.co.in/investor-relations/financials/annual-return.html>

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

Disclosures required in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure IV" and forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing



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

Particulars of Employees, which is available for inspection by the Members up to the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

**CORPORATE GOVERNANCE REPORT**

Corporate Governance Report and Certificate from the Statutory Auditors of the Company on compliance of the conditions of Corporate Governance pursuant to the requirements of the SEBI Listing Regulations, form part of this Report.

**BUSINESS RESPONSIBILITY REPORT**

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

**COMPLIANCE WITH SECRETARIAL STANDARDS**

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

**DISCLOSURES OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

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

**INDUSTRIAL RELATIONS**

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

**FIXED DEPOSITS**

No fixed deposits were accepted during the year.

**PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES**

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

**GENERAL**

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. The Company does not have any joint venture or subsidiaries.
4. There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.
5. There are no instances of one-time settlement during the financial year.

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

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

**Sudarshan Jain**  
Director  
DIN : 00927487

Mussoorie  
May 17, 2022

**ANNEXURE I****Annual Report on CSR Activities for the financial year 2021-22**

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

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

At Abbott, we are committed to supporting the disadvantaged, marginalized and vulnerable populations and to developing novel solutions to societal challenges facing them that are financially and operationally sustainable and demonstrate scalability. We strive to improve access to quality and affordable healthcare and improve awareness, diagnosis and adherence. Through our CSR interventions, we continuously work towards improving health education, reaching low-income communities in both urban-rural and rural areas. These initiatives are part of our continued focus and unflinching dedication to reaching Millions of unaware and unsuspecting patients.

As part of a global healthcare company, Abbott India continually strives to foster economic, environmental and social well-being as we pursue the work of discovering, developing, manufacturing and distributing products that enhance people's health. Being a responsible corporate citizen extends beyond philanthropy.

In India, we intend to go about our work in a manner that is responsible, respectful and in keeping with the rich traditions of our operations in the country and elsewhere in the world. We also look to leverage Abbott's global expertise and resources to steadily improve our product offerings in India, to make critically needed healthcare products and services accessible to more people and to maintain the highest standards of quality and safety. Dialogue and engagement also are vital to ensure our CSR strategy resonates with key external and internal stakeholders. Listening to our stakeholders and responding thoughtfully to their concerns and ideas is vital to our progress as a corporate citizen.

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

- Improving access to quality and affordable healthcare for low-income communities; conducting wellness clinics for improving lives of the disadvantaged communities.
- Promoting STEM learning and healthy living among young children.
- Charitable donations and educational grants for serving the deserving sections of society.
- Reaching out to Government to advance sound public policy and expand patient access to healthcare.
- Disease awareness projects/activities that support for subsidized screening and treatment.
- Product donations through trusted partners in the context of Abbott's global policies and international standards.
- Extending support to various NGOs through monetary grants for education, healthcare and livelihood of underprivileged children and women.
- Environmental Protection measures.
- Such other projects that fall within the purview of the activities included in schedule VII of the Act and Rules made thereunder, as amended from time to time.





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

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

Name of the Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
Munir Shaikh	Chairman	5	5
Vivek V Kamath	Member	5	NA
Anisha Motwani	Member	5	5
Shalini Kamath	Member	5	5
Rajiv Sonalker	Member	5	5

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

Composition of CSR Committee at <https://www.abbott.co.in/investor-relations/corporate-social-responsibility/constitution-of-csr-committee.html>

CSR Policy at <https://www.abbott.co.in/investor-relations/corporate-social-responsibility/csr-policy.html>

CSR Projects at <https://www.abbott.co.in/investor-relations/corporate-social-responsibility/csr-projects.html>

- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : **NA**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **NA**
- Average net profit of the Company as per section 135(5) : ₹ **807.32 Crores**
- (a) Two percent of average net profit of the Company as per section 135(5) : ₹ **16.15 Crores**  
(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : **NA**  
(c) Amount required to be set off for the financial year, if any : **NA**  
(d) Total CSR obligation for the financial year (7a+7b+7c) : ₹ **16.15 Crores**

**8. (a) CSR amount spent or unspent for the financial year :**

CSR amount spent or unspent for the financial year : Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Name of the Project	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 7.50 Crores	AmeriCares	₹ 6.25 Crores	April 12, 2022		NA	
	Smile Foundation	₹ 0.75 Crores	April 28, 2022			
	SEWA	₹ 1.86 Crores	May 2, 2022*			
	Total	₹ 8.86 Crores				

\*Cheque deposited on April 27, 2022.

**(b) Details of CSR amount spent against ongoing projects for the financial year :**

Name of the Project	Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)	Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares	Promoting STEM Education and Healthy Living Among Children with Smile Foundation	Improving Access to Healthcare through Health Clinics	Total
<b>Item from the list of activities in Schedule VII to the Act</b>	(i)	(i)	(i) and (ii)	(i)	-
<b>Local Area (Yes/No)</b>	No	Yes	Yes	No	-
<b>State</b>	Gujarat	Maharashtra, Goa, Himachal Pradesh, Chhattisgarh Jarkhand	Maharashtra	PAN India	-
<b>District</b>	Mehsana, Ahmedabad	Thane, Pakur, Bilaspur, Mahasamund, South Goa	Mumbai	PAN India	-
<b>Project Duration</b>	Mar 1, 2022-Feb 28, 2023	Mar 5, 2022-Dec 31, 2023	Mar 15, 2022-Mar 14, 2023	Dec 31, 2021-Dec 31, 2022	-
<b>Amount allocated for the project (in ₹ Crores)</b>	5.20	6.49	0.81	3.13	<b>15.63</b>
<b>Amount spent in the current FY (in ₹ Crores)</b>	3.34	0.24	0.06	3.13	<b>6.77</b>
<b>Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Crores)</b>	1.86	6.25	0.75	-	<b>8.86</b>
<b>Mode of Implementation Direct (Yes/No)</b>	Yes	No	No	Yes	-
<b>Mode of Implementation-Through Implementing Agency</b>					
1. Name	-	AmeriCares India Foundation	Smile Foundation	-	-
2. CSR Registration Number	-	CSR00000791	CSR00001634	-	-



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

- (c) Details of CSR amount spent against other than ongoing projects for the financial year : **NIL**
- (d) Amount spent in Administrative Overheads : ₹ **0.73 Crores**
- (e) Amount spent on Impact Assessment, if applicable : **NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ **16.36 Crores**
- (g) Excess amount for set off, if any :

Sr. No.	Particulars	Amount (in ₹ Crores)
1.	Two percent of average net profit of the Company as per section 135(5)	16.15
2.	Total amount spent for the financial year	16.36
3.	Excess amount spent for the financial year [(ii)-(i)]	0.21
4.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.21

9. (a) Details of Unspent CSR amount for the preceding three financial years : **NA**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **NIL**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **NA**
- (a) Date of creation or acquisition of the capital asset(s) : **NA**
- (b) Amount of CSR spent for creation or acquisition of capital asset : **NA**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **NA**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) : **NA**

Mussoorie  
May 17, 2022

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

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

## ANNEXURE II

### Secretarial Audit Report for the financial year ended March 31, 2022

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

To,  
The Members,  
Abbott India Limited

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

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013, amendments thereto and Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
3. The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and

- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

Further I noted that :

- i. The Company had filed application with Ministry of Corporate Affairs, for condonation of delay for filing Form MR-2 beyond stipulated time period. The Company had filed Form MR-2 within the extended timelines granted by the Ministry of Corporate Affairs vide Circular No's, 11/2020, 12/2020 (Companies Fresh Start Scheme, 2020) and 30/2020 dated March 24, 2020, March 30, 2020 and September 28, 2020. However, upon receipt of query from MCA, the Company filed necessary compounding application to obtain the approval of the aforesaid Form from the MCA. The delay was condoned by the MCA without any penalty and the said Form was approved by the MCA.
- ii. In one instance, the Company issued physical share certificate for transmission of shares on March 30, 2022 in deviation of Circular no SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 issued by SEBI requiring companies to issue the letter



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

of confirmation in lieu of physical certificate. However, from the documentary evidence, it was observed that the documents requesting the nomination were received prior to the date of notification of aforesaid SEBI Circular. Since the shareholder expired during the course of action by the Company, the Company initiated the process of transmission as per the request from the surviving legal heir and issued the physical share certificate. The shares were duly dematerialised immediately thereafter.

**I further report that**

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

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

**I further report that :**

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

**Neena Bhatia**

Place : Mumbai  
Date : May 17, 2022  
UDIN : F009492D000330604

Practicing Company Secretary  
Membership No. : FCS 9492  
Certificate of Practice No. : 2661

**Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2022**

To,  
The Members  
Abbott India Limited

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

**Neena Bhatia**

Place : Mumbai  
Date : May 17, 2022  
UDIN : F009492D000330604

Practicing Company Secretary  
Membership No. : FCS 9492  
Certificate of Practice No. : 2661

**ANNEXURE III****Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

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

**A. Conservation of Energy**

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

**i. Energy conservation measures :**

- Sleep Mode activation for Air Handling Units (AHUs)/Ventilation units for Non-Critical areas :

Air Handling Units ("AHUs") installed in offices, secondary packing areas and ventilation unit for PMS areas, are put on the sleep mode during non-working hours by running on slow speed with help of Variable Frequency Drives ("VFDs"). This resulted in energy saving of 29,384 KWH during the year 2021-22.

- Use of heat pump for hot water generation in Heating, Ventilation and Air Conditioning (HVAC) :

Hot water is required for circulation through AHUs coils for achieving the required RH condition in manufacturing areas. The heat pump is the latest technology implemented on site for hot water generation which is further used in HVAC for achieving the RH condition.

The pump is extracting heat from return chilled water of chilled water coil of AHUs and transferring same heat into the return hot water of hot water coil of AHUs thereby increasing the temperature, which plays a critical role in achieving the RH conditions. This new technology eliminates the conventional method of generating heat from the boiler, reducing fuel consumption by 507 Tonnes. The heat pump has proven to be a cost/energy saving project even though it has its own power consumption.

- Dual fuel for DG set :

The site has 3 Diesel Generator (DG) sets installed which are operated with HSD (High Speed Diesel) fuel. The dual fuel is the technology implemented for two DG sets and it

is the first installation in entire Goa, to operate DG with dual fuel i.e., HSD and PNG (Piped Natural Gas). The Dual fuel project is a cost saving project along with footprint reduction.

**ii. Water conservation measures :**

Reduction in Tanker Water consumption :

The site is supported by three sources of water i.e., tanker, raw water and treated wastewater. The tanker water is used only for de-mineralized plant/purified water system water generation. Raw water and treated wastewater are used for all other purposes in the plant. Earlier, there was more dependence on the expensive tanker water, which has now reduced by approximately two tankers every day leading to a cost saving of ₹ 4,01,040/annum.

**iii. The steps taken by the Company for utilizing alternate sources of energy - Nil****iv. The Capital Investment on Energy Conservation Equipment - None****B. Technology Absorption****i. Efforts made towards Technology Absorption and the benefits derived like product improvement, cost reduction, product development or import substitution :**

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

- Brufen coating process optimization by reducing overages of coating material by 15%.
- Replacement of age-old 230 XT semi-automated blister pack machine with new C-350 automated blister pack machine resulting in 754 machine hours savings.
- Replacement of age-old Cadpress II 45 station semi-automated compression machine, with new high speed 49 station Fette compression machine, resulting in reduction of 2,689 machine hours.



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

- Old-age Rapid Mixer Granulator (RMG) machine has been replaced and New Coating machine is under qualification.
- The above initiatives led to overall reduction in manpower.

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

- Productivity improvement initiatives like camera detection system and elimination of visual inspection led to utilization of less manpower.
- Retorque machine installation completed successfully on Liquid lines to switch from Roll-on Pilfer Proof caps to Polypropylene caps.
- Increased average run speed of bottle filling machine by 14% by improving on speed losses and minor stoppages.

As a result of above changes, following benefits were derived :

- Enhancement in liquid installed capacity from 12,700 KL to 14,314 KL without any capex.
- Produced highest ever liquid volumes, since inception of the plant, i.e., 8,036 kilo liters in the year 2021-22.
- Produced second highest tablet volumes in the year 2021 after year 2020 in spite of planned shut-downs for old age machine replacements.
- Global top decile cost per unit performance in 2021 as per POBOS (Pharma Operations Benchmarking of Solids) reports for Liquid and Solid manufacturing.

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

- The details of technology imported : **NIL**
- The year of import : **NA**

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

## iii. Expenditure on Research and Development

Particulars	₹ in Crores
Capital	0.25
Recurring	0.81
<b>Total</b>	<b>1.06</b>
<b>Total R&amp;D expenditure as a Percentage of total turnover</b>	<b>0.02%</b>

## C. Foreign Exchange Earnings and Outgo

Particulars	₹ in Crores
<b>A. Total Foreign Exchange used</b>	
a. On import of raw materials, finished goods, consumable stores and capital goods	503.37
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	8.32
<b>Total</b>	<b>511.69</b>
<b>B. Total Foreign Exchange earned</b>	
a. Exports of goods	35.02
b. Service income	6.14
c. Recovery of expenses	0.29
<b>Total</b>	<b>41.45</b>

For and on behalf of the Board

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

**Sudarshan Jain**  
Director  
DIN : 00927487

Mussoorie  
May 17, 2022

## ANNEXURE IV

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

### i. (a) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and (b) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22 :

Name of the Director/KMP	(a) % Increase in the remuneration	(b) Ratio of remuneration of each Director/to median remuneration of employees
Munir Shaikh* (Non-Executive Director)	-	1.2
Sudarshan Jain* (Independent Director)	-	1.3
Anisha Motwani* (Independent Director)	-	1.5
Shalini Kamath* (Independent Director)	-	1.5
Kaiyomarz Marfatia** (Non-Executive Director)	-	0.3
Vivek V Kamath# (Managing Director)	NA	34.4
Rajiv Sonalker (CFO and Whole-time Director)	1.4%	38.9
Krupa Anandpara (Company Secretary)	29.3%	NA

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

# Appointed as Managing Director effective February 15, 2022.

§ Entitled for sitting fees effective February 1, 2022.

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

19.9%

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

3,597

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

17.3%

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

For and on behalf of the Board

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

**Sudarshan Jain**  
Director  
DIN : 00927487

Mussoorie  
May 17, 2022



## BUSINESS RESPONSIBILITY REPORT

At Abbott, our approach to sustainability starts with the people we serve. Our purpose is to help people live better and healthier lives. We achieve this through the way we operate and by providing quality products and offerings. We aim to deliver sustainable and responsible growth that improves lives and creates value in the communities around the world.

Our focus remains on areas where opportunities for our business intersect with possibilities of creating a positive social and environmental impact. We earn trust for our brands and products through highest standards of quality and safety, ethics and integrity. We strive to bring new and innovative, quality products to meet the unmet needs of people in the country. We promote and preserve a healthy living environment by minimizing the environmental footprint of our operations. We protect health and well-being of our employees to help them fulfill their potential.

These priorities provide a clear path for pursuing our responsibilities as a socially responsible citizen, yet we are flexible enough to enable creativity and innovation across our business. Our endeavor remains to foster economic, environmental and social well-being through our operations and in our interaction with our stakeholders.

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

Particulars	Company Information
Corporate Identity Number (CIN)	L24239MH1944PLC007330
Registered Office Address	3, Corporate Park, Sion-Trombay Road, Mumbai – 400 071
Website	<a href="http://www.abbott.co.in">www.abbott.co.in</a>
E-mail ID	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a>
Financial Year	2021-22
Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 21002 (Activity : Pharmaceuticals)
List three key products/services that the Company manufactures/provides (as in balance sheet)	Udiliv Duphaston Thyronorm
Total number of locations where business activity is undertaken	
a) Number of international locations	NIL
b) Number of national locations Manufacturing plant at Goa	Registered office and corporate office at Mumbai, sales offices and distribution hubs pan-India
Markets served by the Company local/state/national/international	pan-India, Sri Lanka, Nepal, Maldives and Bhutan

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

Particulars	Company Information
Paid Up Capital	₹ 21,24,93,020
Total Turnover ₹	₹ 4,848.99 Crores
Total Profit After Tax	₹ 798.70 Crores
<b>Total Spending on Corporate Social Responsibility (CSR)</b>	
a) Amount	₹ 16.36 Crores
b) As a percentage of average Profit After Tax of previous three financial years	2.8%
List of activities in which expenditure stated above has been incurred	<p>a. Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)</p> <p>b. Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares</p> <p>c. Promoting STEM Education and Healthy Living Among Children with Smile Foundation</p> <p>d. Improving Access to Healthcare through Health Clinics</p>

### SECTION C : OTHER DETAILS

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

### SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

#### 1. Details of Director/Directors responsible for BR

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

Vivek V Kamath, Managing Director

##### (b) Details of BR Head :

Particulars	Company Information
Director Identification Number	06606777
Name	Vivek V Kamath
Designation	Managing Director
Telephone Number	+91-22-5046 1000/2000
E-mail ID	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a> <a href="mailto:webmaster@abbott.co.in">webmaster@abbott.co.in</a>

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

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

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



## Business Responsibility Report (Contd.)

## a. Details of Compliance (Y/N)

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

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

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

## 3. Governance related to Business Responsibility (BR)

Information with reference to BR framework :

Questions	Information
Indicate the frequency of review by the Board of Directors, Committee of the Board or CEO to assess the BR performance. Within 3 months, 3-6 months, annually, more than 1 year?	Annually, at the time of approving the Business Responsibility Report.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes Business Responsibility Report which forms part of the Annual Report. The same is available at <a href="https://www.abbott.co.in/investor-relations/financials/annual-reports.html">https://www.abbott.co.in/investor-relations/financials/annual-reports.html</a>

## SECTION E : PRINCIPLE-WISE INFORMATION

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

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

Abbott's aim is to enable people to live fuller, healthier lives. We strive to make an impact through policies and priorities that have a positive effect on people's health and well-being. We have a clear strategy for building a culture of compliance at Abbott that engages all our employees and emphasizes the importance of ethical behavior. We are committed to adhering to all applicable laws and regulations in every aspect of our work. We use different channels to promote ethics and integrity and also have the systems to embed ethical behavior and manage compliance risks.

Our Code of Business Conduct is the foundation for ethical conduct at Abbott. The Code explains Abbott's values and that it is every employee's responsibility to live them every day. The expectations it sets out include employees holding themselves to the highest ethical standards, keeping a watchful eye on our activities, reporting concerns in good faith, and always operating with honesty, fairness and integrity. The Code highlights key areas such as the importance of adhering to policies and procedures, treating confidential information appropriately, avoiding conflicts of interest and maintaining accurate books and records. The Code clearly states that Abbott does not tolerate illegal or unethical behavior in any aspect of our business and that employees are required to ask questions and/or report any concerns.

We update our ethics and compliance policies regularly to reflect changes to the law or industry codes, including rules on interactions with healthcare professionals. We oversee compliance with our policies and procedures through periodic auditing and monitoring, with the frequency guided

by an assessment of compliance risks for different business interactions. We track action items from our audits and monitoring to ensure that any business process enhancements or corrections are made in a timely fashion.

We have a compliance program that is managed by the compliance committee. The committee include senior management team and is responsible for the day-to-day execution of the compliance program. The committee monitors compliance, provides training and ensures employee awareness and engagement.

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

We have developed a Decision-making AID (Assess Impact Decide) framework, which is designed to help our employees apply the Code's principles. In addition to guiding their own actions, this helps our employees monitor behavior, ask questions and report concerns.

We have clearly defined systems and processes for asking questions and reporting suspected or actual violations of our Code, policies or procedures.

Adhering to our Code of Business Conduct is a condition of continued employment at Abbott. We investigate all reports of potential violations of our Code, policies or procedures and take appropriate corrective action. Any employee who violates our Code, policies or procedures is subject to appropriate disciplinary action, which may include termination. Any Abbott employee who refuses to cooperate in an investigation or any employee who reports a concern that is knowingly false or intended to threaten, intimidate or retaliate may also be subject to disciplinary action.



## Business Responsibility Report (Contd.)

The Company does not tolerate retaliation against anyone who reports a violation in good faith. These guidelines are well publicized and enforced throughout the Company. We regularly report information about investigations to the Audit Committee and Senior Management and communicate the results of investigations, audits, assessments and monitoring to the business leaders.

We are committed to preventing corruption in connection with our business activities and to continue working with third parties that share this commitment. We have a third-party compliance process to identify potential risks when doing business with third parties and to address such risks where they do exist. We take alleged violations very seriously and if they are substantiated, offenders are subject to disciplinary action.

**1. Does the policy relating to ethics, bribery and corruption cover only the Company?**

No

**2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes

**3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

The Company received 14 stakeholder complaints during the financial year 2021-22. Of these, 9 complaints were investigated in accordance with the Internal Investigations Policy and Compliance Program and appropriately resolved; 5 complaints were pending investigation as on March 31, 2022.

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

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

Consumers trust our products, which help them live fulfilling lives through better health. We ensure that quality, safety and sustainability is implemented through the entire process, right from sourcing of raw materials to creating high quality, efficient products to delivering them to the markets in a timely manner.

We use the Abbott Global Quality System and Environment Health and Safety (“EHS”) management system as a foundation for our business incorporating effective quality and EHS management practices into every aspect of our work and complying with all applicable regulations and standards. These Quality and EHS management systems also embed the guiding principle of continuous improvement in

all areas of quality and EHS. The Company’s manufacturing plant at Goa and commercial sites adhere to auditing and reporting requirements, which serve as a baseline for quality, environment, health and safety performance.

Protecting the authenticity of our products is another important part of earning people’s trust. We proactively take action to ensure that counterfeit, illegally diverted and stolen Company products are kept out of the marketplace.

The Company recognizes its extended responsibility of the impact of our products on human health and the environment. We are committed to minimizing the impact of our products throughout their entire life cycle. Besides reducing our overall environmental impact, this enables us to improve operating efficiency and reduce product and operational costs.

Waste management plays a central role in our vision of extended producer responsibility and our waste management approach addresses two critical aspects of this :

- Operational waste management, which governs the treatment of waste that Abbott produces.
- Reducing the life cycle impact of our products and their packaging.

Engaging and partnering with our suppliers also play a vital role in reducing and mitigating the waste and other environmental impacts associated with Abbott’s extended value chain. Our Supply Chain, EHS and Engineering groups work closely with our suppliers in a variety of strategic sourcing areas to ensure that we appropriately identify and mitigate the impact associated with the production and consumption of our products and packaging.

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

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

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

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

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

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

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

Despite increase in production volumes by 37% for liquid formulation and 8.5% in tablets, the water consumption and CO<sub>2</sub> emissions are kept at the same level.

The table below shows our achievement vis-à-vis the target in water consumption and CO<sub>2</sub> emissions during the year 2021-22 at the plant.

KPI	Target	Utilized	Result against the target
Water (KL)	48,615	46,869	1,746 KL less water used
CO <sub>2</sub> (MT)	4,809	4,808	1 MT less CO <sub>2</sub> emission

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

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

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

The Company procures goods and services from local and small producers; particularly, those located near its manufacturing plant at Goa, in accordance with established procedures and requirements. We have also identified new local sources for supplying voluminous raw material that is used in the production process.

Now most of the bottles used for liquid filling are procured from a supplier based in the local area. Also, services like housekeeping and gardening are provided by the local contractors.

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

Waste is recycled wherever feasible. There is a continuous focus on the 3Rs—namely reduce, recycle and reuse. As these are pharmaceuticals, the products are not recycled. Hazardous waste and sludge are dispatched to cement factories which utilize these as fuel for manufacturing cement, thereby recovering energy. All non-hazardous waste like paper, glass, metals, etc. are sent to the approved vendors for recycling.

The Goa plant retains its certification of Zero Waste to Landfill (ZWL) which means no waste is disposed off through landfill. In 2021-22, out of total non-hazardous waste generated at the site, 60% of the waste was used for beneficial purposes without undergoing any recycling process. The remaining 40% of waste was sent for recycling. Out of total hazardous waste generated at site, 0.7% of the waste was incinerated without energy recovery, 0.4% was sent for recycling (Used oil and E-waste). The rest of the hazardous waste was disposed of through co-processing (in the cement industry). We ensure that energy from waste is recovered, thus contributing to the reduction of CO<sub>2</sub> emission and global warming.

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

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

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

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

The India Wellness Program covers initiatives around emotional, physical, financial and social wellness as the four key pillars of employee well-being and has been amplified further during the year anticipating employee challenges in the light of the tough external environment.



## Business Responsibility Report (Contd.)

**Physical Wellness :** Health check-ups, on-site doctor, vaccination drives and exercise challenges are programs that are provided for employees to focus on their physical health. We have an annual team challenge known as “Exercise Across Abbott” encouraging employees to form teams and publish daily exercise done. This program saw an increase of 183% participation in 2021. Coupled with this program, virtual sessions on Zumba, Yoga, Functional Training, Tabata, Kickboxing were arranged to encourage physical fitness and wellness amongst employees and their families even while they were at home. This program was a great success.

**Emotional Wellness :** Wellness of the mind is as significant and essential as our overall wellness. The Company aims to support its employees on this journey by offering avenues where employees can learn from and leverage the knowledge of experts through a host of programs addressing various aspects of emotional well-being. A program targeted at building mental wellness and resilience, was launched as part of the India Wellness Program in 2021.

The “Break The Stigma” campaign around mental well-being encouraged employees to be more open about mental wellness issues. This also targeted sensitive issues like dealing with stress, sleep management, managing family pressures, etc. Many employee well-being programs such as Stress Management workshops, MindStrong : Sleep Management sessions were initiated during the year.

**Financial Wellness :** The Company arranges sessions with experts to educate employees on financial planning to enable them to understand the basics of retirement planning or planning for financial uncertainties/debt management.

**Social Wellness :** The Company believes in inculcating a culture where employees understand the broader sense of purpose. There are various initiatives that are run throughout the year that drive a sense of community and align employees towards the corporate social responsibility agenda.

Many employee well-being programs such as Exercise Across Abbott, Stress Management workshops, MindStrong : Sleep Management and Financial Planning Sessions were initiated during the year.

Over and above the above initiatives, in 2021-22 the organization built in 2 additional initiatives – Project Rainbow (a vaccination drive to support employees get their COVID-19 vaccines) and Telemedicine and Home Isolation Support.

- **Vaccination Drive for Employees :** Under the Physical Wellness pillar, the Company went a step ahead last year, to ensure employees across India were vaccinated for COVID-19 at both the head office and field. The HR

team engaged with third parties and hospitals across the country to help procure COVID-19 vaccinations for employees.

Vaccination drives were conducted not only for our head-office based employees at Mumbai, but also across various cities pan-India.

- **Telemedicine and Home Isolation Support :** Another unique initiative that has been launched in Abbott last year is the provision of company sponsored 24x7 telemedicine support for employees and their immediate family. Employees also have a home isolation support provision.

These programs see high utilization and resonance with employees.

### Health and Safety

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

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

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

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

#### 1. Employee Assistance Program (EAP)

At Abbott, we recognize that the right help at the right time can help manage challenges or crises life may bring. The EAP was started with this aim in mind. It is an independent counselling and resource service sponsored by Abbott for its employees. Its features include :

- 24/7 availability for employees and their families via phone, e-mail or live chat;
- All calls answered by expert psychologists;
- Assistance for personal issues that could affect health;
- Counselling for work life balance, stress management, management skills and family support, including legal and financial information.

#### 2. Work Life Harmony

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

#### 3. Listening to our employees – Your Voice Counts

At Abbott, it is important for us to get the pulse of how our employees feel. With this objective in mind the Company introduced “Your Voice” Counts survey. The survey is crucial to the Company as it helps to identify areas that our employees think are important and need improvement. The survey includes several questions on the overall mindset around intrapreneurial behaviors – speed, agility, competitiveness as well as diversity, equity and inclusion. The survey is anonymous and is released to a sample set of employees on a quarterly basis to drive continuous improvement.

##### 1. Please indicate the total number of employees?

3,597

##### 2. Please indicate the total number of employees hired on temporary/hired on contractual/casual basis?

During the year 13 contractual associates were hired.

##### 3. Please indicate the number of permanent women employees?

346

##### 4. Please indicate the number of permanent employees with disabilities?

The Company does not maintain any separate information pertaining to employees with disabilities.

##### 5. Do you have an employee association that is recognized by the management?

Yes

##### 6. What percentage of your permanent employees are members of this recognized employee association?

6%

##### 7. Please indicate the number of complaints related to child labor, forced labor, involuntary labor, sexual harassment in the last financial year are pending, as on the end of the financial year?

One complaint was received during the financial year under the Prevention of Sexual Harassment Act and was appropriately closed.

#### 8. What percentage of your above-mentioned employees were given safety and skill upgradation training in the last year?

All new joiners are imparted training as a part of their induction program.

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

*The Company is committed to supporting the disadvantaged, marginalized and vulnerable populations and to developing novel solutions to social challenges facing them that are financially and operationally sustainable and demonstrate scalability.*

While doing this, our fundamental goal is to empower communities for the highest order of ownership and efficacy. We also collaborate with governments, international healthcare organizations, community-focused NGOs, care providers, tech developers, consumers and our own employees to leverage the best resources.

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

#### 1. Has the Company mapped its internal and external stakeholders?

Yes

#### 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. The Company has identified and given a special focus to disadvantaged, vulnerable and marginalized stakeholders through various initiatives.

#### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.

The Company has implemented several initiatives to engage disadvantaged, vulnerable and marginalized stakeholders. We are working closely with the Self-Employed Women's Association (“SEWA”) – the world's largest and oldest trade union of 2.1 Million women working in the informal sector, on developing a community-based healthcare program that involves three healthcare clinics in the state of Gujarat, bringing quality and affordable primary, acute and Non-Communicable Disease (NCDs) care to low-income populations. The program also drives a proactive community outreach through Health Master Trainers,





## Business Responsibility Report (Contd.)

who help build community awareness around NCDs and program services facilitate access to screening and consultation to drive improved adherence. To reach low-income communities in remote areas, the Company launched a tele-medicine service that has delivered over 2,900 consultations so far, with help of over 270 Health Master Trainers – these are women from within SEWA whom we have trained as health workers.

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

The Company is also committed to upgrading 40 Primary Health Centers to Health and Wellness Centers across 5 States of Maharashtra, Goa, Chhattisgarh, Jharkhand and Himachal Pradesh. Our commitment to these centers goes beyond physical and technical upgradation to include training of PHC staff, ASHAs and health workers and building community awareness.

With this holistic approaches, we are working relentlessly towards strengthening health education, improving access to screening for NCDs and bringing people into health systems early. These initiatives are part of the Company's dedication to reaching Millions of patients and helping them with resources they need to improve their health.

### Principle 5 : Businesses should respect and promote human rights

*The Company believes in the dignity of every human being and respects individual rights.* These principles are reflected in the Company's mission and core values and, are reinforced through our global employment, ethics and procurement policies. We contribute to the fulfilment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. We take steps to prohibit illegal and inappropriate labor conditions and inhumane treatment in our workplaces and, also in connection with our business activities. Our global guidelines include :

- Providing a healthy and safe working environment;
- Complying with child labour laws;
- Promoting workforce diversity : not discriminating against any employee for reasons such as race, religion, color, age, gender, ethnicity, disability, marital status and sexual orientation, in addition to any other status protected by local law;

- Not tolerating harassment or harsh or inhumane treatment in the workplace;
- Protecting individual privacy;
- Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime and mandated benefits;
- Encouraging open communication between the management and employees.

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

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

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

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

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

During the year, one complaint was received under the Prevention of Sexual Harassment Act and the same was appropriately closed.

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

*The Company is committed to safeguarding a healthy environment by reducing the environmental impact of our business across our value chain.* This commitment shapes the way we source, design, manufacture and distribute our products and it forms the basis for our environmental management systems and governance.

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

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

As a commitment under the Plastic Waste Management Rules, we have collected approximately 1,500 MT of post-consumer plastic packaging waste through our partner waste management agencies, under extended producer responsibility. This waste is recycled or disposed off in scientific manner.

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

The EHS policy currently covers the Company.

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

We are working across our operations and with key suppliers to sustainably manage our water use and address climate change by reducing carbon emissions and expanding renewable energy. We shall reduce the environmental impact of our product packaging and minimize waste in our operations through reuse and recycling programs across the Company.

We are aligned to support the science-based environmental targets set for Abbott globally for 2030. A major component of these targets is looking at the entire product life cycle and bringing in environmental sustainability in the same, with a focus on recycling and beneficial use of materials.

##### (a) Climate Change :

- Reduce absolute Scope 1 and 2 carbon emissions by 30% from 2018 baseline by the end of 2030, consistent with the objectives of the Science Based Targets initiative (SBTi).
- Work with our key carbon-intensive suppliers to implement sustainable programs to reduce Scope 3 carbon emissions.

**(b) Water Usage :** Work with key suppliers in high water stressed areas to reduce water quality and quantity risks to Abbott and the community.

**(c) Waste Management :** Reduce waste impact using a circular economy approach to achieve and maintain at least 90% waste diversion rate.

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

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

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

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

There are no such projects undertaken specifically under Clean Development Mechanism. However, emphasis is on usage of clean energy (like biomass at Goa plant). CO<sub>2</sub> emission reduction opportunities are formally assessed, and emission reduction is part of annual site targets and key performance indicators. During the year, the Goa plant overachieved its target of environmental footprint reduction.

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

##### Energy conservation measures :

Air Handling Units ("AHUs") installed in offices, secondary packing areas and ventilation unit for PMS areas, are put on the sleep mode during non-working hours by running on slow speed with help of Variable Frequency Drives ("VFDs"). This resulted in energy saving of 29,384 KWH during the year 2021-22.

Hot water is required for circulation through AHUs coils for achieving the required RH condition in manufacturing areas. The heat pump is the latest technology implemented on site for hot water generation which is further used in Heating, Ventilation and Air Conditioning (HVAC) for achieving the RH condition.



## Business Responsibility Report (Contd.)

The pump is extracting heat from return chilled water of chilled water coil of AHUs and transferring same heat into the return hot water of hot water coil of AHUs thereby increasing the temperature, which plays a critical role in achieving the RH conditions. This new technology eliminates the conventional method of generating heat from the boiler, reducing fuel consumption by 507 Tonnes. The heat pump has proven to be a cost/energy saving project even though it has its own power consumption.

The site has 3 Diesel Generator (DG) sets installed which are operated with HSD (High Speed Diesel) fuel. The dual fuel is the technology implemented for two DG sets and it is the first installation in entire Goa, to operate DG with dual fuel i.e., HSD and PNG (Piped Natural Gas). The Dual fuel project is a cost saving project along with footprint reduction.

### Water conservation measures :

The site is supported by three sources of water i.e., tanker, raw water and treated wastewater. The tanker water is used only for de-mineralized plant/purified water system water generation. Raw water and treated wastewater are used for all other purposes in the plant. Earlier, there was more dependence on the expensive tanker water, which has now reduced by approximately two tankers every day leading to cost saving.

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

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

- Brufen coating process optimization by reducing overages of coating material by 15%.
- Replacement of age-old 230 XT semi-automated blister pack machine with new C-350 automated blister pack machine resulting in 754 machine hours savings.
- Replacement of age-old Cadpress II 45 station semi-automated compression machine, with new high speed 49 station Fette compression machine, resulting in reduction of 2,689 machine hours.
- Also, the older Rapid Mixer Granulator (RMG) machine has been replaced and a new coating machine is under qualification.

- The above initiatives led to overall reduction in manpower.

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

- Productivity improvement initiatives like camera detection system and elimination of visual inspection led to utilization of less manpower.
- Retorquer machine installation completed successfully on Liquid lines to switch from Roll-on Pilfer Proof caps to Polypropylene caps.
- Increased average run speed of bottle filling machine by 14% by improving on speed losses and minor stoppages.

As a result of above changes, following benefits were derived :

- Enhancement in liquid installed capacity from 12,700 KL to 14,314 KL without any capex.
- Produced highest ever liquid volumes, since inception of the plant, in year 2021-22.
- Produced second highest tablet volumes in the year 2021 after year 2020 in spite of planned shut-downs for old age machine replacements.
- Global top decile CPU performance in 2021 as per POBOS (Pharma Operations Benchmarking of Solids) reports for liquid and solid manufacturing.

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

All the emissions/waste generated by the Company are within the permissible limits given by the CPCB/SPCB for the financial year being reported. Sampling is carried out and samples are tested by independent government-approved laboratories on a regular basis as defined in the 'Consent to operate'.

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

There are no show cause/legal notices received from CPCB/SPCB or pending as at the end of financial year.

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

*The Company is committed to India and advocates for a stable and predictable policy environment which is beneficial for patients and the pharmaceuticals sector.*

The Company engages with associations regularly. The Company submits inputs/suggestions to the relevant policy makers and regulators through the trade associations and directly on policies.

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

Yes, Abbott is member of Federation of Indian Chambers of Commerce and Industries (FICCI), Associated Chambers of Commerce and Industry of India (ASSOCHAM) and Confederation of Indian Industry (CII).

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

Yes. broad areas are for advocacy included pricing implementation issues, OTC guidelines, taxation policies and drug regulatory matters.

### Principle 8 : Businesses should support inclusive growth and equitable development

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

We focus our philanthropic investments in areas where we can :

- contribute with our business and core capabilities;
- leverage our employees' time and skills;
- bring on partners that can help us build sustainable and scalable solutions to address social challenges.

Adapting to the core needs of the people is fundamental to our approach and helps create solutions that can sustain themselves and achieve scale. We have worked with this approach to identify several focus areas for our philanthropic programs. In each of these areas, we partner with organizations that have the skill, knowledge and resources to complement our efforts. We are committed to measuring the impact of our programs so that we can drive change sustainably and by demonstrating scale.

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

#### Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)

In partnership with SEWA (Self-Employed Women's Association), the Company is working at improving access to quality and affordable healthcare among low-income populations by creating resilient systems and processes for prevention, diagnosis and treatment of Non-Communicable Diseases (NCDs). This program not only helps meet the health needs of low-income populations, but also creates employment and entrepreneurship opportunities for SEWA members. Through three community-based clinics and tele-medicine services, we have improved access to quality and affordable primary, acute and NCD care services for close to 12,000 patients across 27 districts in Gujarat, Rajasthan and Uttar Pradesh. These clinics and tele-medicine services are supported by a proactive community outreach, led by over 270 Health Master Trainers in the field who have been trained on various facets of NCD prevention, diagnosis and treatment. These Health Master Trainers engage SEWA families and create awareness on services and their benefits, with a special focus on its NCD component. The Company is strengthening the program through partnerships with reliable healthcare service providers that support the program across the continuum of care.

We also worked with SEWA to educate its 2.1 Million members on COVID-19 prevention and care efforts in their communities. In addition to that, we have been working with them on building economic resilience and restoring livelihoods for the low-income, daily wage earners through three livelihood earning programs that are supporting over 1,500 SEWA women and their families at present.

#### Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares

In partnership with AmeriCares, we are upgrading 40 Primary Health Centers (PHCs) across 5 states in India to Health and Wellness Centers. To facilitate access to the upgraded infrastructure and services, we are investing in capacity building of community healthcare workers who act as a vital link between healthcare facilities and patients who need care. We are also working at training PHC staff, AHSAs and community health workers and are engaging communities around these Centers to help them better understand their health, educate them on healthcare services available through upgraded facilities and the support they have in form of Community Healthcare Workers for accessing services and managing their health effectively.



## Business Responsibility Report (Contd.)

Our goal with this program is to not only create quality and affordable services and infrastructure, but to also improve health-seeking behavior among communities by early diagnosis, treatment and improved adherence.

#### Promoting STEM Education and Healthy Living among Children with Smile Foundation

In partnership with Smile Foundation, we are working with over 2,200 children across 6 schools in and around Mumbai who come from underserved communities and lack access to quality education and infrastructure. We are working with these children to improve their problem-solving and logical-reasoning skills through access to latest digital tools for STEM learning. We are working at improving their knowledge and understanding of non-communicable diseases, nutrition and menstrual hygiene to promote healthy choices and prevention. We are also supporting these schools with equipment and curriculum for indoor and outdoor sports.

Our goal with this program is to empower the children with skills they need to be future-ready and have the health to realise their full potential.

#### Improving Access to Healthcare through Health Clinics

Access to essential healthcare services and information is an ever-increasing challenge for many in India. The Company has several programs to address this. Through one such effort, the Company supports qualified doctors and healthcare professionals to expand disease diagnosis and access to care. This includes programs to raise awareness and improve care for liver diseases, which is among the top 10 killer diseases in India.

### 2. Are the programs/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?

Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)	Direct Implementation
Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares	Indirect Implementation
Promoting STEM Education and Healthy Living Among Children with Smile Foundation	Indirect Implementation
Improving Access to Healthcare through Health Clinics	Direct Implementation

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

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

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

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

Community Development Projects	Contribution (₹ in Crores)
Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)	5.20
Building Access to Quality and Affordable Healthcare Infrastructure and Services with AmeriCares	6.49
Promoting STEM Education and Healthy Living Among Children with Smile Foundation	0.81
Improving Access to Healthcare through Health Clinics	3.13

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

For all the above projects, we strive for embedding sustainability at the core of our engagement with beneficiaries. By engaging community members upfront on planning and implementation and then handholding them through continuous training and monitoring of various interventions, we ensure that communities not only fully own the programs but also embrace the benefits that they experience as a result and drive scale. Through our monthly reviews, we monitor the performance of each program workstream and make changes for resource optimization, financial and operational sustainability and highest efficacy for end beneficiaries.

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

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

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

The Company has responded to all the Customer complaints/queries and none are pending at the end of the financial year.

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

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

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

No case filed/pending against the Company.

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

Yes. The Company has carried out a few consumer surveys during the year.

For and on behalf of the Board

	<b>Vivek V Kamath</b>	<b>Sudarshan Jain</b>
Mussoorie	Managing Director	Director
May 17, 2022	DIN : 06606777	DIN : 00927487



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The Company's philosophy on Corporate Governance is thus, concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to the members and other beneficiaries for their actions.

### BOARD OF DIRECTORS

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

#### Board Appointments

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

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

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

#### Board Composition and Category

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

The Chairman of the Board is a Non-Executive Director. As on the date of this Report, the Board comprises 9 Directors including 2 Executive and 7 Non-Executive Directors, of which 3 are Independent. There are 3 Women Directors on the Board. There is no *inter se* relationship between the Directors.

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

Name of the Director	Category of Directorship	No. of shares held in the Company	Total Board Meetings held in 2021-22	Attendance at		No. of Directorships in other Companies <sup>1</sup>	No. of Committee positions held in other Companies <sup>2</sup>
				Board Meetings held in 2021-22	Annual General Meeting (July 27, 2021)		
Munir Shaikh Chairman of the Board	Non-Executive Director	NIL	5	5	Yes	1	NIL
Vivek V Kamath (appointed as Managing Director effective February 15, 2022)	Managing Director	NIL	5	1	NA	NIL	NIL
Anisha Motwani	Non-Executive, Independent Director	NIL	5	5	Yes	10	4
Sudarshan Jain	Non-Executive, Independent Director	250 (along with relatives)	5	5	Yes	2	1
Shalini Kamath	Non-Executive, Independent Director	NIL	5	5	Yes	3	1
Ambati Venu	Non-Executive Director	NIL	5	4	Yes	NIL	NIL
Kaiyomarz Marfatia	Non-Executive Director	NIL	5	5	Yes	1	2
Rajiv Sonalker Whole-time Director	Executive Director	45	5	5	Yes	NIL	NIL
Sabina Ewing (appointed as Director effective June 15, 2021)	Non-Executive Director	NIL	5	3	Yes	NIL	NIL
Anil Joseph (resigned as Managing Director effective January 31, 2022)	Managing Director	NIL	5	3	Yes	NIL	NA

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

2. Includes Memberships/Chairmanship of Audit Committee and Stakeholders Relationship Committee.

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

None of the Directors on the Board holds directorship in more than ten public companies. Further, none of the Independent Directors of the Company serve as Independent Director in more than seven listed companies or as whole-time director in any listed company.



## Report on Corporate Governance (Contd.)

### Board Meetings held during the year

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

May 18, 2021; August 6, 2021; November 12, 2021; February 9, 2022 and March 15, 2022. All Board Meetings were held via video-conferencing. The average attendance at the Meetings of Board of Directors was 95.3%.

### BOARD SKILL/COMPETENCIES/EXPERTISE

The Board has diverse sets of competencies and expertise, ideal mix of analytical, strategic and leadership skills that is required for its oversight role, meet the governance and strategic needs. The Board constantly focuses on raising of the governance standards of the Company.

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Munir Shaikh Chairman	<p>Mr Shaikh has held several management and leadership positions in different geographies across various businesses. He possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair. He has an extensive leadership and industry experience including a deep knowledge and understanding of the Company's business operations, strategies and the business environment in which the Company operates.</p> <p>He holds expertise in the areas of general management, finance, marketing and business development.</p> <p>He is a fellow of the Institute of Chartered Accountant in England and Wales.</p> <p>He is a Director on the Board of Abbott Laboratories (Pakistan) Limited.</p>
Vivek V Kamath Managing Director (effective February 15, 2022)	<p>Mr Kamath has over 30 years of rich and diversified experience in healthcare, including pharmaceuticals, OTC and diagnostics. He has held several senior leadership positions in various reputed pharmaceutical companies, Indian as well as MNCs, across different geographies and holds strong functional expertise in the areas of strategy, marketing, sales and general management.</p> <p>Prior to joining the Company, Mr Kamath worked as the General Manager of the Specialty Care business of Abbott Healthcare Private Limited. Prior to Abbott, he has worked with MSD Pharmaceuticals; Roche Diagnostics, India; Novartis, Singapore; Ranbaxy; Pfizer, India; Fulford, India; Wockhardt and Johnson &amp; Johnson.</p> <p>He holds strong business acumen and has been instrumental in building high performance teams, leading organizational change and driving faster than market growth in sales, profit and productivity across the various companies he has worked with. He has an excellent track record of building megabrands via marketing and sales excellence, transforming operations and partnering with alliance partners, key stakeholders, healthcare professionals as well as diverse trade channels.</p> <p>He holds a Master's degree in Management and Bachelor of Science in Microbiology from Mumbai University.</p>
Anisha Motwani	<p>Ms Motwani is a Brand and Innovation expert with varied experience in marketing across diverse industries. As a marketer and creator of multiple consumer-oriented strategies, she takes a very strong interest in the topic of the Indian consumer-buying behavior, connect points, impact of the digital revolution, new segments and sub-segments etc. She has been in forefront of behavior change projects such as Swachh Bharat and Clean Ganga mission. She is an active contributor to various corporate and industry boards/association.</p> <p>She has immense knowledge and expertise on digital marketing and brand building, corporate communications, consumer research and analytics and creative excellence.</p> <p>She holds Master's in Business Administration and Bachelor of Science from Sophia College.</p>

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
	<p>She is an Independent Director on the Boards of Welspun India Limited; Prataap Snacks Limited; Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited) and Star Health and Allied Insurance Company Limited and a Director on the Boards of L&amp;T Investment Management Limited; Philips Domestic Appliances India Limited; Edelweiss Securities Limited; Edelweiss Finance and Investments Limited; Snapdeal Limited and Dvara Kshetriya Gramin Financial Services Private Limited.</p> <p>She is a Member of Audit Committee in Welspun India Limited, Prataap Snacks Limited, Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited) and Star Health and Allied Insurance Company Limited.</p>
Sudarshan Jain	<p>Mr Jain is a veteran in the healthcare business. He has rich business experience in strategic management, corporate affairs, brand building and overall business operations in healthcare companies. His experience covers pharmaceutical, OTC, hospital, diagnostic and nutrition businesses.</p> <p>He has played active role in shaping the healthcare policy and improving access to healthcare in India and has wide industry knowledge and extensive expertise in building market leading brands.</p> <p>He holds Master's in Business Administration from the Indian Institute of Management (IIM), Ahmedabad and Bachelor of Science in Physics from St. Stephens College, Delhi.</p> <p>He is a Director on the Board of Healthium Medtech Limited and Sunshine Holdings PLC, Sri Lanka.</p> <p>He is a Member of Stakeholders Relationship Committee in Healthium Medtech Limited.</p>
Shalini Kamath	<p>Ms Kamath holds vast experience and expertise in three distinct fields-Human Resources, Business Development and Social and Community Development and across two continents-India and Africa.</p> <p>She also has extensive experience in building strong corporate brands, both externally and internally and has handled tripartite partnership projects related to community-oriented income generation programs. She is a certified and practicing "CEO and Leadership Coach".</p> <p>She holds Master's in Business Administration from Edinburgh Business School, UK; training from Harvard Business School in change and transformation; alumnus of CSC Global leadership program and a certified Zenger Folkman Leadership4you trainer and facilitator.</p> <p>She is an Independent Director on the Boards of Borosil Renewables Limited and Johnson Controls-Hitachi Air Conditioning India Limited and Director on the Board of Ambit Finvest Private Limited.</p> <p>She is a Member of Audit Committee in Borosil Renewables Limited.</p>
Ambati Venu	<p>Mr Ambati holds extensive experience in consumer goods, OTC and pharmaceutical businesses. Having worked in various regions, one of the strongest assets is his ability to excel within diverse socio-cultural environments.</p> <p>He holds strong business acumen, strategic leadership, the ability honed in both developed and emerging markets across the world.</p> <p>He is an alumnus of the Indian Institute of Management, Ahmedabad and holds a Bachelor's degree in Engineering (Mechanical) from the University of Bhopal.</p>
Kaiyomarz Marfatia	<p>Mr Marfatia holds strong legal acumen and immense experience in corporate compliance functions, litigation, industrial licensing, foreign collaborations, technology transfer arrangements, distribution arrangements and IPR matters, among others, in pharmaceutical/healthcare and engineering industries.</p> <p>He has played a vital role in the acquisition of various brands and businesses and handled cross functional projects such as manufacturing reconfiguration/optimization and corporate restructuring.</p> <p>He is a Law Graduate from the Government Law College.</p> <p>He is an Independent Director on the Board of SNL Bearings Limited.</p> <p>He is a Member of Audit Committee and Chairman of Stakeholders Relationship Committee in SNL Bearings Limited.</p>



## Report on Corporate Governance (Contd.)

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Rajiv Sonalker	<p>Mr Sonalker has extensive financial experience in the pharmaceutical, FMCG and engineering industries in India and Europe.</p> <p>Besides in-depth knowledge about the Company, he has strong technical and analytical skills and expertise for leading the Corporate Finance function, including Risk and Internal Control. He has played a crucial role in several projects such as the merger, acquisitions, integration and corporate restructuring. He has been instrumental in driving many automation and digitization projects critical for the Company.</p> <p>He is a fellow Member of the Institute of Chartered Accountants of India.</p>
Sabina Ewing (appointed as Director effective June 15, 2021)	<p>Ms Ewing is a passionate, transformational global technology leader with over 20 years of experience. She is a champion for delivering 21<sup>st</sup> century Information Technology organizations that move beyond the back office to Information Technology as a strategic enabler of top-line and bottom-line results. Currently, Ms Ewing is acting as a Global CIO, Vice President – Business and Technology Services for Abbott Laboratories, USA. Prior to that, she served as the Global Head – Business Technology for Pfizer Upjohn Headquartered in Shanghai, China. She has also served as Vice President for Corporate Functions and Business Services BT, supporting Pfizer's Human Resources, Legal, Corporate Affairs, Corporate Compliance and Corporate Aviation divisions, as well as the enterprise-wide Global Support Services Organization.</p> <p>She holds Bachelor of Science in Commerce (with concentrations in Management Information Systems and Finance) from the University of Virginia and a Master of Science in Systems and Management from New York University.</p>

### Tenure of Directorships

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

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

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

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to the Notice convening the Annual General Meeting, which forms part of the Annual Report.

### INDEPENDENT DIRECTORS

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

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

### Meeting of Independent Directors

Independent Directors met once on May 11, 2021 during the financial year 2021-22 in compliance with the requirements of the Act, Rules framed thereunder and Regulation 25(3) of the SEBI Listing Regulations. The said Meeting was attended by all the Independent Directors. Ms Anisha Motwani acted as the Lead Independent Director for the said Meeting.

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

### FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

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

The Directors are regularly briefed on the Company's policies and procedures, distribution channels, business model, cash and treasury management, accounting systems and internal financial controls, etc. The induction process for Non-Executive, Independent Directors includes interactive sessions with the Senior Management and Functional heads, visits to Plant, etc.

Details of the programs conducted by the Company for the financial year 2021-22 are available on the website of the Company at <https://www.abbott.co.in/investor-relations/listing-disclosures/directors.html>

### REMUNERATION OF DIRECTORS

#### Non-Executive Directors

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

During the year under review, Mr Munir Shaikh, Ms Anisha Motwani, Mr Sudarshan Jain, Ms Shalini Kamath and Mr Kaiyomarz Marfatia were paid sitting fees amounting to ₹ 0.12 Crores, ₹ 0.15 Crores, ₹ 0.13 Crores, ₹ 0.15 Crores and ₹ 0.03 Crores respectively, for attending Board and various Committee Meetings.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company.

In line with the internal guidelines of the Company, no payment is made towards sitting fees to the Non-Executive Directors of the Company, who are in full time employment with any other Abbott Group Companies.

#### Executive Directors

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

Details of remuneration paid to the Executive Directors for the financial year 2021-22 are as follows :

Terms of Agreement	(₹ in Crores)		
	Vivek V Kamath* Managing Director	Rajiv Sonalker CFO and Whole-time Director	Anil Joseph**
Period of appointment	5 years	2 years	5 years
Date of appointment	February 15, 2022	August 8, 2017 <sup>s</sup>	July 1, 2020
Salary and Other Allowances	0.41	2.35	2.38
Perquisites	0.00	0.85	1.57
Contribution to Provident Fund	0.02	0.12	0.13
Performance Linked Incentive	0.00	0.60	1.25
Notice Period	Three Months		
Severance Fees	There is no separate provision for payment of severance fees.		
Stock Option <sup>#</sup>	NIL		

\* appointed as Managing Director effective February 15, 2022.

\*\* ceased as Managing Director effective January 31, 2022.

<sup>s</sup> initial date of appointment.

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

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

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

### AUDIT COMMITTEE

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



## Report on Corporate Governance (Contd.)

### Composition :

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

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

Name of the Member	Category	No. of Meetings 2021-22	
		Held	Attended
Anisha Motwani Chairperson	Independent Director	4	4
Munir Shaikh	Non-Executive Director	4	4
Sudarshan Jain	Independent Director	4	4
Shalini Kamath	Independent Director	4	4

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

### Meetings :

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

May 18, 2021; August 6, 2021; November 12, 2021 and February 9, 2022.

All the Committee Meetings were held via video-conferencing and attended by all the Members.

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

Ms Anisha Motwani, Chairperson of the Audit Committee attended the Annual General Meeting held on July 27, 2021 in compliance with the requirements of Regulation 18(1)(d) of the SEBI Listing Regulations.

### Role :

The role of the Committee includes :

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by them;

- reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to the financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report.
- reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc, of the candidate;
- reviewing the functioning of the Vigil Mechanism/ Whistle-Blower Mechanism;
- carrying out any other functions as may be prescribed under the Act, Rules framed thereunder and Regulation 18 of the SEBI Listing Regulations or as may be delegated by the Board, from time to time.

The Committee also reviews various information prescribed under Part C of Schedule II as referred in Regulation 18(3) of the SEBI Listing Regulations.

### NOMINATION AND REMUNERATION COMMITTEE

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

### Composition :

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

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

Name of the Member	Category	No. of Meetings 2021-22	
		Held	Attended
Sudarshan Jain Chairman	Independent Director	3	3
Ambati Venu	Non-Executive Director	3	3
Anisha Motwani	Independent Director	3	3
Munir Shaikh*	Non-Executive Director	3	1

\* ceased as Member effective January 1, 2022.

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

### Meetings :

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

May 18, 2021; February 9, 2022 and March 15, 2022.

All the Committee Meetings were held via video-conferencing and attended by all the Members.

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

### Role :

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

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

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

- recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Committee shall, while formulating the policy ensure that :
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality, required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks;



## Report on Corporate Governance (Contd.)

- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
- to consider any other matters as may be delegated by the Board.

### Performance Evaluation Criteria of Independent Directors

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

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

#### Composition :

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

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

Name of the Member	Category	No. of Meetings 2021-22	
		Held	Attended
Kaiyomarz Marfatia Chairman	Non-Executive Director	2	2
Vivek V Kamath*	Managing Director	2	NA
Anisha Motwani	Independent Director	2	2
Shalini Kamath	Independent Director	2	2
Anil Joseph <sup>#</sup>	Managing Director	2	1

\* appointed as Member effective February 15, 2022.

<sup>#</sup> ceased as Member effective January 31, 2022.

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

#### Meetings :

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

November 12, 2021 and February 7, 2022.

All the Committee Meetings were held via video-conferencing and attended by all the Members.

#### Role :

The role of the Committee includes :

- resolving the grievances of the shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

Particulars	No. of Grievances
Pending at the beginning of the year	NIL
Received during the year	17 <sup>#</sup>
Resolved during the year	17 <sup>#</sup>
Pending at the end of the year	NIL

<sup>#</sup>pertains 9 letters received from BSE Limited, 7 letters from Securities and Exchange Board of India (SEBI-SCORES) and 1 letter from the shareholder.

These investor grievances pertained to Duplicate Share Certificate; Transmission of Shares/Deletion of Name; Non-receipt of Dividend; Exchange of Share Certificate; Demat of Shares and Change of Address. All the grievances were resolved upto the satisfaction of shareholders.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

#### Composition :

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

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

Name of the Member	Category	No. of Meetings 2021-22	
		Held	Attended
Munir Shaikh Chairman	Non-Executive Director	5	5
Vivek V Kamath*	Managing Director	5	NA
Anisha Motwani	Independent Director	5	5
Shalini Kamath	Independent Director	5	5
Rajiv Sonalker	Whole-time Director	5	5
Anil Joseph <sup>#</sup>	Managing Director	5	4

\* appointed as Member effective February 15, 2022.

<sup>#</sup> ceased as Member effective January 31, 2022.

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

#### Meetings :

During the year under review, the Committee met 5 times on the following dates :

May 6, 2021; May 18, 2021; August 6, 2021; November 12, 2021 and February 7, 2022.

All the Committee Meetings were held via video-conferencing and attended by all the Members.

#### Role :

The role of the Committee includes :

- formulate and recommend for the acceptance of the Board, the Corporate Social Responsibility Policy ("CSR Policy") *inter alia*, to include the CSR activities, specify the modalities of execution, implementation schedules and recommend the same to the Board of Directors;

- identify the CSR projects/activities/programs to be undertaken by the Company ("CSR activities"), in alignment with Company's CSR Policy and Schedule VII of the Act;
- review best practices in the key CSR areas by appropriate internal/external analysis;
- recommend the amount of expenditure to be incurred on the CSR activities, for each financial year of the Company;
- devise suitable transparent monitoring mechanism for monitoring progress/status of implementation of the CSR activities;
- receive reports and review activities from executive and specialist groups managing CSR activities;
- monitor CSR Policy from time to time and revise the same as and when needed;
- carry out such other functions, as may be prescribed by the Act or CSR Rules or as may be delegated by the Board, from time to time.

### RISK MANAGEMENT COMMITTEE

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

#### Composition :

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

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

Name of the Member	Category	No. of Meetings 2021-22	
		Held	Attended
Vivek V Kamath*	Managing Director	3	NA
Sudarshan Jain	Independent Director	3	3
Shalini Kamath	Independent Director	3	3
Kaiyomarz Marfatia	Non-Executive Director	3	3
Rajiv Sonalker	Whole-time Director	3	3
Anil Joseph <sup>#</sup>	Managing Director	3	2

\* appointed as Chairman and Member effective February 15, 2022.

<sup>#</sup> ceased as Chairman and Member effective January 31, 2022.

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





## Report on Corporate Governance (Contd.)

### Meetings :

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

May 18, 2021; August 6, 2021 and February 1, 2022.

The Meeting was held via video-conferencing and attended by all the Members.

### Role :

The role of the Committee includes :

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

- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- any other role as may be delegated by the Board from time to time or which may be prescribed under the Act or the SEBI Listing Regulations or by amendments thereof.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

### ANNUAL GENERAL MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2020-21	July 27, 2021	9.30 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	Re-appointment of Ms Anisha Motwani (DIN : 06943493) as an Independent Director for a term of 5 (five) years effective April 25, 2021, not liable to retire by rotation.
2019-20	September 7, 2020	9.00 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	<ol style="list-style-type: none"> <li>i. Re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of Seventy-five years, as Director, liable to retire by rotation.</li> <li>ii. Approval for increase in Foreign Investment limits into the Company.</li> </ol>
2018-19	August 22, 2019	3.30 p.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021	-

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

### POSTAL BALLOT

During the year 2021-22, following Resolutions were passed by the Company through Postal Ballot :

Sr. No.	Type of Resolution	Particulars	Voting Pattern	
			% of Votes in favor of the Resolution	% of Votes against the Resolution
1	Special	Re-appointment of Mr Sudarshan Jain (DIN : 00927487) as an Independent Director for a period of 5 (five) years effective April 1, 2022.	99.38%	0.62%
2	Ordinary	Appointment of Mr Vivek V Kamath (DIN : 06606777) as a Director effective February 15, 2022.	99.98%	0.02%
3	Ordinary	Appointment of Mr Vivek V Kamath (DIN : 06606777) as Managing Director for a period of 5 (five) years effective February 15, 2022.	99.98%	0.02%

### PROCEDURE ADOPTED FOR POSTAL BALLOT

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

### CODE OF BUSINESS CONDUCT

Code of Business Conduct for Board of Directors and Senior Management ("Code") lays down various principles of ethics and compliance. The Code has been posted on the Company's website at <https://www.abbott.co.in/investor-relations/corporate-governance-and-policies/policies.html>

The confirmations to the Code have been received from all the Directors and Senior Management. The Certificate issued by Mr Vivek V Kamath, Managing Director to this effect forms part of this report.

### CODE OF FAIR DISCLOSURE

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

### VIGIL MECHANISM/WHISTLE-BLOWER POLICY

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

### MEANS OF COMMUNICATION

- i) The quarterly, half-yearly and annual results are published in English daily newspaper (Business Standard-Pan India) and Marathi newspaper (Loksatta) published from Mumbai. The quarterly results/shareholding pattern/notice of Board Meetings are made available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in) and on the website of the BSE Limited.
- ii) During the year under review, the Company had met institutional investors once on June 28, 2021. No presentation was made during the Meeting. The transcript and audio recording of the Meeting is available on the website of the Company at <https://www.abbott.co.in/investor-relations/investor-centre/investor-meet.html>

### GENERAL SHAREHOLDER INFORMATION

#### i) Annual General Meeting

Wednesday, August 10, 2022, through Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)

#### ii) Financial year

April 1, 2021 to March 31, 2022

## Report on Corporate Governance (Contd.)

**iii) Book Closure**

Thursday, August 4, 2022 to Wednesday, August 10, 2022 (both days inclusive).

**iv) E-Voting Period**

From 9.00 a.m. (IST) on Sunday, August 7, 2022  
Upto 5.00 p.m. (IST) on Tuesday, August 9, 2022

**v) Dividend Payment Date**

On and from August 17, 2022

**vi) Listing on Stock Exchange**

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

**vii)** The annual listing fees for the financial year 2021-22 was paid to the BSE Limited as per Regulation 14 of the SEBI Listing Regulations.

**viii) International Securities Identification Number (ISIN)**

INE358A01014

**ix) Stock Code (BSE)**

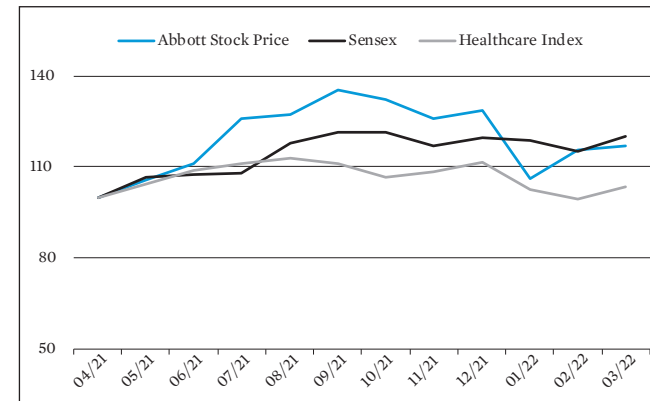
500488

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

Month	High	Low
April, 2021	15,425.70	14,552.90
May, 2021	16,531.05	14,997.65
June, 2021	16,900.05	15,800.00
July, 2021	19,235.00	16,103.10
August, 2021	19,983.70	17,327.65
September, 2021	21,850.00	19,250.00
October, 2021	23,902.30	19,689.00
November, 2021	20,500.00	19,009.35
December, 2021	19,570.00	17,515.00
January, 2022	19,614.70	15,965.00
February, 2022	17,762.30	15,525.00
March, 2022	18,324.45	15,868.70

**xi) Performance in comparison to broad based indices**

April 1, 2021 to March 31, 2022 Normalized (100)

**xii) Registrar and Share Transfer Agent**

KFin Technologies Limited  
(formerly KFin Technologies Private Limited)

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032  
B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai – 400 001  
Tel No. : +91-40-6716 2222; Tel No. : +91-22-6623 5412

Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

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

<https://ris.kfintech.com>

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

**xiii) Share Transfer System**

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

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

**xiv) Distribution of Shareholding as on March 31, 2022**

Distribution (1)	No. of Shareholders (2)	% to Total (3)	No. of Shares held (4)	% to Total (5)
Upto 500	89,309	98.61	18,90,024	8.89
501 to 1000	690	0.76	5,00,529	2.36
1001 to 2000	323	0.36	4,63,383	2.18
2001 to 3000	103	0.12	2,52,565	1.19
3001 to 4000	37	0.04	1,29,355	0.61
4001 to 5000	28	0.03	1,25,024	0.59
5001 to 10000	31	0.03	2,19,282	1.03
Above 10000	46	0.05	1,76,69,140	83.15
<b>Total</b>	<b>90,567</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

**xv) Shareholding Pattern as on March 31, 2022**

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	16,129	0.08
Foreign Portfolio Corporation	46,259	0.22
Indian Financial Institutions	52,218	0.25
General Insurance Corporation of India	68,803	0.32
Mutual Funds	9,16,548	4.31
Qualified Institutional Buyer	5,21,171	2.45
Domestic Companies	1,44,086	0.68
Resident Indians	32,99,184	15.53
Non-Resident Indians	1,06,475	0.50
Directors	95	0.00
Directors Relatives	200	0.00
Unclaimed Suspense Account	3,961	0.02
Investor Education and Protection Fund (IEPF) Authority	1,02,590	0.48
Others	37,535	0.17
<b>Total</b>	<b>2,12,49,302</b>	<b>100.00</b>

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

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

Particulars	No. of Shareholders	No. of Shares
No. of shares as on April 1, 2021	38	4,711
No. of shares claimed and transferred from the Unclaimed Suspense Account during the year	(4)	(750)
No. of shares transferred to Investor Education and Protection Fund	-	-
<b>No. of shares as on March 31, 2022</b>	<b>34</b>	<b>3,961</b>

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of seven years. Thereafter, the said shares including all benefits accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the Act and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such Equity Shares.

**xvii)** In terms of requirements of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority").





## Report on Corporate Governance (Contd.)

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

Pursuant to Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vivek V Kamath, Managing Director of Abbott India Limited, do hereby affirm that, all the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the Abbott India Code of Conduct for the year ended March 31, 2022.

Mumbai  
March 31, 2022

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

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Abbott India Limited  
Unit No. 3, Corporate Park,  
Sion-Trombay Road,  
Chembur, Mumbai – 400 071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Abbott India Limited having CIN : L24239MH1944PLC007330 and having their registered office at Unit No. 3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified

from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Name of Director	DIN	Date of Appointment in Company
Munir Shaikh	00096273	02/03/2001
Vivek V Kamath	06606777	15/02/2022
Anisha Motwani	06943493	25/04/2018
Sudarshan Jain	00927487	01/04/2019
Shalini Kamath	06993314	29/10/2019
Ambati Venu	07614849	29/09/2016
Kaiyomarz Marfatia	03449627	01/03/2011
Rajiv Sonalker	07900178	08/08/2017
Sabina Ewing	09201770	15/06/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs.

Place : Mumbai  
Date : May 17, 2022  
UDIN : F009492D000330626

**Neena Bhatia**  
Practicing Company Secretary  
Membership No. : FCS 9492  
Certificate of Practice No. : 2661

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of Abbott India Limited

1. The Corporate Governance Report prepared by Abbott India Limited (hereinafter the “Company”), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘Applicable criteria’) for the year ended March 31, 2022 as required by the Company for annual submission to the Stock Exchange.

#### Management’s Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor’s Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor’s judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include :

- Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
- Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one independent woman director was on the Board of Directors throughout the year;
- Obtained and read the minutes of the following committee meetings/other meetings held from April 1, 2021 to March 31, 2022 :
  - Board of Directors;
  - Audit Committee;
  - Annual General Meeting (AGM) ;
  - Nomination and Remuneration Committee;
  - Stakeholders Relationship Committee;
  - Risk Management Committee;
  - Corporate Social Responsibility Committee;
  - Independent Directors Meeting
- Obtained necessary declarations from the directors of the Company.
- Obtained and read the policy adopted by the Company for related party transactions.
- Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.



## Report on Corporate Governance (Contd.)

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number : 038730

UDIN : 22038730AJBYEO9308

Place of Signature : London, UK

Date : May 17, 2022

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Abbott India Limited

### Report on the Audit of the Financial Statements

### OPINION

We have audited the accompanying financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company

in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Provision for Non-Saleable returns</b> (as described in note 22 of the financial statements)</p> <p>The Company makes sales to stockiest who further sells products in the market. Stockiest have a right of return in case goods expiring, while in supply chain till end consumers. Return of these expired goods, results in deductions to gross amounts invoiced in arriving at revenue and creation of obligations for the Company to give credit for sales returns.</p> <p>The amounts pertaining to such sales return are estimated at the time of sale and deducted from gross sales and recorded as provisions for sales returns. These estimates are based on analysis of historical trends of sales return and shelf life of the products.</p> <p>The management has determined provision for sales returns amounting to ₹ 168.06 Crores which have been recorded at March 31, 2022 (including reimbursable sales return amounting to ₹ 50.48 Crores)</p>	<p>Our audit procedures included, amongst others,</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management process for making provision for Non-saleable returns including related controls.</li> <li>• Tested the Company's key controls relating to the deductions made to gross sales for sales returns, including those controls over booking of sales and sales return process.</li> <li>• We obtained management's calculations for provisions, recalculated the amounts and evaluated the assumptions used with reference to historical sales returns levels and current trends.</li> <li>• We considered the management's estimates by comparing historical accrued provisions and revenue deductions recorded to the actual amounts.</li> </ul>



## Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>We focused on this area because establishing an appropriate year-end position requires significant judgement and estimation by the management. The assumptions required for estimating provisions for sales returns are complex in nature, the estimates may not be appropriate and, as a result, provisions and revenue may be incorrectly recorded. Accordingly, we regard these as key audit matter.</p>	<ul style="list-style-type: none"> <li>We tested the working of discounting of non-current provisions for sales return prepared by the management including the underlying assumptions.</li> <li>We understood and assessed the Company's revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to sales returns and related disclosures.</li> </ul>
<p><b>(b) Evaluation of uncertain tax positions</b> (as described in note 37 (b) (ii) of the financial statements)</p> <p>The Company has litigations involving question of law and certain disallowances made by Income tax authorities in assessment orders that the Company has appealed against before the relevant appellate authorities.</p> <p>The Company has disclosed ₹ 87.18 Crores as Contingent liability (including uncertain tax positions for open assessment orders) in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, based on management's assessment in consultation with professional advice from the external legal counsel.</p> <p>The eventual outcome of the legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported Profits and Balance Sheet position.</p> <p>Key judgments are also made by the management in estimating the amount of contingent liabilities related to aforementioned litigations.</p> <p>Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal counsel, this matter has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We obtained an understanding of the management's process for: <ul style="list-style-type: none"> <li>identification of tax matters initiated against the Company,</li> <li>assessment of accounting treatment for each such litigation identified under applicable accounting principles, and for measurement of amounts involved.</li> </ul> </li> <li>We evaluated the design and tested the operating effectiveness of controls around the above process.</li> <li>We obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year with the management.</li> <li>We focused on the key developments in the tax litigations, which could have materially impacted the amounts recorded as provisions or disclosed as contingent liability in the financial statements. We inspected the demand notices, assessment orders received for such cases and obtained grounds of appeal submitted by the management in consultation with their external legal counsel.</li> <li>We evaluated the appropriateness of methods used and the reliability of underlying data for quantifying the amounts involved by analyzing the relevant demand notices, assessment orders received. We also tested the arithmetical accuracy of such calculations.</li> <li>We evaluated external legal counsel's response and analysed the conclusions reached which are supported by legal rationale.</li> <li>We also tested the independence, objectivity and competence of such external legal counsel involved.</li> <li>We have obtained direct confirmation for litigation cases from the external legal counsel, to support the decisions and rationale for disclosure of contingent liabilities in respect of the litigation cases.</li> <li>We engaged internal tax specialists to evaluate management assessment of the outcome of such litigation cases. The tax specialists considered legal precedence and other rulings in evaluating management's position on such litigation cases.</li> <li>We have evaluated the disclosures made by the Company in the financial statements in view of the requirements as specified in the Indian Accounting Standards.</li> </ul>

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis, Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## Independent Auditor's Report (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken

on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. a) The management has represented that, to the best of its knowledge and belief and as disclosed in the Note 45 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared

for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 14 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number: 038730

UDIN: 22038730AJBYDV8682

Place of Signature: London, UK

Date: May 17, 2022



## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangibles assets.
- (b) All Property, Plant and Equipment were not physically verified by the management but there is a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 3 to the financial statements included in property, plant and equipment are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in Crores)	Held in name of	Whether promoter, director of their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
Building - Chembur	6.35	M/s Boots Pharmaceuticals Limited	No	1996	The property is held in the erstwhile name of the Company.
Building - Chennai	0.16	M/s Duphar Interfan Ltd	No	1989	The said property was acquired by the Company pursuant to the scheme of Amalgamation approved by the Hon'ble High Court. However, the deed of merger has been filed by the Company.
Building - Goregaon	30.34	M/s Solvay Pharma India Limited	No	2009	The said property was acquired by the Company pursuant to the scheme of Amalgamation approved by the Hon'ble High Court. However, the deed of merger has been filed by the Company.
Building - Goa	0.07	M/s Knoll Pharmaceuticals Ltd	No	1997	The property is held in the erstwhile name of the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, related to the manufacture of pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.





- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of statute	Nature of dues	₹ in Crores	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.79	A.Y. 1998-99	Bombay High Court
Income Tax Act, 1961	Income Tax	32.05	A.Y. 2004-05, A.Y. 2016-17, A.Y. 2017-18 and A.Y. 2018-19	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise Duty	0.03	1991-92	Commissioner (Appeals)
		0.04	1994-95	Commissioner
		0.03	1994 and 1997 to 2002	Assistant Commissioner
		0.26	2005-06	CESTAT
Customs Act, 1962	Customs Duty	0.04	1996	Commissioner (Appeals)
		0.75	2011 to 2013	CESTAT
The Bombay Sales Tax Act, 1959	Sales Tax	0.40	1999-2000	Deputy Commissioner of Sales Tax
Gujarat Value Added Tax	Value Added Tax	0.13	2017-18	Deputy Commissioner, Commercial Taxes, Gujarat
Kerala General Sales Tax Act, 1963	Sales Tax	0.13	2002-03	Sales Tax Appellate Tribunal, Additional Bench
Goa Value Added Tax Act, 2005	Value Added Tax	0.02	2006-07	Additional Commissioner of Commercial Taxes, Panaji, Goa
Central Sales Tax, 1956 (Goa)	Sales Tax	3.97	2006-07	Additional Commissioner of Commercial Taxes, Panaji, Goa
		0.17	2009-10	Assistant Commissioner of Commercial Taxes, Panaji, Goa
Central Excise Act, 1944	Excise Duty	4.52	2014-15 to 2017-18	CESTAT, Mumbai
Maharashtra Value Added Tax Act, 2002	Value Added Tax	27.67	2011-12	Deputy Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.22	2006-17	Deputy Commissioner of State Tax
Central Sales Tax Act, 1956 (Maharashtra)	Sales Tax	0.08	2017-18	Deputy Commissioner of State Tax

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi company as per the provisions of Companies Act 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.



## ANNEXURE 2 - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to Sub-Section (5) of Section 135 of the Act. This matter has been disclosed in Note 31(b) to the financial statements.
- (b) All amounts that are unspent under Sub-Section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of Sub-Section (6) of Section 135 of the said Act. This matter has been disclosed in Note 31(b) to the financial statements.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number: 038730

UDIN: 22038730AJBYDV8682

Place of Signature: London, UK

Date: May 17, 2022

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Abbott India Ltd. ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Dolphy Dsouza**

Partner

Membership Number: 038730

UDIN: 22038730AJBYDV8682

Place of Signature: London, UK

Date: May 17, 2022





## STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,079.73	925.95
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and Amortisation Expense	66.10	58.13
Unrealised Exchange (gain)/loss (net)	(0.91)	(3.64)
(Gain)/Loss on sale/write off of Property, Plant and Equipment (net)	-*	0.25
Gain on early Termination of Leases	-*	(0.03)
Interest Income	(76.06)	(79.72)
Finance Costs	19.10	18.28
Allowance for Credit Impaired Debts	1.22	2.80
Allowance for Credit Impaired Deposits	0.45	0.09
Provision for likely sales returns, date expiry and damaged products (net)	5.15	19.08
Share Based Compensation Expense	12.93	9.75
<b>Operating Profit before working capital changes</b>	<b>1,107.71</b>	950.94
<b>Working capital changes :</b>		
(Increase)/ decrease in Trade Receivables	(39.17)	64.78
(Increase)/ decrease in Inventories	29.78	(190.42)
(Increase)/ decrease in Other Current and Non-Current Assets	(9.56)	11.93
Increase/ (decrease) in Trade Payables	115.12	108.94
Increase/ (decrease) in Current and Non-Current Liabilities and Provisions	32.77	16.03
<b>Cash generated from Operations</b>	<b>1,236.65</b>	962.20
Income tax paid (net of refunds)	(288.99)	(235.46)
<b>Net cash flows from Operating Activities (A)</b>	<b>947.66</b>	726.74
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment (including Capital Work-in-Progress, Capital Creditors and Capital Advances)	(44.07)	(23.31)
Proceeds from sale of Property, Plant and Equipment	0.23	0.13
Investment in Fixed Deposits maturing beyond 3 months (net)	(420.99)	(135.12)
Interest received on Deposits (interest income)	68.99	86.48
<b>Net cash flows used in Investing Activities (B)</b>	<b>(395.84)</b>	(71.82)

\* below ₹ 50,000/-

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(584.36)	(531.23)
Payment of Lease Liabilities	(52.32)	(50.05)
Interest paid, other than on lease liabilities	(0.70)	(0.51)
<b>Net cash flows used in Financing Activities (C)</b>	<b>(637.38)</b>	(581.79)
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(85.56)</b>	73.13
Cash and Cash Equivalents at the beginning of the year	218.27	145.14
<b>Cash and Cash Equivalents at the end of the year (Refer Note 10)</b>	<b>132.71</b>	218.27

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of the Financial Statements.

**Notes :**

- Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows'.

As per our report of even date

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **DOLPHY DSOUZA**  
Partner  
Membership No. 38730

Place : London, U.K.  
Date : May 17, 2022

For and on behalf of the Board of Directors

**VIVEK V KAMATH**  
Managing Director  
DIN : 06606777

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

Place : Mussoorie  
Date : May 17, 2022

**SUDARSHAN JAIN**  
Director  
DIN : 00927487

**KRUPA ANANDPARA**  
Company Secretary  
Membership No. ACS 16536





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

### c) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### d) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost for additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

The Company identifies and determines cost of each component/part of the Property, plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised on the cost of assets (other than Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and based on technical parameters/assessments. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of Property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter.

The estimated useful lives are as follows :

Type of assets	Useful life in years
Buildings	
Factory Building*	29 years 11 months
Residential Buildings	50 years
Plant and Equipment*	
Anaesthetic Equipment	5 years
Others	5 to 20 years
Furniture and Fixtures	10 years
Office Equipment	
Computers*	2 to 5 years
Others	5 to 10 years
Vehicles*	5 years

\* In respect of these assets, the management estimate of useful lives, based on technical assessment is lower than the useful life prescribed under part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

### e) Intangible assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

Intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Intangible assets are carried at cost, net of accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Type of assets	Useful life in years
Software	5 years
Trade Marks	5 years
Distribution Rights	10 years

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from derecognition of such intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

### f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as 'Financial assets measured at amortised cost'.

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at amortised cost
- Financial assets at fair value

A financial asset is measured at amortised cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through Statement of Profit and Loss.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration receives recognised in Statement of profit and loss.

## Financial liabilities

### Recognition and measurement

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial liabilities. Financial liabilities are classified, at initial recognition, as either 'Financial Liabilities at fair value through profit or loss' or 'Other Financial Liabilities'.

For purposes of subsequent measurement, financial liabilities are classified in following categories :

- (a) Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in Statement of Profit and Loss.
- (b) Other financial liabilities, are subsequently measured at amortised cost are determined based on the Effective Interest Rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference

between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

## g) Impairment

### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- b) Other financial assets which are measured at amortised cost

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other

reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

### Non-financial assets

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss recognised in prior years are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised in previous years.

## h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Company recognises Right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The

cost of Right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows :

- Leasehold Land : Over lease period which is 95 years
- Buildings : 2 to 9 years
- Furniture and Fixtures : 3 to 6 years
- Vehicles : 2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3 (g) Impairment - non-financial assets.

#### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

The Company's lease liabilities are presented within the Balance Sheet under Financial Liabilities (Refer Note 5).

### iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense.

### iv) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### i) Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In-First-Out basis.

Cost of raw materials and packing materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods further includes other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

### j) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

### k) Provisions and contingencies

#### Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Provision for sales return and date expiry

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for.

#### Contingencies

A contingent liability is :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

### l) Revenue

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services

are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risks.

Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration (if any).

Revenue from sale of products is stated exclusive of Goods and Services Tax (GST). Revenues are net of sales returns, discounts, provision for anticipated returns on expiry, made on the basis of management expectations.

#### Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns.

With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist.

### Rendering of services

Service income is recognised as per the terms of the contracts/arrangements when related services are performed and is stated net of GST.

#### Contract balances :

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received from customer or due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

### m) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

### n) Employee benefits

#### Short-term employment benefits :

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits, sick leave, casual leave etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligation within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Short-term leave benefit is provided at undiscounted amount during the accounting period based on the service rendered by employees.

### Defined contribution plan :

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

### Defined benefit plan :

The Company has defined benefit plan in the form of Gratuity, Long Service Benefits and Post Retirement Medical Benefits as per policies of the Company. The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The present value of the defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset/(liability), which need to be accounted for in the books of accounts of the Company.

The discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the Balance Sheet date that have maturity date equivalent to the tenure of the obligation.

The current service cost of the defined benefit plan, recognised in the Statement of Profit and Loss as employee benefits expense, reflects the

increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in statement of profit and loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

When the benefits of the plan are changed or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees or the gain or loss on curtailment or settlement, is recognised immediately in the Statement of Profit and Loss when the plan amendment or when a curtailment or settlement occurs.

### Other employee benefits :

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### o) Income Tax

#### Current income tax

Income Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

### Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is expected to be settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised, either in other comprehensive income or in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities.

### p) Research and development

Research costs are expensed as incurred. Development costs of products are also charged to the Statement of Profit and Loss, unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

### q) Earnings per equity share

The Company presents basic and diluted Earnings Per Share ('EPS') data for its equity shares.

The Basic EPS is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

### r) Share based compensation

Abbott Laboratories, USA, being the Ultimate Holding Company, has given restricted stock option plan to the employees of the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The stock based compensation cost is recharged to the Company upon exercise, which is adjusted against share based compensation reserve.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 3 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Buildings (Refer Note (b) and (d))	Plant and Equipment (Refer Note (a))	Furniture and fixtures	Office Equipment	Vehicles	Total
<b>At cost or deemed cost</b>							
<b>As at April 1, 2020</b>	0.62	51.09	86.33	5.15	25.94	0.17	169.30
Additions	0.22	1.34	6.44	0.45	12.28	-	20.73
Disposals	-	(0.01)	(1.45)	(0.21)	(1.35)	-	(3.02)
<b>As at March 31, 2021</b>	0.84	52.42	91.32	5.39	36.87	0.17	187.01
Additions	0.01	1.99	29.39	0.81	8.75	0.16	41.11
Disposals	-	(0.12)	(0.40)	(0.22)	(0.22)	(0.17)	(1.13)
<b>As at March 31, 2022</b>	<b>0.85</b>	<b>54.29</b>	<b>120.31</b>	<b>5.98</b>	<b>45.40</b>	<b>0.16</b>	<b>226.99</b>
<b>Accumulated depreciation</b>							
<b>As at April 1, 2020</b>	0.31	7.69	40.61	2.89	17.76	0.17	69.43
Depreciation charge for the year	0.09	1.59	9.44	0.39	5.39	-	16.90
Disposals	-	-*	(1.10)	(0.20)	(1.33)	-	(2.63)
<b>As at March 31, 2021</b>	0.40	9.28	48.95	3.08	21.82	0.17	83.70
Depreciation charge for the year	0.14	1.64	9.83	0.41	8.94	0.03	20.99
Disposals	-	(0.03)	(0.32)	(0.17)	(0.20)	(0.17)	(0.89)
<b>As at March 31, 2022</b>	<b>0.54</b>	<b>10.89</b>	<b>58.46</b>	<b>3.32</b>	<b>30.56</b>	<b>0.03</b>	<b>103.80</b>
<b>Net carrying value</b>							
<b>As at March 31, 2022</b>	<b>0.31</b>	<b>43.40</b>	<b>61.85</b>	<b>2.66</b>	<b>14.84</b>	<b>0.13</b>	<b>123.19</b>
<b>As at March 31, 2021</b>	0.44	43.14	42.37	2.31	15.05	-	103.31

\* below ₹ 50,000/-

#### Notes:

a) Included in Plant and Equipment are anaesthetic equipments, installed at various hospitals free of cost with the intention of procuring business for the Company's products:

Class of Asset	Net carrying value	
	As at March 31, 2022	As at March 31, 2021
Plant and Equipment	<b>2.45</b>	<b>2.18</b>

b) Included in Buildings is an amount of ₹ **0.00\*** Crores (March 2020 : ₹ 0.00\* Crores) representing value of shares in co-operative housing society.

(All amounts in ₹ Crores, unless otherwise stated)

c) Title deeds of Immovable Property not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Building - Chembur	6.35	M/s Boots Pharmaceuticals Limited	No	July 1, 1996	The property is held in the erstwhile name of the Company.
Property, plant and equipment	Building - Chennai	0.16	M/s Duphar Interfan Ltd	No	May 15, 1989	The said property was acquired by the Company pursuant to the scheme of Amalgamation approved by the Hon'ble High Court. However, the deed of merger has been filed by the Company.
Property, plant and equipment	Building - Goregaon	30.34	M/s Solvay Pharma India Limited	No	May 19, 2009	The said property was acquired by the Company pursuant to the scheme of Amalgamation approved by the Hon'ble High Court. However, the deed of merger has been filed by the Company.
Property, plant and equipment	Building - Goa	0.07	M/s Knoll Pharmaceuticals Ltd	No	October 15, 1997	The property is held in the erstwhile name of the Company.

d) The amount of contractual commitments for the acquisition of Property, plant and equipment is disclosed in Note 37 (a).

#### Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	<b>0.66</b>	-	-	-	<b>0.66</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.66</b>	-	-	-	<b>0.66</b>
As at March 31, 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.66	-*	-	-	0.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	0.66	-	-	-	0.66

\* below ₹ 50,000/-

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 4 INTANGIBLE ASSETS

	Software	Trade Marks	Distribution Rights	Total
<b>At Cost</b>				
<b>As at April 1, 2020</b>	5.59	0.86	-	6.45
Additions	0.94	-	-	0.94
Disposals	(0.08)	-	-	(0.08)
<b>As at March 31, 2021</b>	6.45	0.86	-	7.31
Additions	0.13	-	8.52	8.65
Disposals	(0.15)	-	-	(0.15)
<b>As at March 31, 2022</b>	<b>6.43</b>	<b>0.86</b>	<b>8.52</b>	<b>15.81</b>
<b>Accumulated Amortisation</b>				
<b>As at April 1, 2020</b>	5.09	0.46	-	5.55
Amortisation charge for the year	0.49	0.17	-	0.66
Disposals	(0.07)	-	-	(0.07)
<b>As at March 31, 2021</b>	5.51	0.63	-	6.14
Amortisation charge for the year	0.38	0.17	0.64	1.19
Disposals	(0.15)	-	-	(0.15)
<b>As at March 31, 2022</b>	<b>5.74</b>	<b>0.80</b>	<b>0.64</b>	<b>7.18</b>
<b>Net carrying Value</b>				
<b>As at March 31, 2022</b>	<b>0.69</b>	<b>0.06</b>	<b>7.88</b>	<b>8.63</b>
<b>As at March 31, 2021</b>	0.94	0.23	-	1.17

### 5 LEASES

#### A Right-of-use assets :

The Company has lease contracts for various items of Land, Buildings, Vehicles and Furniture & Fixtures used in its operations. Leases of Land have lease term of 95 years, Buildings generally have lease terms between 2 to 9 years, Vehicles have lease terms between 2 to 5 years and Furniture & Fixtures have lease terms between 3 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Changes in net carrying value of Right-of-use assets for the year ended March 31, 2022 and March 31, 2021 are as follows :

	Land	Buildings	Vehicles	Furniture and Fixtures	Total
<b>Balance as at April 1, 2020</b>	0.35	153.65	1.92	13.14	169.06
Additions	-	16.79	1.97	-	18.76
Deletions	-	(0.33)	(0.62)	-	(0.95)
Depreciation	(0.01)	(37.17)	(0.72)	(2.67)	(40.57)
<b>Balance as at March 31, 2021*</b>	0.34	132.94	2.55	10.47	146.30
Additions	-	35.39	1.52	-	36.91
Deletions	-	-	(0.11)	-	(0.11)
Depreciation	(0.01)	(40.28)	(0.96)	(2.67)	(43.92)
<b>Balance as at March 31, 2022*</b>	<b>0.33</b>	<b>128.05</b>	<b>3.00</b>	<b>7.80</b>	<b>139.18</b>

\* Includes ₹ 3.12 Crores (March 31, 2021 : ₹ 4.10 Crores) towards deferred lease assets. Out of this deferred lease assets, ₹ 2.74 Crores (March 31, 2021: ₹ 3.68 Crores) is towards deposit given to related party (Refer Note 39 (D)).

(All amounts in ₹ Crores, unless otherwise stated)

#### B Lease liabilities :

Set out below are the carrying amounts of lease liabilities and the movements during the period :

	As at March 31, 2022	As at March 31, 2021
<b>Opening balance*</b>	<b>152.58</b>	174.88
Additions	<b>36.82</b>	13.98
Accretion of interest	<b>14.72</b>	14.75
Termination	<b>(0.11)</b>	(0.98)
Payments	<b>(52.32)</b>	(50.05)
<b>Closing balance*</b>	<b>151.69</b>	152.58
<b>Current</b>	<b>42.95</b>	34.90
<b>Non-current</b>	<b>108.74</b>	117.68

\* Includes ₹ 86.10 Crores (March 31, 2021 : ₹ 110.71 Crores) pertaining to lease liabilities towards related party (Refer Note 39 (D)).

The maturity analysis of lease liabilities are disclosed in Note 41.

#### C Impact on Profit or Loss :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Right-of-use assets (Refer Note 30)	<b>43.92</b>	40.57
Finance costs (Refer Note 29)	<b>14.72</b>	14.75
Expense relating to short-term leases (Refer Note 31)	<b>0.32</b>	0.24
Gain on early termination of leases (Refer Note 24)	<b>-*</b>	(0.03)
<b>Total amount recognised in profit or loss</b>	<b>58.96</b>	55.53

\* below ₹ 50,000/-

#### D Company as lessor :

The Company has recognised rent income from leasing of a property amounting to ₹ 1.15 Crores (March 31, 2021 : ₹ 1.15 Crores) in the Statement of Profit or Loss under 'Other Income' (Refer Note 24).

Future minimum rentals receivable under non-cancellable operating leases are as follows :

	As at March 31, 2022	As at March 31, 2021
Within one year	<b>1.15</b>	1.15
After one year but not more than five years	<b>3.14</b>	4.29
More than five years	<b>-</b>	-
	<b>4.29</b>	5.44



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 6 NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2022	As at March 31, 2021
Deposits with body corporates and others :		
For premises with a Related party (Refer Note 39 (D))	12.03	11.16
For premises with others	0.84	1.67
Against tenders (Refer (a) below)	0.12	1.52
Margin deposit and deposit against guarantees and tenders	3.11	4.99
Expected reimbursement towards likely sales return - reimbursable (Refer Note 16)	27.05	27.28
	43.15	46.62
<b>(a) Deposits against tenders :</b>		
Secured, considered good	-	-
Unsecured, considered good	0.12	1.52
Credit impaired deposits	4.64	4.19
	4.76	5.71
Less : Allowance for credit impaired deposits	(4.64)	(4.19)
	0.12	1.52

### 7 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2022	As at March 31, 2021
Capital advances	1.77	3.97
Balance with Government on account of VAT deposits	2.16	2.09
	3.93	6.06

### 8 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2022	As at March 31, 2021
Raw materials and packing materials <sup>#</sup>	112.09	164.14
Work-in-progress	9.34	17.85
Finished goods	97.14	96.07
Stock-in-trade <sup>@</sup>	469.25	439.53
	687.82	717.59

<sup>#</sup> Includes Goods in Transit ₹ 21.47 Crores (March 31, 2021 : ₹ 63.59 Crores)

<sup>@</sup> Includes Goods in Transit ₹ 27.58 Crores (March 31, 2021 : ₹ 21.70 Crores)

During the year ended March 31, 2022, ₹ 17.72 Crores (March 31, 2021: ₹ 19.43 Crores) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

(All amounts in ₹ Crores, unless otherwise stated)

### 9 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
<b>TRADE RECEIVABLES</b>		
Trade receivables	274.44	240.83
Receivables from related parties (Refer Note 39 (D))	13.72	9.38
	288.16	250.21

#### Break-up for Trade receivables :

	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables :</b>		
Secured, considered good	-	-
Unsecured, considered good	290.13	254.65
Credit impaired	10.60	7.10
	300.73	261.75
Less : Allowances for expected credit loss (Refer Note 41)	(12.57)	(11.54)
	288.16	250.21

#### Trade receivables Ageing Schedule

##### As at March 31, 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	253.44	34.04	1.09	0.43	0.41	0.72	290.13
Undisputed Trade receivable – credit impaired	-	-	-	0.41	0.38	3.48	4.27
Disputed Trade receivable – credit impaired	-	0.29	1.22	1.60	0.78	2.44	6.33
	253.44	34.33	2.31	2.44	1.57	6.64	300.73

##### As at March 31, 2021

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	215.04	35.83	1.03	1.43	0.29	1.03	254.65
Undisputed Trade receivable – credit impaired	-	-	0.01	0.91	0.48	2.83	4.23
Disputed Trade receivable – credit impaired	-	0.03	-	0.39	0.42	2.03	2.87
	215.04	35.86	1.04	2.73	1.19	5.89	261.75

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 39.

For information on financial risk management objectives and policies, refer Note 41.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 10 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	67.71	68.29
Deposits with original maturity of less than three months <sup>@</sup>	65.00	149.98
	132.71	218.27

<sup>@</sup> Represents time deposits at fixed rates maintained with various banks by the Company.

### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Margin deposit and deposit against guarantees and tenders	2.38	2.17
Earmarked bank balance towards dividend <sup>#</sup>	9.30	6.44
Term deposits with original maturity of more than three months but less than twelve months <sup>@</sup>	2,604.83	2,182.16
	2,616.51	2,190.77

<sup>#</sup> These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

<sup>@</sup> Represents time deposits at fixed rates maintained with various banks by the Company.

\* Includes Fixed Deposit under lien of ₹ 2.36 Crores (March 31, 2021 : ₹ 2.93 Crores)

### 12 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2022	As at March 31, 2021
Deposits with body corporates and others :		
For Premises	6.03	4.95
Interest accrued but not due on bank deposits	16.87	10.80
Receivables from related parties (Refer Note 39 (D))	13.24	10.70
Expected reimbursement towards likely sales return - reimbursable (Refer Note 21)	23.43	23.52
Other receivables	12.68	7.74
	72.25	57.71

### 13 OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	6.97	5.78
Advances to employees and suppliers	14.39	14.17
Balance with customs and excise on current account	-	0.14
GST receivables	34.23	32.77
	55.59	52.86

(All amounts in ₹ Crores, unless otherwise stated)

### 14 EQUITY SHARE CAPITAL

#### Authorised share capital :

Equity shares of ₹ 10 each

	Number of shares	Amount
<b>As at April 1, 2020</b>	2,75,00,000	27.50
Changes during the year	-	-
<b>As at March 31, 2021</b>	2,75,00,000	27.50
Changes during the year	-	-
<b>As at March 31, 2022</b>	<b>2,75,00,000</b>	<b>27.50</b>

#### Terms/rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Issued, Subscribed and Paid up Capital :

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
<b>As at April 1, 2020</b>	2,12,49,302	21.25
Changes during the year	-	-
<b>As at March 31, 2021</b>	2,12,49,302	21.25
Changes during the year	-	-
<b>As at March 31, 2022</b>	<b>2,12,49,302</b>	<b>21.25</b>

Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :	As at March 31, 2022	As at March 31, 2021
i) 1,07,19,097 (March 31, 2021 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	10.72	10.72
ii) 37,44,951 (March 31, 2021 : 37,44,951) Abbott Healthcare Products Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	3.75	3.75
iii) 14,70,000 (March 31, 2021 : 14,70,000) British Colloids Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	1.47	1.47
The Ultimate Holding Company is Abbott Laboratories, USA.		

Details of shareholders holding more than 5% shares in the company	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	1,07,19,097	50.45%	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	37,44,951	17.62%	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	14,70,000	6.92%	14,70,000	6.92%
	1,59,34,048	74.99%	1,59,34,048	74.99%



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Details of shares held by promoters	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>As at March 31, 2022</b>					
i) Abbott Capital India Ltd., U.K.	1,07,19,097	-	1,07,19,097	50.45%	-
ii) Abbott Healthcare Products Ltd., U.K.	37,44,951	-	37,44,951	17.62%	-
iii) British Colloids Ltd., U.K.	14,70,000	-	14,70,000	6.92%	-
<b>As at March 31, 2021</b>					
i) Abbott Capital India Ltd., U.K.	1,07,19,097	-	1,07,19,097	50.45%	-
ii) Abbott Healthcare Products Ltd., U.K.	37,44,951	-	37,44,951	17.62%	-
iii) British Colloids Ltd., U.K.	14,70,000	-	14,70,000	6.92%	-

Dividend paid and proposed	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Dividend on equity shares declared and paid :</b>		
Final dividend for the year ended March 31, 2021 : ₹ 120 per share (March 31, 2020 : ₹ 107 per share)	255.00	227.37
Special dividend for the year ended March 31, 2021 : ₹ 155 per share (March 31, 2020 : ₹ 143 per share)	329.36	303.86
Date of approval (date of Annual General Meeting)	July 27, 2021	September 7, 2020
<b>Proposed dividend on equity shares :</b>		
Final dividend for the year ended March 31, 2022 : ₹ 145 per share (March 31, 2021 : ₹ 120 per share)	308.11	255.00
Special dividend for the year ended March 31, 2022 : ₹ 130 per share (March 31, 2021 : ₹ 155 per share)	276.24	329.36

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognized as a liability as at March 31, 2021 and March 31, 2022.

### 15 OTHER EQUITY

	Reserves and Surplus					Retained Earnings	Remeasurement of defined benefit plan	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share based Compensation Reserve	General Reserve			
<b>As at April 1, 2020</b>	0.38	5.23	2.52	35.76	444.02	1,933.54	(11.00)	2,410.45
Profit for the year	-	-	-	-	-	690.69	-	690.69
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	1.25	1.25
Transfer from Profit and Loss to General Reserve	-	-	-	-	69.07	(69.07)	-	-
Dividend for the year ended March 31, 2020 (Refer Note 14)	-	-	-	-	-	(531.23)	-	(531.23)
Share based compensation to employees (Refer Note 28)	-	-	-	9.75	-	-	-	9.75
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(1.24)	1.24	-	-	-
<b>As at March 31, 2021</b>	0.38	5.23	2.52	44.27	514.33	2,023.93	(9.75)	2,580.91
Profit for the year	-	-	-	-	-	798.70	-	798.70
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	2.92	2.92
Transfer from Profit and Loss to General Reserve	-	-	-	-	79.87	(79.87)	-	-
Dividend for the year ended March 31, 2021 (Refer Note 14)	-	-	-	-	-	(584.36)	-	(584.36)
Share based compensation to employees (Refer Note 28)	-	-	-	12.93	-	-	-	12.93
Payment towards RSU Charge	-	-	-	(12.56)	-	-	-	(12.56)
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(0.48)	0.48	-	-	-
<b>As at March 31, 2022</b>	0.38	5.23	2.52	44.16	594.68	2,158.40	(6.83)	2,798.54

(All amounts in ₹ Crores, unless otherwise stated)

\* On account of cancellation of share options awarded to employees



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

## Nature and purpose of components of other equity :

### 1. Amalgamation Reserve

This was created on amalgamation of Beem Healthcare Limited and Valencia Pharmaceuticals Limited, wholly owned subsidiary of the Company with appointed date as July 1, 1998. All assets and liabilities of erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were cancelled. The amalgamation was accounted under 'Pooling of Interests method' as prescribed in then Accounting Standard 14 issued by the Institute of Chartered Accountants of India. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### 2. Capital Reserve

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standards 14 issued by the Institute of Chartered Accountants of India. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### 3. Capital Redemption Reserve

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### 4. Share based Compensation Reserve

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share based Compensation Reserve is used to recognise the fair value of the RSUs awarded to the employees and reserves are used for payments towards RSU charge to the Ultimate Holding Company. The award represents in substance equity contributions by the Ultimate Holding Company.

### 5. General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### 6. Retained Earnings

Retained Earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

### 7. Other Comprehensive Income (Remeasurement of defined benefit plan)

Differences between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other Comprehensive Income' and subsequently not reclassified to the Statement of Profit and Loss.

## 16 NON-CURRENT PROVISIONS

	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits :</b>		
Post Retirement Medical Benefits (Refer Note 35)	<b>1.11</b>	3.03
Long Service Benefits	<b>2.13</b>	2.03
<b>Others :</b>		
For likely sales returns and date expiry (Refer Note 22)	<b>62.11</b>	57.41
For likely sales returns - reimbursable (Refer Note 22)	<b>27.05</b>	27.28
	<b>92.40</b>	89.75

(All amounts in ₹ Crores, unless otherwise stated)

## 17 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

### Extract of Statement of Profit and Loss :

#### Profit and Loss section :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current income tax :</b>		
Current tax expense	<b>276.98</b>	242.76
Tax adjustment for earlier years	<b>4.18</b>	(3.71)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	<b>(0.13)</b>	(3.79)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>281.03</b>	235.26

#### Other Comprehensive Income (OCI) section - Deferred tax related to items recognised in OCI during the year :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net loss/(gain) on remeasurement of defined benefit plans	<b>(0.98)</b>	(0.42)
<b>Income tax expense charged to OCI</b>	<b>(0.98)</b>	(0.42)

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Accounting profit before income tax</b>	<b>1,079.73</b>	925.95
	<b>1,079.73</b>	925.95
At India's statutory income tax rate of 25.168% (March 31, 2021 : 25.168%)	<b>271.75</b>	233.04
Adjustments in respect of current income tax of previous years	<b>4.18</b>	(3.71)
Tax impact for Non-deductible expenses for tax purposes	<b>5.10</b>	5.93
	<b>281.03</b>	235.26
<b>At the effective income tax rate of 26.028% (March 31, 2021 : 25.407%)</b>		
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>281.03</b>	235.26



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### Deferred tax :

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred tax assets</b>				
Provision for Compensated Absences	11.85	9.24	(2.61)	(1.02)
Gratuity and Other employee benefits	0.95	2.06	1.11	1.52
Allowance for credit impaired debts	3.16	2.90	(0.26)	(0.06)
Other items of disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	5.30	9.46	4.16	(2.45)
Other items giving rise to temporary differences	4.85	3.76	(1.09)	(2.00)
<b>Deferred tax liabilities</b>				
Difference between written down value of Property, Plant and Equipment as per books of accounts and income tax	(6.58)	(6.85)	(0.27)	(0.63)
Other items giving rise to temporary differences	(2.57)	(2.76)	(0.19)	1.27
<b>Net deferred tax assets/(liabilities)</b>	<b>16.96</b>	<b>17.81</b>		
<b>Deferred tax charge/(income)</b>			<b>0.85</b>	(3.37)
Deferred tax charge/(income) recognised in Profit and Loss			(0.13)	(3.79)
Deferred tax charge/(income) recognised in OCI			0.98	0.42
			<b>0.85</b>	(3.37)

### Reflected in the Balance Sheet as follows :

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	26.11	27.42
Deferred tax liabilities	(9.15)	(9.61)
<b>Deferred tax assets (net)</b>	<b>16.96</b>	<b>17.81</b>

### Reconciliation of deferred tax assets (net) :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Opening balance as of April 1</b>	<b>17.81</b>	14.44
Tax income/(charge) during the period recognised in Profit and Loss	0.13	3.79
Tax income/(charge) during the period recognised in OCI	(0.98)	(0.42)
<b>Closing balance as at March 31</b>	<b>16.96</b>	17.81

(All amounts in ₹ Crores, unless otherwise stated)

### 18 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Dues of micro and small enterprises (Refer (a) below)	32.29	34.26
Dues of creditors other than to micro enterprises and small enterprises		
- Due to related parties (Refer Note 39 (D))	116.19	100.22
- Due to others	740.97	628.19
Total outstanding dues of creditors other than to micro enterprises and small enterprises	857.16	728.41
	<b>889.45</b>	762.67

### Trade payables Ageing Schedule

#### As at March 31, 2022

	Unbilled	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	9.41	22.55	0.31	0.01	0.01	32.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	85.76	702.26	68.58	0.16	0.31	0.09	857.16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>85.76</b>	<b>711.67</b>	<b>91.13</b>	<b>0.47</b>	<b>0.32</b>	<b>0.10</b>	<b>889.45</b>

#### As at March 31, 2021

	Unbilled	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	8.69	25.42	0.13	0.02	-	34.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	115.56	561.83	50.23	0.22	0.51	0.06	728.41
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>115.56</b>	<b>570.52</b>	<b>75.65</b>	<b>0.35</b>	<b>0.53</b>	<b>0.06</b>	<b>762.67</b>

For terms and conditions relating to related party payables, refer Note 39.

For information on financial risk management objectives and policies, refer Note 41.





## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### (a) Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)\*

	As at March 31, 2022	As at March 31, 2021
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	32.29	34.26
(ii) Interest due on above remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

\* The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 19 CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2022	As at March 31, 2021
Deposits from customer	0.64	0.60
Payables for capital expenditure	3.50	-*
Unclaimed dividend <sup>#</sup>	9.30	6.44
Salaries, wages, incentives and bonus payable to employees	53.18	44.76
Deposit from a related party (Refer Note 39 (D))	0.45	0.45
Others	6.11	4.61
	73.18	56.86

<sup>#</sup> In respect of the amounts as mentioned under Section 125 of the Companies Act, 2013, no dues are required to be credited to the Investor Education and Protection Fund as on March 31, 2022 and March 31, 2021.

\* below ₹ 50,000/-

### 20 OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Statutory dues including provident fund and tax deducted at source	27.20	10.75
GST payable	4.46	1.72
Contract liabilities (Refer Note 23 (d))	4.07	6.04
Others (includes provision against disputed cases)	22.16	26.49
	57.89	45.00

(All amounts in ₹ Crores, unless otherwise stated)

### 21 CURRENT PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits :		
Compensated Absences	47.08	36.69
Post Retirement Medical Benefits (Refer Note 35)	0.12	0.30
Long Service Benefits	0.37	0.39
Gratuity (Refer Note 35)	0.06	2.42
Superannuation	1.33	1.31
Provision for likely sales returns and date expiry (Refer Note 22)	55.47	51.33
Provision for likely sales returns - reimbursable (Refer Note 22)	23.43	23.52
	127.86	115.96

### 22 DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET' TOWARDS PROVISIONS FOR SALES RETURN, DATE EXPIRY AND DAMAGED PRODUCTS

	Likely sales returns & date expiry	Likely sales returns - reimbursable	Total
<b>Carrying Amount as at April 1, 2020</b>	86.65	57.57	144.22
Add : Net amount provided/(written back) during the year <sup>@</sup>	22.09	(6.77)	15.32
<b>Carrying Amount as at March 31, 2021*</b>	108.74	50.80	159.54
Add : Net amount provided/(written back) during the year <sup>@</sup>	8.84	(0.32)	8.52
<b>Carrying Amount as at March 31, 2022*</b>	117.58	50.48	168.06

<sup>@</sup> Includes unwinding of discount and effect of changes in discount rate on provision of ₹ 3.68 Crores (March 31, 2021 : ₹ 3.02 Crores) (Refer Note 29).

\* Carrying Amount comprises of :

	As at March 31, 2022	As at March 31, 2021
<b>Non-current provision :</b>		
For likely sales returns and date expiry (Refer Note 16)	62.11	57.41
For likely sales returns - reimbursable (Refer Note 16)	27.05	27.28
<b>Current provision :</b>		
For likely sales returns and date expiry (Refer Note 21)	55.47	51.33
For likely sales returns - reimbursable (Refer Note 21)	23.43	23.52
	168.06	159.54

#### Nature of provision :

The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account historical experience and market conditions.

The expected timing of any resulting outflows of economic benefits ranges from 1 month to 40 months.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 23 REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Refer (a) below)	<b>4,848.99</b>	4,249.11
Rendering of services (Refer (b) below)	<b>61.31</b>	58.48
	<b>4,910.30</b>	4,307.59
Other operating revenue		
Sale of scrap	<b>1.35</b>	1.08
Insurance, customs and carriers claims	<b>0.74</b>	0.49
Miscellaneous income		
Write back of provisions no longer required	<b>4.68</b>	-
Export Incentive	<b>1.67</b>	0.31
Others	<b>0.53</b>	0.55
Total other operating revenue	<b>8.97</b>	2.43
	<b>4,919.27</b>	4,310.02

#### (a) Sale of products :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Tablets	<b>1,899.13</b>	1,639.96
Injectables	<b>1,934.05</b>	1,771.38
Liquids	<b>770.94</b>	642.10
Capsules	<b>168.44</b>	130.91
Ointments	<b>12.98</b>	12.95
Granules	<b>10.99</b>	10.89
Powder	<b>8.99</b>	11.90
Others	<b>43.47</b>	29.02
	<b>4,848.99</b>	4,249.11

#### (b) Rendering of services includes : (Refer Note 39 (C))

	For the year ended March 31, 2022	For the year ended March 31, 2021
Shared and support services rendered to Abbott Healthcare Private Limited, India	<b>53.63</b>	51.72
Shared and support services rendered to Abbott Products Operations AG., Switzerland	<b>3.37</b>	2.98
Shared and support services rendered to Abbott Laboratories S.A., Dubai	<b>1.39</b>	1.18
Shared and support services rendered to Abbott Laboratories (Singapore) Pte Ltd., Singapore	<b>1.39</b>	1.18
Shared and support services rendered to St Jude Medical India Private Limited, India	<b>1.23</b>	1.24
Shared and support services rendered to Abbott Diagnostics Medical Private Limited, India	<b>0.30</b>	0.18
	<b>61.31</b>	58.48

(All amounts in ₹ Crores, unless otherwise stated)

#### (c) Revenue from contracts with customers :

	For the year ended March 31, 2022	For the year ended March 31, 2021
India (Goods)	<b>4,763.24</b>	4,170.08
Outside India (Goods)	<b>85.75</b>	79.03
India (Services)	<b>55.16</b>	53.14
Outside India (Services)	<b>6.15</b>	5.34
<b>Total revenue from contracts with customers</b>	<b>4,910.30</b>	4,307.59
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>4,848.99</b>	4,249.11
Services transferred over a period of time	<b>61.31</b>	58.48
<b>Total revenue from contracts with customers</b>	<b>4,910.30</b>	4,307.59

#### (d) Contract Balances :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade receivables (Refer Note 9)	<b>288.16</b>	250.21
Contract assets	-	-
Contract liabilities (Refer Note 20)	<b>(4.07)</b>	(6.04)

Contract liabilities include short-term advances received from customers for sale of products/services.

#### (e) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	<b>5,024.40</b>	4,467.69
Add/(Less) : Adjustments		
- Sales Return	<b>(94.85)</b>	(139.59)
- Discounts	<b>(19.25)</b>	(20.51)
<b>Net revenue from sale of products and rendering of services</b>	<b>4,910.30</b>	4,307.59

Information about the Company's performance obligations are summarized below :

#### Sale of products :

The performance obligation is satisfied upon delivery of the product and payment is generally due within six months from delivery and are non-interest bearing.

#### Rendering of services :

The performance obligation is satisfied when related services are performed.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 24 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest income on financial assets carried at amortised cost :</b>		
Interest income on fixed deposits	<b>74.79</b>	78.47
Interest income on others (from employees and other receivables)	<b>0.27</b>	0.26
<b>Other non-operating income :</b>		
Rental income from a related party (Refer Note 39 (C))	<b>1.15</b>	1.15
Interest income on security deposits	<b>1.00</b>	0.99
Gain on early termination of leases (Refer Note 5)	-*	0.03
Gain on sale/write off of Property, plant and equipment (net)	-*	-
	<b>77.21</b>	80.90

\* below ₹ 50,000/-

### 25 COST OF MATERIALS CONSUMED

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	<b>164.14</b>	77.72
Add : Purchases during the year	<b>443.41</b>	540.74
Less : Inventory at the end of the year	<b>(112.09)</b>	(164.14)
	<b>495.46</b>	454.32

### 26 PURCHASES OF STOCK-IN-TRADE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Tablets	<b>212.39</b>	226.60
Injectables	<b>1,766.04</b>	1,652.79
Liquids	<b>131.48</b>	89.83
Capsules	<b>15.35</b>	9.44
Ointments	<b>4.31</b>	4.13
Granules	<b>4.61</b>	4.34
Powder	<b>3.39</b>	7.03
Others	<b>46.46</b>	46.44
	<b>2,184.03</b>	2,040.60

### 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock		
Finished goods	<b>96.07</b>	97.52
Stock-in-trade	<b>439.53</b>	331.40
Work-in-progress	<b>17.85</b>	20.53
Less : Closing Stock		
Finished goods	<b>(97.14)</b>	(96.07)
Stock-in-trade	<b>(469.25)</b>	(439.53)
Work-in-progress	<b>(9.34)</b>	(17.85)
	<b>(22.28)</b>	(104.00)

### 28 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	<b>521.30</b>	443.14
Contribution to provident and other funds	<b>30.25</b>	28.88
Share based compensation to employees	<b>12.93</b>	9.75
Staff welfare expenses	<b>14.98</b>	10.88
	<b>579.46</b>	492.65

### 29 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liabilities (Refer Note 5)	<b>14.72</b>	14.75
Interest expense, other than on lease liabilities	<b>0.70</b>	0.51
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 22)	<b>3.68</b>	3.02
	<b>19.10</b>	18.28

### 30 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Property, plant and equipment (Refer Note 3)	<b>20.99</b>	16.90
Amortisation of intangible assets (Refer Note 4)	<b>1.19</b>	0.66
Depreciation of Right-of-use assets (Refer Note 5)	<b>43.92</b>	40.57
	<b>66.10</b>	58.13

### 31 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores	<b>9.90</b>	7.15
Power and fuel	<b>14.98</b>	12.74
Rent (Refer Note 5)	<b>0.32</b>	0.24
Repairs to buildings	<b>0.58</b>	0.44
Repairs to plant and machinery	<b>5.21</b>	4.74
Repairs (others)	<b>4.94</b>	4.18
Insurance	<b>3.51</b>	3.30
Rates and taxes	<b>13.17</b>	28.58
Advertising, publicity and sales promotion	<b>155.77</b>	119.71
Freight and forwarding charges	<b>39.19</b>	33.15
Travelling and business meetings	<b>57.46</b>	37.19
Commission to carrying and forwarding agents	<b>54.81</b>	47.04
Exchange loss (net)	<b>4.16</b>	3.76
Bad debts written off	<b>0.19</b>	2.57
Less : Adjusted against earlier year's provision	<b>(0.19)</b>	(2.57)
	-	-
Allowance for credit impaired debts	<b>1.22</b>	2.80
Professional fees and other services	<b>153.27</b>	129.34
Loss on sale/write off of Property, plant and equipment (net)	-	0.25
Payment to auditors (Refer (a) below)	<b>1.62</b>	1.58
CSR expenditure (Refer (b) below)	<b>16.36</b>	13.88
Miscellaneous expenses	<b>58.41</b>	54.92
	<b>594.88</b>	504.99

(All amounts in ₹ Crores, unless otherwise stated)



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### (a) Payment to auditors :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>As auditor :</b>		
Audit fees	0.85	0.83
Tax audit fees	0.16	0.15
Limited review	0.34	0.31
<b>In other capacity :</b>		
Other services (including certification fees)	0.25	0.28
Reimbursement of expenses	0.02	0.01
	1.62	1.58

### (b) Details of Corporate Social Responsibility (CSR) expenditure :

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

As a part of its CSR obligations, the Company undertook following initiatives during the year :

- Improving Access to Healthcare through Health Clinics
- Quality and Affordable Healthcare Delivery Program with SEWA
- Building Access to Quality & Affordable Healthcare Infrastructure and Services with Americares
- Promoting STEM Education and Healthy Living Among Children – with Smile Foundation

	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	16.15	13.83
Amount approved by the Board to be spent during the year	16.15	13.83

Amount spent during the year ending on March 31, 2022:	In cash	Yet to be paid in cash	Total
<b>i) Construction/ acquisition of any asset</b>	-	-	-
<b>ii) Others :</b>			
On Building Healthcare Infrastructure, STEM Education, SEWA (Self Employed Women's Association) and various programmes to expand awareness and access to healthcare	6.90	0.60	7.50
<b>iii) Amount unspent during the year deposited in separate CSR Unspent A/c</b>	8.86	-	8.86
	15.76	0.60	16.36

Amount spent during the year ending on March 31, 2021:	In cash	Yet to be paid in cash	Total
<b>i) Construction/ acquisition of any asset</b>	-	-	-
<b>ii) Others :</b>			
On Building Healthcare Infrastructure, Malaria No More, STEM Education, SEWA (Self Employed Women's Association) and various programmes to expand awareness and access to healthcare	13.19	0.69	13.88
<b>iii) Amount unspent during the year deposited in separate CSR Unspent A/c</b>	-	-	-
	13.19	0.69	13.88

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Details related to spent / unspent obligations:</b>		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	7.50	13.88
iii) Unspent amount in relation to:		
- Ongoing project	8.86	-
- Other than Ongoing project	-	-
	16.36	13.88

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Details of ongoing project</b>		
Opening Balance		
- With Company	-	-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	16.36	13.88
Amount spent during the year		
- From Company's bank A/c	7.50	13.88
- From Separate CSR Unspent A/c	-	-
Closing Balance		
- With Company	-	-
- In Separate CSR Unspent A/c	8.86	-

### 32 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Remeasurements of defined benefit plan : (Refer Note 35)		
Gratuity	1.71	1.81
Post retirement medical benefit scheme	2.19	(0.14)
	3.90	1.67

The above has been aggregated in retained earnings of the respective periods.

### 33 EARNINGS PER EQUITY SHARE (EPS)

The following reflects the income and share data used in the Basic and Diluted EPS computations :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders for Basic/Diluted earnings	798.70	690.69
Weighted average number of equity shares for Basic/Diluted EPS*	2,12,49,302	2,12,49,302
<b>Basic/Diluted EPS ₹ (Face value of ₹ 10 per share)</b>	<b>375.86</b>	325.04

\* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

## 34 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements :

### Provision for sales return and date expiry

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, shelf life of the product and market conditions and are provided for accordingly. Also refer Note 22.

### Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

### Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs i.e. bank borrowing interest rates on secured assets.

### Useful lives of Property, plant and equipment

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (d) for management estimate of useful lives.

### Defined benefit plans

The cost of the defined benefit gratuity plan and other post employment medical benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates in the country.

Further details about gratuity and other post employment medical benefits obligations are given in Note 35.

(All amounts in ₹ Crores, unless otherwise stated)

## Share based compensation to employees

The fair value of restricted stock units plan is measured at the date of grant using the Black Scholes option pricing model. The estimate also requires determination of the most appropriate inputs to the valuation model, including the volatility, dividend yield, risk free interest rates, expected life of share option etc., which are disclosed in the Note 36.

## Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 40.

## Provision for inventories

Provision is made in the financial statements for slow and non-moving items based on estimates regarding their usability. Further for finished goods and stock-in-trade, all inventories expiring within six months and not expected to be sold, have been fully provided for. Also refer Note 8.

## Impairment of trade receivables

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. Refer Note 9.

## Impairment of other financial assets

The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgements in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 6 and 12.

## Uncertainty over income tax treatment

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments (Refer Note 37).

## 35 EMPLOYEE BENEFITS

### (a) Defined contribution plans

- i) Provident Fund/Employees' Pension Fund
- ii) Employees' State Insurance
- iii) Superannuation Fund
- iv) Employees' Deposit Linked Insurance Scheme
- v) Group Life Insurance Cover

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Included in contribution to Provident and Other Funds</b> (Refer Note 28)		
Employer's contribution to Provident Fund/Employees' Pension Fund	<b>19.98</b>	18.59
Employer's contribution to Superannuation Fund	<b>3.03</b>	3.01
<b>Included in staff welfare expenses</b> (Refer Note 28)		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	<b>0.46</b>	0.45
Premium paid in respect of Group Life Insurance Cover	<b>2.77</b>	0.64
Premium paid in respect of Employees' State Insurance Scheme	<b>0.06</b>	0.05

### (b) Defined Benefit Plans

#### i. Gratuity : (Included as part of contribution to provident and other funds in Note 28 - Employee benefits expense)

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act 1972, or Company's Scheme whichever is more beneficial. Benefits would be paid at the time of the separation based on employees' salary and tenure of employment with the Company.

#### ii. Post Retirement Medical Benefits (PRMB) : (Included as part of staff welfare expenses in Note 28 - Employee benefits expense)

Under this scheme, select group of senior employees and their spouse are covered for hospitalisation benefits after the employee has retired from the Company. The cover is available to these beneficiaries until they are alive. The Company has procured a group hospitalisation cover from an insurance company for providing these benefits to these beneficiaries.

#### iii. Long Service Benefits (LSB) : (Included as part of salaries and wages in Note 28 - Employee benefits expense)

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

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I) Change in present value of defined benefit obligation during the year</b>				
Present value of defined benefit obligation at the beginning of the year	<b>78.88</b>	73.59	<b>3.33</b>	3.28
Interest cost	<b>4.79</b>	4.49	<b>0.21</b>	0.21
Current service cost	<b>6.84</b>	6.47	-	-
Benefits paid	<b>(6.49)</b>	(4.22)	<b>(0.12)</b>	(0.30)
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	<b>(1.54)</b>	(0.97)	<b>(0.03)</b>	0.01
Actuarial changes arising from changes in experience adjustments	<b>1.11</b>	(0.48)	<b>(2.16)</b>	0.13
<b>Present value of defined benefit obligation at the end of the year</b>	<b>83.59</b>	78.88	<b>1.23</b>	3.33

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>II) Change in fair value of plan assets during the year</b>				
Fair value of plan assets at the beginning of the year	<b>76.46</b>	64.80	-	-
Interest income	<b>4.86</b>	4.13	-	-
Contributions paid by the employer	<b>7.42</b>	11.39	<b>0.12</b>	0.30
Benefits paid from the fund	<b>(6.49)</b>	(4.22)	<b>(0.12)</b>	(0.30)
Return on plan assets excluding interest income	<b>1.28</b>	0.36	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>83.53</b>	76.46	-	-

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>III) Net (asset)/liability recognised in the Balance Sheet</b>				
Present value of defined benefit obligation at the end of the year	<b>83.59</b>	78.88	<b>1.23</b>	3.33
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	<b>(83.53)</b>	(76.46)	-	-
<b>Amount recognised in the Balance Sheet/Net funded obligation</b>	<b>0.06</b>	2.42	<b>1.23</b>	3.33
<b>Net liability-current</b> (Refer Note 21)	<b>0.06</b>	2.42	<b>0.12</b>	0.30
<b>Net liability-non-current</b> (Refer Note 16)	-	-	<b>1.11</b>	3.03

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>IV) Expenses recognised in the Statement of Profit and Loss for the year</b>				
Current service cost	<b>6.84</b>	6.47	-	-
Interest cost on benefit obligation (net)	<b>(0.07)</b>	0.36	<b>0.21</b>	0.21
One Year Renewable Term Assurance (OYRTA) Premium	<b>0.48</b>	0.49	-	-
<b>Total expenses included in Employee benefits expense</b>	<b>7.25</b>	7.32	<b>0.21</b>	0.21

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>V) Recognised in other comprehensive income for the year</b>				
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	<b>(1.54)</b>	(0.97)	<b>(0.03)</b>	0.01
Actuarial changes arising from changes in experience adjustments	<b>1.11</b>	(0.48)	<b>(2.16)</b>	0.13
Return on plan assets excluding interest income	<b>(1.28)</b>	(0.36)	-	-
<b>Recognised in other comprehensive income for the year</b> (Refer Note 32)	<b>(1.71)</b>	(1.81)	<b>(2.19)</b>	0.14
<b>VI) Maturity profile of defined benefit obligation</b>				
Within the next 12 months (next annual reporting period)	<b>12.76</b>	12.66	<b>0.12</b>	0.30
Between 2 and 5 years	<b>32.48</b>	30.84	<b>0.48</b>	1.19
Between 6 and 9 years	<b>29.70</b>	25.54	<b>0.44</b>	1.13
For 10 years and above	<b>77.93</b>	71.87	<b>1.10</b>	3.41
	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>VII) Sensitivity analysis for significant assumption is as below :</b>				
<b>1. Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
Impact of 50 bps increase in discount rate	<b>(3.48%)</b>	(3.50%)	<b>(3.17%)</b>	(3.51%)
Impact of 50 bps decrease in discount rate	<b>3.71%</b>	3.73%	<b>3.37%</b>	3.76%
Impact of 100 bps increase in healthcare cost	-	-	<b>6.96%</b>	7.75%
Impact of 100 bps decrease in healthcare cost	-	-	<b>(6.27%)</b>	(6.90%)
Impact of increase by 1 year in life expectancy	-	-	<b>5.02%</b>	4.89%
Impact of decrease by 1 year in life expectancy	-	-	<b>(4.93%)</b>	(4.81%)
Impact of 50 bps increase in rate of salary increase	<b>3.21%</b>	3.27%	-	-
Impact of 50 bps decrease in rate of salary increase	<b>(3.11%)</b>	(3.18%)	-	-

(All amounts in ₹ Crores, unless otherwise stated)

### 2. Sensitivity analysis method

The Sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>VIII) The major categories of plan assets as a percentage of total</b>				
Insurer managed funds	<b>100%</b>	100%	-	-

The Trustees have taken Policy from Life Insurance Corporation of India (LIC) and pays premium. LIC in turn manages the assets which is within the permissible limits prescribed in the insurance regulations. The Company does not foresee any material risk from these investments.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>IX) Actuarial assumptions</b>				
Discount rate	<b>6.90%</b>	6.60%	<b>6.90%</b>	6.60%
Salary escalation	<b>7.5% until year 2 inclusive, and 7% thereafter</b>	7.5% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>	Indian Assured Lives Mortality (2012-14) Ult table	-	-
Rate of leaving service	<b>Age related</b>	Age related	-	-
Mortality post retirement rate	-	-	<b>SIPA (90) Mortality table</b>	SIPA (90) Mortality table
Annual increase in healthcare costs	-	-	<b>6%</b>	6%
Expected retirement age of employees (years)	<b>58 years</b>	58 years	<b>58 years</b>	58 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ **0.10 Crores** (March 31, 2021 : ₹ 2.50 Crores)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **7.18 years** (March 31, 2021 : 7.22 years) and for PRMB is **6.54 years** (March 31, 2021 : 7.26 years).

#### Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 36 SHARE BASED COMPENSATION TO EMPLOYEES

#### a) International Stock Ownership Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA has an 'Affiliate Employee Stock Purchase Plan' (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of Abbott Laboratories, USA. Every employee who opts for the scheme contributes, by way of payroll deductions, up to 10% of his cash remuneration (i.e. basic salary for officers and basic salary and dearness allowance for staff category) towards purchase of shares on a monthly basis over the purchase cycle of six months.

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

During the year ended March 31, 2022, **16,704** shares (March 31, 2021 : 17,195 shares) were purchased by employees at weighted average fair value of **US \$ 103.46** (March 31, 2021 : US \$ 79.89) per share.

#### b) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA as part of the 'Long Term Incentive Program' has offered Restricted Stock Units (RSUs) to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a NIL Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third instalments over a three year period. Pursuant to Ind AS 102 'Share-based Payment', the fair value of the RSUs have been recorded by the Company. The fair value of the RSUs is estimated at the grant date using Black Scholes Option Pricing Model, taking into account the terms and conditions upon which such RSUs were granted.

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	<b>28,850</b>	<b>NA</b>	32,873	NA
Add : Granted during the year	<b>20,370</b>	<b>NA</b>	13,465	NA
Add : Transfers in during the year	<b>2,357</b>	<b>NA</b>	4,548	NA
Less : Exercised during the year	<b>(14,348)</b>	<b>NA</b>	(15,070)	NA
Less : Cancelled/Expired during the year	<b>(2,524)</b>	<b>NA</b>	(1,831)	NA
Less : Transfers out during the year	-	<b>NA</b>	(5,135)	NA
<b>Outstanding at the end of the year</b>	<b>34,705</b>	<b>NA</b>	28,850	NA

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 116.80** (March 31, 2021 : US \$ 124.24).

The following tables list the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2022 and March 31, 2021, respectively :

	As at March 31, 2022	As at March 31, 2021
Dividend yield (%)	<b>0%</b>	0%
Expected volatility (%)	<b>27.28%</b>	32.88%
Risk-free interest rate (%)	<b>0.85%</b>	0.14%
Expected life of Restricted Stock Units (years)	<b>3 years</b>	3 years
Weighted average share price (₹)	<b>₹ 8,566.60</b>	₹ 8,945.79
Model used	<b>Black Scholes</b>	Black Scholes

(All amounts in ₹ Crores, unless otherwise stated)

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year, **₹ 4.64 Crores** (March 31, 2021 : ₹ 4.79 Crores) withholding taxes has been deposited with tax authorities against exercised options.

### 37 COMMITMENTS AND CONTINGENCIES

#### a. Commitments :

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>2.31</b>	8.18

#### b. Contingent liabilities :

##### (i) Claims against Company not acknowledged as debts

In February 1996, the Government had made a tentative claim for a sum of ₹ 11.12 Crores to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for ₹ 3.47 Crores (including interest of ₹ 1.90 Crores upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of ₹ 3.47 Crores and filed a writ petition before the Bombay High Court to restrain the government from recovering the said amount. The Bombay High Court has admitted the writ petition and granted stay of the recovery of the amount subject to the Company furnishing a bank guarantee in respect of the principal amount of ₹ 1.56 Crores. The said bank guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of **₹ 1.27 Crores** (March 31, 2021 : ₹ 1.23 Crores) including interest liability till date.

	As at March 31, 2022	As at March 31, 2021
(ii) Income Tax*	<b>87.18</b>	78.74
(iii) Sales Tax	<b>34.29</b>	36.59

\* Amount excludes certain unascertainable expense that may be disallowed.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

### 38 SEGMENT REPORTING

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

The Company operates under the principal business segment viz. "Pharmaceuticals". The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Also, sales of company is substantially in domestic market. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. There are no individual customer contributing more than 10% of Company's total revenue.





# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

## 39 RELATED PARTY DISCLOSURE

### A) Parties where control exists :

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

### B) Other related parties with whom transactions have taken place during the year :

#### I) Fellow subsidiaries :

British Colloids Ltd., U.K.

Abbott Healthcare Products Ltd., U.K

Abbott Healthcare Private Ltd., India

Abbott International LLC, USA

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott GmbH, Germany

Abbott Diagnostics Medical Private Limited, India

Abbott Laboratories S.A., Dubai

Abbott Laboratories, Ireland

Abbott Laboratories Services LLC, Sri Lanka

St Jude Medical India Private Limited, India

#### II) Key Management personnel and Independent directors:

Mr. Vivek V Kamath, Managing Director (w.e.f. February 15, 2022)

Mr. Anil Joseph, Managing Director (ceased to be the Managing Director effective close of business hours on January 31, 2022)

Mr. Munir Shaikh, Chairman

Mr. Rajiv Sonalker, Whole-Time Director

Mr. Kaiyomarz Marfatia, Non-Executive Director

Ms. Anisha Motwani, Independent Director

Mr. Sudarshan Jain, Independent Director

Ms. Shalini Kamath, Independent Director

### C) Transactions during the year :

#### I) Transactions with the Ultimate Holding Company during the year

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Laboratories, USA</b>		
Reimbursement towards RSU (Refer Note 15)	12.56	0.00

#### II) Transactions with the Holding Company during the year

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Capital India Ltd., UK</b>		
Remittance of dividend	294.78	267.98

(All amounts in ₹ Crores, unless otherwise stated)

## III) Transactions with fellow subsidiaries during the year

### i) Remittance of dividend :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>British Colloids Ltd., U.K.</b>		
Remittance of dividend	40.43	36.75
<b>Abbott Healthcare Products Ltd., U.K.</b>		
Remittance of dividend	102.99	93.62

### ii) Sales to fellow subsidiaries :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>		
Sales of stock-in-trade	64.25	60.94
Sales of raw materials	18.80	0.74
<b>Abbott Products Operations AG., Switzerland</b>		
Sales of stock-in-trade	0.56	-
<b>Abbott Laboratories Services LLC, Sri Lanka</b>		
Sale of capital goods	-	0.02

### iii) Purchases from fellow subsidiaries :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>		
Purchase of raw materials	-	0.07
Purchase of stock-in-trade	65.51	69.53
<b>Abbott Products Operations AG., Switzerland</b>		
Purchase of raw materials	232.83	316.48
Purchase of stock-in-trade	112.95	84.12
<b>Abbott Diagnostics Medical Private Limited, India</b>		
Purchase of capital goods	-	0.01

### iv) Other expenses to fellow subsidiaries :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and support services	56.20	53.07
Promotional expenses	1.08	0.88
Conversion charges	14.84	15.64
Payment of lease liabilities	33.21	33.15
Finance costs	8.60	10.69
Electricity and communication expenses	0.96	0.92
<b>Abbott Diagnostics Medical Private Limited, India</b>		
Promotional expenses	-	0.06



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### v) Deposit to fellow subsidiary :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>		
Interest free additional security deposit paid	-	0.16

### vi) Reimbursements to and from fellow subsidiaries :

	Reimbursement to		Reimbursement from	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>				
Market research and other expenses	0.10	0.03	-	0.26
<b>Abbott International LLC, USA</b>				
Employee benefits expense, travel and other expenses	0.49	0.11	0.02	-
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	0.55	0.01	-	0.14
<b>Abbott Products Operations AG., Switzerland</b>				
Employee benefits expense, travel and other expenses	0.03	-	0.27	-
<b>Abbott Laboratories, Ireland</b>				
Employee benefits expense, travel and other expenses	-*	-	-	-
<b>Abbott GmbH, Germany</b>				
Employee benefits expense, travel and other expenses	-	-	-	0.04
<b>Abbott Laboratories Services LLC, Sri Lanka</b>				
Employee benefits expense, travel and other expenses	-	-	-	0.29

\* below ₹ 50,000/-

(All amounts in ₹ Crores, unless otherwise stated)

### vii) Income from fellow subsidiaries :

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and support services (Refer Note 23 (b))	53.63	51.72
Rent income (Refer Note 24)	1.15	1.15
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and support services (Refer Note 23 (b))	3.37	2.98
<b>Abbott Laboratories S.A., Dubai</b>		
Shared and support services (Refer Note 23 (b))	1.39	1.18
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>		
Shared and support services (Refer Note 23 (b))	1.39	1.18
<b>St Jude Medical India Private Limited, India</b>		
Shared and support services (Refer Note 23 (b))	1.23	1.24
<b>Abbott Diagnostics Medical Private Limited, India</b>		
Shared and support services (Refer Note 23 (b))	0.30	0.18

### viii) Key management personnel remuneration# :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Vivek V Kamath, Managing Director (w.e.f. February 15, 2022)	0.43	-
Mr. Anil Joseph, Managing Director (ceased to be the Managing Director effective close of business hours on January 31, 2022)	5.33	3.80
Mr. Rajiv Sonalker, Whole-Time Director	3.92	3.86

#During the year, as a part of the 'Long-term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ 2.20 Crores (March 31, 2021 : ₹ 2.96 Crores) have been granted to the above employees. Also refer Note 36 (b).

Also, provision for post employment benefits as gratuity, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

### ix) Non-Executive, Other Directors' sitting fees :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Munir Shaikh, Chairman	0.12	0.15
Ms. Anisha Motwani, Independent Director	0.15	0.17
Mr. Sudarshan Jain, Independent Director	0.13	0.15
Ms. Shalini Kamath, Independent Director	0.15	0.15
Mr. Kaiyomarz Marfatia, Non-Executive Director	0.03	-



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### D) Outstanding :

	As at March 31, 2022	As at March 31, 2021
<b>Trade payable to fellow subsidiaries</b> (Refer Note 18)		
Abbott Products Operations AG., Switzerland	103.97	91.21
Abbott Healthcare Private Ltd., India	11.96	8.93
Abbott Laboratories (Singapore) Pte Ltd., Singapore	0.07	-*
Abbott International LLC, USA	0.19	0.08
	116.19	100.22
<b>Lease Liabilities to fellow subsidiary</b> (Refer Note 5)		
Abbott Healthcare Private Ltd., India	86.10	110.71
	86.10	110.71
<b>Other payable to fellow subsidiary</b> (Refer Note 19)		
Abbott Healthcare Private Ltd., India	0.45	0.45
	0.45	0.45
<b>Trade receivables from fellow subsidiaries</b> (Refer Note 9)		
Abbott Healthcare Private Ltd., India	13.44	9.38
Abbott Products Operations AG., Switzerland	0.28	-
	13.72	9.38
<b>Other receivables from fellow subsidiaries</b> (Refer Note 12)		
Abbott Products Operations AG., Switzerland	0.64	0.53
Abbott Healthcare Private Ltd., India	7.28	4.65
Abbott International LLC, USA	4.69	4.70
Abbott Laboratories S.A., Dubai	0.24	0.20
Abbott Laboratories (Singapore) Pte Ltd., Singapore	0.24	0.20
St Jude Medical India Private Limited, India	0.11	0.23
Abbott Diagnostics Medical Private Limited, India	0.04	0.19
	13.24	10.70
<b>Deposit to fellow subsidiary</b>		
Abbott Healthcare Private Ltd., India (Refer Note 5 and 6)	14.77	14.84

\* below ₹ 50,000/-

#### Terms and conditions of transactions with related parties :

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

(All amounts in ₹ Crores, unless otherwise stated)

### 40 FAIR VALUE DISCLOSURE

#### A. The carrying value and fair value of financial assets/liabilities by categories are as follows :

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial assets/liabilities at amortised cost</b>				
<b>Financial assets at amortised cost (non-current) :</b>				
Other financial assets (Refer Note 6)	43.15	46.62	43.15	46.62
<b>Financial assets at amortised cost (current) :</b>				
Trade and other receivables (Refer Note 9)	288.16	250.21	288.16	250.21
Cash and cash equivalents (Refer Note 10)	132.71	218.27	132.71	218.27
Bank balances other than cash and cash equivalents (Refer Note 11)	2,616.51	2,190.77	2,616.51	2,190.77
Other financial assets	72.21	56.89	72.21	56.89
<b>Financial liabilities at amortised cost (non-current) :</b>				
Lease liabilities (Refer Note 5)	108.74	117.68	108.74	117.68
<b>Financial liabilities at amortised cost (current) :</b>				
Lease liabilities (Refer Note 5)	42.95	34.90	42.95	34.90
Trade payables (Refer Note 18)	889.45	762.67	889.45	762.67
Other financial liabilities	73.18	56.86	73.18	56.86
<b>Financial assets/liabilities at fair value through Profit or Loss</b>				
<b>Financial assets at fair value through Profit or Loss (current) :</b>				
Forward contract receivable	0.04	0.82	0.04	0.82

#### B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :

Particulars	Carrying amount As at March 31, 2022	Fair value As at March 31, 2022	Fair value hierarchy		
			Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Other financial assets (Refer Note 6) (non-current)					
Deposits given to fellow subsidiary	12.03	12.03	-	-	12.03
Deposits for premises	0.84	0.84	-	-	0.84
Against tenders	0.12	0.12	-	-	0.12
Others	30.16	30.16	-	-	30.16
	43.15	43.15	-	-	43.15
<b>Financial liabilities at amortised cost</b>					
Lease liabilities (Refer Note 5)	151.69	151.69	-	-	151.69
	151.69	151.69	-	-	151.69
<b>Total</b>	<b>194.84</b>	<b>194.84</b>	-	-	<b>194.84</b>
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	0.04	0.04	-	0.04	-
<b>Total</b>	<b>0.04</b>	<b>0.04</b>	-	<b>0.04</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2021	As at March 31, 2021	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Other financial assets (Refer Note 6) (non-current)					
Deposits given to fellow subsidiary	11.16	11.16	-	-	11.16
Deposits for premises	1.67	1.67	-	-	1.67
Against tenders	1.52	1.52	-	-	1.52
Others	32.27	32.27	-	-	32.27
	46.62	46.62	-	-	46.62
<b>Financial liabilities at amortised cost</b>					
Lease liabilities (Refer Note 5)	152.58	152.58	-	-	152.58
	152.58	152.58	-	-	152.58
<b>Total</b>	<b>199.20</b>	<b>199.20</b>	<b>-</b>	<b>-</b>	<b>199.20</b>
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	0.82	0.82	-	0.82	-
<b>Total</b>	<b>0.82</b>	<b>0.82</b>	<b>-</b>	<b>0.82</b>	<b>-</b>

### The following methods and assumptions were used to estimate the fair values :

Fair value of cash and bank balances, trade and other financial current assets, trade payables, other financial current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022.

During the reporting period ending March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

### The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are based on unobservable market data

The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

(All amounts in ₹ Crores, unless otherwise stated)

### Description of significant unobservable inputs to valuation (Level 3) :

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value :

	As at March 31, 2022	As at March 31, 2021
a) Deposits for premises	<b>Discounted cashflow method using interest rate for similar financial instrument</b>	Discounted cashflow method using interest rate for similar financial instrument
b) Lease liabilities	<b>Discounted cashflow method using incremental borrowing rate</b>	Discounted cashflow method using incremental borrowing rate
c) Financial assets/liabilities other than above	<b>Expected cashflows for the financial instruments</b>	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

## 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below :

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks.

Particulars	Carrying Amount	
	As at March 31, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
Financial assets	<b>2,669.83</b>	2,332.15

#### Interest Rate sensitivity

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

The Company's exposure to foreign currency risk is as follows :

Particulars	As at March 31, 2022				As at March 31, 2021	
	USD	EURO	GBP	CAD	USD	EURO
Trade receivables	3.87	-	-	-	7.09	-
Other financial assets	15.59	-	-	-	15.81	0.35
Trade payables	161.74	0.23	0.01	0.02	119.16	0.43

#### Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, being the most transacted currencies with all other variables held constant. The exchange rate between Rupee and other foreign currencies have changed substantially in the recent years and may fluctuate substantially in the future. Consequently the results of the Company's operations could be affected as the Rupee appreciates/ depreciates against these currencies.

Currency	As at March 31, 2022		As at March 31, 2021	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(1.42)	1.42	(0.96)	0.96
EURO	-*	-*	-*	-*
GBP	-*	-*	-	-
CAD	-*	-*	-	-
<b>Increase/(Decrease) in Profit or Loss</b>	<b>(1.42)</b>	<b>1.42</b>	<b>(0.96)</b>	<b>0.96</b>

\* below ₹ 50,000/-

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balance with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 3,151.07 Crores as at March 31, 2022 (March 31, 2021 : ₹ 2,763.57 Crores). Customer credit risk is managed for each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Further, significant sales of the Company are against advance payment/collection on delivery terms. Outstanding customer receivables are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

Refer Note 9 for ageing of trade receivables.

(All amounts in ₹ Crores, unless otherwise stated)

Movement in allowance for credit loss :

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>15.73</b>	15.41
Allowance for credit impaired debts	1.22	2.80
Allowance for credit impaired deposits	0.45	0.09
Bad debts written off	(0.19)	(2.57)
<b>Balance at the end of the year</b>	<b>17.21</b>	15.73

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivables balances.

The credit risk on liquid funds such as balances with banks in current and deposit accounts is limited because the counter parties are banks with reasonably high credit ratings.

Financial assets other than trade receivables and bank balances are not exposed to any material credit risk.

### c) Liquidity risk

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at March 31, 2022 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer Note 18)	889.45	889.45	-	-	-	889.45
Other current financial liabilities (Refer Note 19)	73.18	73.18	-	-	-	73.18
Lease Liabilities (Refer Note 5)	151.69	53.89	99.04	18.11	7.34	178.38
	<b>1,114.32</b>	<b>1,016.52</b>	<b>99.04</b>	<b>18.11</b>	<b>7.34</b>	<b>1,141.01</b>

The details of the contractual maturities of significant liabilities as at March 31, 2021 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer Note 18)	762.67	762.67	-	-	-	762.67
Other current financial liabilities (Refer Note 19)	56.86	56.86	-	-	-	56.86
Lease Liabilities (Refer Note 5)	152.58	46.21	89.06	42.99	4.28	182.54
	<b>972.11</b>	<b>865.74</b>	<b>89.06</b>	<b>42.99</b>	<b>4.28</b>	<b>1,002.07</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

### 42 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings except through leasing. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

### 43 ADDITIONAL REGULATORY INFORMATION

#### i) Financial Ratios:

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021:

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Change (in %)
Current ratio (in times)	Current Assets	Current Liabilities	3.20	3.38	(5.33)
Debt- Equity Ratio (in times)	Total Debt <sup>1</sup>	Shareholder's Equity	0.05	0.06	(16.67)
Debt Service Coverage ratio (in times)	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	15.80	14.30	10.49
Return on Equity ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	29.46%	27.44%	7.36
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	3.78	3.84	(1.56)
Trade Receivable Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivable	18.27	15.17	20.44
Trade Payable Turnover Ratio (in times)	Total Purchases and Other Expenses	Average Trade Payables	3.90	4.35	(10.34)
Net Capital Turnover Ratio (in times)	Revenue from Operations	Working Capital <sup>4</sup>	1.86	1.75	6.29
Net Profit ratio (in %)	Net Profit	Revenue from Operations	16.24%	16.03%	1.31
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed <sup>5</sup>	36.98%	34.28%	7.88
Return on Investment (in %)	Interest Income	Average Fixed Deposit Investment	2.99%	3.49%	(14.33)

(1) Debt represents only lease liabilities

(2) Net Profit after Taxes + Non-Cash Operating Expenses + Interest + Other Adjustment like loss on sale of Fixed Assets etc.

(3) Lease Payment for the current year

(4) Current Assets - Current Liabilities

(5) Tangible Networth + lease liabilities

(All amounts in ₹ Crores, unless otherwise stated)

#### ii) Relationship with Struck off Companies:

The company does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956, during the current year and in the previous year.

44 The Code on Social Security, 2020 ('the Code') has been published in the Official Gazette in September 2020. The final Rules and effective date are yet to be notified. The Company is assessing the impact of the Code and the rules thereunder, and will give appropriate impact of the same in its financial statements, post notification of the same.

- 45
- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - v) The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant Provisions of the Income Tax Act, 1961).

46 Previous year's figures have been regrouped/reclassified to conform to the current year's classification.

As per our report of even date

For **SRBC & COLLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **DOLPHY DSOUZA**  
Partner  
Membership No. 38730

Place : London, U.K.  
Date : May 17, 2022

For and on behalf of the Board of Directors

**VIVEK V KAMATH**  
Managing Director  
DIN : 06606777

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

Place : Mussoorie  
Date : May 17, 2022

**SUDARSHAN JAIN**  
Director  
DIN : 00927487

**KRUPA ANANDPARA**  
Company Secretary  
Membership No. ACS 16536



## NOTICE

Notice is hereby given that the Seventy-eighth Annual General Meeting of Abbott India Limited will be held through Video-Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) on Wednesday, August 10, 2022 at 9.30 a.m. to transact the following business :

### ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of Directors and Auditors thereon.
- To declare a final dividend of ₹ 145/- and special dividend of ₹ 130/- per Equity Share for the financial year ended March 31, 2022.
- To appoint a Director in place of Mr Ambati Venu (DIN : 07614849), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr Munir Shaikh (DIN : 00096273), who has attained the age of seventy-five years and who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**RESOLVED That** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Company be and is hereby accorded to the re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of seventy-five years and who retires by rotation at this Annual General Meeting and being eligible for re-appointment, as Director of the Company, liable to retire by rotation.

### SPECIAL BUSINESS :

#### 5. Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, for the financial year 2022-23

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**RESOLVED That** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s)

or re-enactment(s) thereof for the time being in force), remuneration of ₹ 0.08 Crore plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, as approved by the Audit Committee and the Board of Directors of the Company, payable to M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), for conducting the Cost Audit of the Company for the financial year 2022-23, be and is hereby ratified.

**By Order of the Board**

**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai  
July 15, 2022

#### Registered Office :

Abbott India Limited

CIN : L24239MH1944PLC007330

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

Telephone No. : +91-22-6797 8888/+91-22-5046 1000/2000

Fax : +91-22-5016 9400

Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

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

#### NOTES :

- In accordance with the Ministry of Corporate Affairs, (“MCA”) General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022, respectively, (“the MCA Circulars”) read with the Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (the SEBI Circular), the Annual General Meeting (“AGM”) will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.
- Pursuant to the provisions of the Companies Act, 2013 (“the Act”), a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.
- A statement pursuant to Section 102(1) of the Act, relating to the Business to be transacted at Item Nos. 4 and 5 is annexed hereto.
- The additional details of Directors retiring by rotation, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“the SEBI Listing Regulations”) and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.
- The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 4, 2022 to Wednesday, August 10, 2022 (both days inclusive).
- Final dividend of ₹ 145/- and special dividend of ₹ 130/- per Equity Share of ₹ 10/- each, as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on and from August 17, 2022 to the Members whose names appear on the Register of Members as on August 10, 2022 and to the Beneficial Owners of the Shares as on August 3, 2022, as per the details furnished by the Depositories for this purpose.
- In accordance with the provisions of the Income Tax Act, 1961 (IT Act) as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its shareholders and the Company is required to deduct Tax at Source (TDS) from dividend paid to the shareholders at the applicable rates. Further effective July 1, 2021, Finance Act, 2021 has inserted Section 206AB of the IT Act as a special provision for TDS for non-filers of income-tax return whereby tax has to be deducted at twice the rate specified in the relevant provision of the IT Act. A separate communication has been sent to the Members describing the detailed process to submit the documents/declarations along with the formats, in respect of deduction of TDS on the dividend payout. The intimation is also available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in)
- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form

only while processing service requests viz. issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios; transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or KFin Technologies Limited, Registrar and Transfer Agent of the Company (“KFin”), for assistance in this regard. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company’s website at <https://www.abbott.co.in/investor-relations/investor-centre/investor-download-centre.html> and on the website of the KFin at <https://www.kfintech.com>. It may be noted that any service request can be processed only after the Folio is KYC Compliant.

- The SEBI has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar and Share Transfer Agent.
- The Dividend will be paid electronically in the bank accounts of the Members whose bank details are available with the Company/Registrar and Share Transfer Agent/Depositories. Members holding shares in electronic form are requested to intimate change, if any, in their bank details to their Depository Participants with whom they have Demat accounts. The Company or Registrar and Share Transfer Agent cannot act on any request received directly from such Members. Members holding shares in physical form are requested to intimate change, if any, in their bank details by sending duly signed Form ISR-1 alongwith required documents to the Company/Registrar and Share Transfer Agent.
- Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination. Members holding shares in physical form are advised to register Nomination in respect of their Shareholding in the Company by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website <https://www.abbott.co.in/investor-relations/investor-centre/investor-download-centre.html>

## Notice (Contd.)

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

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

Particulars	No. of Shareholders	No. of Shares
No. of shares as on April 1, 2021	38	4,711
No. of shares claimed and transferred from the Unclaimed Suspense Account during the year	(4)	(750)
No. of shares transferred to Investor Education and Protection Fund	-	-
<b>No. of shares as on March 31, 2022</b>	<b>34</b>	<b>3,961</b>

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of 7 (seven) years. Thereafter, the said shares including all benefits accrued thereon shall be transferred by the Company to IEPF Authority in accordance with the provisions of Section 124(5) and (6) of the Act. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such shares.

xiv. Members who have not encashed their dividend warrants from the year 2014-15 or thereafter, are requested to write to the Company/Registrar and Transfer Agent. Members are requested to note that the unclaimed dividends will be transferred to the Investor Education and Protection Fund (IEPF) after the below mentioned due dates :

Dividend and Year	Dividend per Share	Due Date for Transfer to IEPF
57 <sup>th</sup> Dividend 2014-15	31	27/08/2022
58 <sup>th</sup> Dividend 2015-16	35	16/08/2023
59 <sup>th</sup> Dividend 2016-17	40	16/08/2024
60 <sup>th</sup> Dividend 2017-18	55	16/08/2025
61 <sup>st</sup> Dividend 2018-19	65	20/09/2026
62 <sup>nd</sup> Dividend 2019-20	250	05/10/2027
63 <sup>rd</sup> Dividend 2020-21	275	25/08/2028

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the required information in respect of unpaid/unclaimed dividend (as on date of the last Annual General Meeting

held on July 27, 2021) on the Company's website under the Investor Section at <https://www.abbott.co.in/investor-relations/investor-centre/unclaimed-dividend/unclaimed-and-unpaid-dividend.html>

xv. In terms of requirements of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the IEPF Authority.

The said details of shares so transferred are available on the Company's website under the Investor Section at <https://www.abbott.co.in/investor-relations/investor-centre/unclaimed-dividend/iepf.html>

The Members whose shares and unclaimed dividend have been transferred to IEPF, may claim the shares and unclaimed dividends by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the Authority from time to time. A Member can file only one consolidated claim in a financial year as per the said Rules and amendments thereto. The process for claiming the shares and unclaimed dividend from IEPF is available on the website of the Company at <https://www.abbott.co.in/investor-relations/investor-centre/unclaimed-dividend/iepf.html>

The details of shares lying in the IEPF Account are given below :

Particulars	No. of Shareholders	No. of Shares
No. of shares in IEPF Account as on April 1, 2021	659	1,00,396
No. of shares transferred to IEPF Account during the year 2021-22	30	4,392
No. of shares claimed and transferred to the Shareholders from IEPF Account during the year 2021-22	(9)	(2,198)
<b>No. of shares in IEPF Account as on March 31, 2022</b>	<b>680</b>	<b>1,02,590</b>

xvi. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.

xvii. In line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2021-22 along with the Notice of Seventy-eighth Annual General Meeting *inter alia*, indicating the process and manner of e-voting, is being sent through electronic mode to the Members whose email addresses are available with the Company/Depositories/Depository Participants.

The aforesaid documents are also available on the Company' website at <https://www.abbott.co.in/investor-relations/financials/annual-reports.html> and on the websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

The Members whose email addresses are not registered with the Company are requested to do so by following the instructions given under Part E of Annexure II.

xviii. The relevant documents referred to in the accompanying Notice and Explanatory Statement will be provided upon request, in electronic mode upto the date of the Meeting. The Members are required to write to [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) with a subject "Inspection of Documents".

xix. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of 1,500 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman/Chairperson of the Audit, Nomination and Remuneration and Stakeholders Relationship Committees, Auditors, etc. can attend the 78<sup>th</sup> AGM without any restriction on account of first-come-first-served principle.

### xx. Speaker Registration/Questions for the Meeting

Members, who would like to express their views/have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) from Wednesday, July 27, 2022 to Wednesday, August 3, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.

### xxi. Voting through Electronic Means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2015, Regulation 44 of the SEBI Listing Regulations and

in line with the MCA Circulars, the Company is pleased to provide to its Members the facility to exercise their vote through electronic means i.e., 'remote e-voting' on resolutions proposed to be passed at the Meeting. In line with the MCA Circulars, Members are required to communicate their assent or dissent through the remote e-voting system only.

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed Companies, individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their Mobile Number and Email ID correctly in their demat account in order to access e-voting facility.

a. The facility for remote e-voting shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.

b. The remote e-voting facility will be available during the following voting period :

Commencement of remote e-voting	From 9 a.m. (IST) on Sunday, August 7, 2022
End of remote e-voting	Upto 5 p.m. (IST) on Tuesday, August 9, 2022

c. Mr Taizoon M. Khumri, Practicing Company Secretary (Membership No. FCS 993 and Certificate of Practice No. 88) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e., August 3, 2022 ("Cut-off date") only shall be entitled to avail the facility of remote e-voting or voting at the Meeting, as the case may be, in proportion to the shares held by them as on the Cut-off date.

e. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.





## Notice (Contd.)

f. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., August 3, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 224 430. In case of Individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., August 3, 2022, may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

g. Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.

h. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, not later than forty-eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favor or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

i. The Results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of the Meeting. The results declared shall alongwith the consolidated Report of the Scrutinizer be placed on the website of the Company i.e., [www.abbott.co.in](http://www.abbott.co.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai and also be displayed on the Notice Board of the Registered Office of the Company.

xxii. Instructions for e-voting and attending the Annual General Meeting is annexed as Annexure II and forms part of this Notice.

xxiii. Considering the Meeting would be held through VC/OAVM, the route Map for the venue is not annexed to the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.

#### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

##### Item No. 4

Mr Munir Shaikh (DIN : 00096273), Non-Executive Director of the Board retires by rotation at this Annual General Meeting of the Company in terms of provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

In terms of the provisions of Regulation 17(1A) of the SEBI Listing Regulations, no person who has attained the age of seventy-five years shall be appointed or continued as a Director unless a special resolution is passed by the Members approving such appointment or continuation. In accordance with these provisions, re-appointment of Mr Munir Shaikh (age 79 years) as Director liable to retire by rotation, is subject to approval of Members through Special Resolution.

Mr Shaikh has held several management and leadership positions with Abbott since 1968 in different geographies across various businesses. In his last role, from June 2005 until his retirement in 2010, he was the Divisional Vice President, Southeast Asia/Middle East/Africa, Abbott Nutrition International based in Singapore.

Mr Shaikh is the Chairman of the Board since March 2001. He has an extensive leadership and industry experience of over five decades, including a deep knowledge and understanding of the Company’s business operations, strategies, the opportunities and risks faced by the Company. His significant contribution and guidance to the Board in governance matters and strategic direction to the Management have helped the Company achieve several milestones year-after-year.

The Board, based on recommendation of the Nomination and Remuneration Committee, is of the view that his immense knowledge, independent perspective and continued association with the Company, will immensely benefit the Company. In view of this, the Board recommends his re-appointment in the interest of the Company. Mr Shaikh is not related to the promoter companies. He does not hold any shares in the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Shaikh, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of Members as a Special Resolution.

##### Item No. 5

The Board, based on the recommendation of the Audit Committee, approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2022-23 at a remuneration of ₹ 0.08 Crore plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, as stated above, requires ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

##### By Order of the Board

**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai  
July 15, 2022

##### Registered Office :

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
Telephone No. : +91-22-6797 8888/+91-22-5046 1000/2000  
Fax : +91-22-5016 9400  
Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

## Notice (Contd.)





**ANNEXURE I**  
**Details of Directors retiring by rotation at the Seventy-eighth Annual General Meeting (pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India**

Name of Director	Ambati Venu	Munir Shaikh
<b>Date of Birth</b>	May 26, 1969	March 1, 1943
<b>Age</b>	52	79
<b>Date of Appointment</b>	March 1, 2020*	March 2, 2001
<b>Expertise in Specific Functional Area</b>	Mr Ambati has over 29 years of diversified experience in handling International business operations with an excellent track record of success in building and leading high performing teams.	Mr Shaikh possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.
<b>Qualifications</b>	Alumnus of the Indian Institute of Management, Ahmedabad and Bachelor's degree in Engineering (Mechanical) from the University of Bhopal.	Fellow of the Institute of Chartered Accountants in England and Wales.
<b>Terms and Conditions of Appointment</b>	As per the resolution set out in this Notice.	As per the resolution set out in this Notice read with the Explanatory Statement hereto.
<b>Remuneration last drawn (including sitting fees, if any)</b>	NA	₹ 0.12 Crore*
<b>Remuneration proposed to be paid</b>	NA	Entitled for sitting fees for attending Meetings of the Board and its Committees and reimbursement of expenses for participation in the Board/Committees Meetings.
<b>Number of Meetings of the Board attended during the financial year 2021-22</b>	4	5
<b>No. of shares held in the Company</b>	NIL	NIL
<b>Directorships in other Indian Companies</b>	None	None
<b>Memberships/Chairmanship of Committees in other Indian Companies</b>	None	None
<b>Relationship between Directors <i>inter se</i></b>	None	None

\* Date of appointment as Non-Executive Director.

\* Sitting fees paid during the year 2021-22.

**ANNEXURE II****Part A : Access to NSDL e-voting system****A. Individual Shareholders holding securities in demat mode-Steps to Login for e-voting and for joining the Virtual Annual General Meeting (the Meeting).**

Types of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	<p><b>1. Through NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps :</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-services website of NSDL. Open web browser by typing the following URL : <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. Enter your User ID and Password in the new screen that opens. After successful authentication, you will be able to see e-voting services.</li> <li>4. Click on “Access to e-voting” appearing on the left hand side under e-voting services and you will be able to see e-voting page.</li> <li>5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> </ol> <p><b>If you are not registered, follow the below steps :</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>2. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>2. Through e-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL : <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>2. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. Enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> <li>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <p style="text-align: center;">  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>

## Notice (Contd.)

Types of shareholders	Login Method
Individual shareholders holding securities in demat mode with CDSL	<p><b>1. Through CDSL Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest, can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest, the user will be also able to see the e-voting Menu. The Menu will have links of <b>e-voting service provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p><b>2. Through e-voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN on the home page of <a href="http://www.cdslindia.com">www.cdslindia.com</a>. The system will authenticate the User by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, User will be provided links for the respective ESP i.e., <b>NSDL</b> where the e-voting is in progress.</li> </ol>
Individual shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.</li> <li>Once logged-in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.</li> </ol>

**Important Note :** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk numbers for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No.: 1800 1020 990 and 1800 224 430
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-2305 8738 or 022-2305 8542/43

**B. Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode-Steps to Login for e-voting and for joining the virtual Meeting**

- Visit the e-voting website of NSDL at <https://www.evoting.nsdl.com/>
- Click on “Login” under ‘Shareholder/Member’ section.
- Enter your User ID, your Password/OTP and a Verification Code as shown on the new screen.

*Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

- Your User ID details are given below :

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example, if Folio Number is 001*** and EVEN is 101456 then your User ID is 101456001***

- Your Password details are given below :
  - If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
    - Process to retrieve your ‘initial password’ :  
If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘Initial Password’.
    - If your email ID is not registered, please follow steps mentioned in Part E.
- If you are unable to retrieve or have not received the “initial password” or have forgotten your password :
  - If you are holding shares in your demat account with NSDL or CDSL, click on **“Forgot User Details/Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - If you are holding shares in physical mode, click on **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.  
Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- After entering your password, tick on agree to “Terms and Conditions” by selecting on the check box.
- Thereafter Home page of e-voting will open.



## Notice (Contd.)

**Part B : Cast your vote electronically and join the Meeting on NSDL e-voting system**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” for Abbott India Limited to cast your vote during the remote e-voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Part C : General Instructions :**

1. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to upload their Board Resolution/ Power of Attorney/Authority Letter by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-voting” tab or send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cstaizoonkhumri@gmail.com](mailto:cstaizoonkhumri@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No. : 1800 1020 990/ 1800 224 430 or write to Ms Sarita Mote–Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing demat account number/folio number, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy). If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

**Part D : Instructions for voting by the Members at Meeting attended through VC/OAVM :**

1. The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.
3. Members who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. The Members may connect with Ms Sarita Mote-Assistant Manager-NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for any grievances/ concerns relating to e-voting during the Meeting.

**Part E : Instructions for registration of Email Address :**

The Members whose email addresses are not registered with the Company are requested to do so by following the process given below :

1. In case shares are held in physical mode, please provide Folio No., Name of the Shareholder, scanned copies of the Share Certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)
2. In case shares are held in demat mode, the Shareholders are requested to get in touch with their respective Depository Participants for updating their email address. If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., Login method for e-voting and joining virtual Meeting for individual Shareholders holding securities in demat mode.
3. Alternatively, Shareholders/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing above-mentioned documents.

**Part F : Instructions for Members for attending the Meeting through VC/OAVM :**

1. Members will be able to attend the Meeting through VC/OAVM or view the live webcast of the Meeting provided by NSDL at <https://www.evoting.nsdl.com> and by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Meeting and will be available for Members on first-come-first-served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience. Speakers will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Munir Shaikh** – Chairman

**Vivek V Kamath** – Managing Director

**Anisha Motwani** – Independent Director

**Sudarshan Jain** – Independent Director

**Shalini Kamath** – Independent Director

**Ambati Venu** – Non-Executive Director

**Kaiyomarz Marfatia** – Non-Executive Director

**Rajiv Sonalker** – Whole-time Director

**Sabina Ewing** – Non-Executive Director

## SENIOR MANAGEMENT TEAM

**Vivek V Kamath** – Managing Director

**T Ramakrishna Prasad** - Commercial Director - Specialty Care

**Kunal Chowdhury** - Commercial Director - GI Businesses

**Shantaprasad Nagarmath** - Commercial Director –  
Gennext, Vaccines and Consumer Health

**Sandeep Reddy** - Commercial Director - Women's Health

**Prateek Gupta** - Director - Commercial Excellence

**Sridhar Kadangode** – Director - Finance

**Jejoe Karankumar** - Director - Medical Affairs

**Namita Shah** - Associate Director - New Product

Introductions and Therapy Area Strategy

**Rajan Kalantre** - Director - Business Human Resources

## CHIEF FINANCIAL OFFICER

**Rajiv Sonalker**

## COMPANY SECRETARY

**Krupa Anandpara**

## STATUTORY AUDITORS

**S R B C & CO LLP,**  
Chartered Accountants

## INTERNAL AUDITORS

**M/s KPMG**  
Chartered Accountants

## COST AUDITORS

**M/s Kishore Bhatia & Associates**  
Cost Accountants

## SECRETARIAL AUDITOR

**Neena Bhatia**  
Practicing Company Secretary

### REGISTERED OFFICE

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3, Corporate Park, Sion-Trombay Road,  
Mumbai 400 071, India  
Tel No: +91-22-6797 8888  
Email: [investorrelations.  
india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website: [www.abbott.co.in](http://www.abbott.co.in)

### CORPORATE OFFICE

16<sup>th</sup> Floor, Godrej BKC  
Plot C- 68, "G" Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
Tel No: +91-22-5046 1000/2000  
Fax: +91-22-5016 9400

### FACTORY

L-18/19, Verna Industrial Estate, Goa

### REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited  
(Formerly KFin Technologies  
Private Limited)  
Selenium Tower B, Plot 31-32,  
Serilingampally Mandal,  
Financial District,  
Nanakramguda,  
Hyderabad - 500 032  
Tel No: +91-40-6716 2222

### ABBOTT INDIA LIMITED

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