



Abbott India Limited
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Near MCA Club, Bandra (E),
Mumbai - 400 051. India

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CIN: L24239MH1944PLC007330

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

July 4, 2021

Scrip Code: 500488

Dear Sir/Madam,

Sub: Submission of Annual Report for the year ended March 31, 2021 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-seventh Annual General Meeting ("AGM") of the Company is scheduled to be held on **Tuesday, July 27, 2021 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, 2021, for your records.

In compliance with the relevant circulars issued by MCA and SEBI, the Annual Report for the financial year 2020-21, comprising the Notice of the 77th AGM and the Standalone Financial Statements for the financial year 2020-21, 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. 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 Tuesday, July 20, 2021.

Further, final dividend of Rs. 120/- and special dividend of Rs. 155/- per Equity Share of Rs. 10/- each, as recommended by the Board of Directors at its Meeting held on May 18, 2021, if approved by the Members at the Annual General Meeting, will be paid on and from August 3, 2021 to the Members whose names appear on the Register of Members as on July 27, 2021 and to the Beneficial Owners of the Shares as on July 20, 2021, 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 2020-21



**ENDURANCE
REDEFINED**

ENDURANCE REDEFINED

At Abbott India Limited, we are dedicated to help people live healthier and fuller lives. We are creating the future of healthcare through quality products that ensure health and wellness and treat conditions to help one reclaim their preferred way of life. With over seventy-five years of our existence in India, our work highlights successful change across the years.

Abbott India has thrived over the years because it has continually adapted to the increasing complexities of the healthcare environment, initiated trends and responded to the evolving needs of its consumers. Our endurance defines us. It embodies our commitment to improving consumer health outcomes and to remain future ready. This year, we have proved our endurance again by redefining ourselves and the way we work. To be redefined is our way of ensuring that our products remain relevant to the people who rely on us to meet their present and future needs.

Our redefined endurance is reflected through our differentiated initiatives undertaken during the year. Be it through multi-channel marketing, pill plus services as well as innovative ways to connect and engage with healthcare professionals by leveraging digital tools, we have responded to the needs of the people. Our redefined endurance has made it possible to act on our vision to become a Company that transforms healthcare in India and delivers value to the varied needs of its people.

FY 2020-21 HIGHLIGHTS

₹4,310 Crore

REVENUE FROM OPERATIONS

₹691 Crore

PROFIT AFTER TAX

₹275

DIVIDEND PER SHARE
(INCLUDING SPECIAL
DIVIDEND)



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ABOUT THE REPORT

At Abbott India Limited, we are fully committed and transparent to all our stakeholders. We began our journey of integrated reporting last year and adopted certain elements, principles and concepts of disclosures prescribed by the International Integrated Reporting Council for our Annual Report. Our focus is to communicate both financial and non-financial aspects of our business to demonstrate how our strategic priorities are aligned to improving the lives of the people we serve and enhance the long-term value for all our stakeholders. References to 'Abbott India' in this Annual Report shall mean 'Abbott India Limited'.

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.

77th

ANNUAL
GENERAL
MEETING

DATE: JULY 27, 2021
TIME: 9.30 A.M.
THROUGH VIDEO
CONFERENCING (VC)/OTHER
AUDIO-VISUAL MEANS (OAVM)



ABBOTT INDIA AT A GLANCE

WE ARE ABBOTT. WE CELEBRATE LIFE.

At Abbott India, we are committed to bringing affordable healthcare to millions of Indians in line with our global mission of helping people live their best lives. Our strength lies in our endurance, in thriving and being able to deliver amid a rapidly evolving environment. Our ability to deliver quality healthcare solutions is driven by our passion to continuously innovate, evolve, adapt, and redefine.

We are a subsidiary of Abbott Laboratories, USA. Since 1944, we are working for the advancement of healthcare in India. Our growing portfolio of high-quality, trusted medicines across multiple therapeutic categories, such as women's health, gastroenterology, metabolics, multi-specialty (pain management, insomnia, nutritional supplements and vitamins), central nervous system, vaccines and consumer health, makes us one of India's fastest-growing pharmaceutical companies.

Our ability to bring change to the healthcare ecosystem in India is backed by a highly competent and motivated professional team, breakthrough products, and the strength of the alliances and partnerships that we have shaped over the years. Our market-leading brands bear reflection of our decades' old reputation for quality and proven scientific expertise.

We continue to improve lives by bringing to people relevant information, evolved medicines and first-to-market medical solutions. We deliver results for patients, consumers, healthcare professionals, employees and shareholders, and we work continually to invest, innovate and introduce new products that are changing the practice of healthcare.



75+

YEARS OF OUR EXISTENCE IN INDIA

140+

BRANDS

3,500+

EMPLOYEES



OUR HOLISTIC OFFERINGS

Being the market leader* across multiple therapies (gastro, women's health, metabolics, central nervous system, and vaccines), we have the capability to access majority of stakeholders in these categories. This allows us to identify unmet needs, often lying at the intersection of science and marketing. We remain well placed to understand these business needs and hence strategically plan to consolidate and evolve our portfolio in other key therapy areas.

Over the last few years, as consumers have become increasingly aware and informed about their health, we have entered a few untapped markets (such as menopause therapy), diversified our solutions to newer needs (herbal supplements), and continue to gather insights that would help us ultimately become India's go-to company for all healthcare needs.



WOMEN'S HEALTH

We are committed to addressing major health concerns among women in India and cater to the major milestones in a woman's journey through life from menarche, pregnancy, to menopause.



GASTROENTEROLOGY

We tackle most of the gastrointestinal issues affecting people by offering a range of treatment for ailments affecting the upper and lower gastrointestinal tract and liver.



METABOLICS

We offer treatment for chronic metabolic conditions such as hypothyroidism and continue to focus on the metabolic health space to evolve newer sub-therapies.



CENTRAL NERVOUS SYSTEM (CNS)

We truly believe in the power of a healthy mind along with a healthy body. Our medicines in the CNS portfolio cater to conditions such as vertigo, depression and epilepsy.



MULTI-SPECIALTY

We have a wide portfolio that provides solutions for pain management, nutritional supplements, vitamins and insomnia, thus ensuring overall well-being.



VACCINES

Addressing preventable health conditions, our range of vaccines reach out to children as well as adults for common conditions such as influenza, typhoid, and rotavirus diarrhoea.



CONSUMER HEALTH

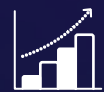
We offer a range of OTC products; with variants of antacids (tablets, liquid, and powders), laxatives & analgesics including a pain relieving topical spray to provide relief to those in need.

*Source: IQVIA: MAT March 2021

ABOUT ABBOTT LABORATORIES

For over 130 years, we have been dedicated to helping people live more fully, in everything we do. We are creating the future of healthcare through life-changing technologies and products that make you healthier and stronger, quickly identify when you have a medical need, and treat conditions to help you get back to doing what you love.

With global headquarters in north suburban Chicago, we serve people in more than 160 countries with leading medical devices, diagnostics, nutrition products and branded generic medicines. 109,000 of us are helping millions of people to live better and healthier every day around the world.



US\$34.6 Billion

WORLDWIDE SALES FOR FY 2020



160+

COUNTRIES SERVED

SINCE

1984

FORTUNE'S TOP 50
MOST ADMIRABLE
COMPANIES



LEADERSHIP

- Fortune's Top 50 Most Admired Companies since 1984; #1 in industry for past 8 years
- Fortune Best Big Companies to Work For 2020
- Dow Jones Sustainability Index, #1 in the industry for past 8 years
- DiversityInc Top 50 companies for diversity for past 17 years

109,000

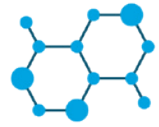
EMPLOYEES

130+

YEARS OF LEGACY

To know more about us, visit <https://www.abbott.com/>





OUR KEY BRANDS

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



Digecaine (antacid), Vertin MDS (vertigo), Pankreoflat HD (indigestion), J E Shield (prevention of Japanese Encephalitis), Parihep 60 (deep vein thrombosis), Colohep (fatty liver disease), Digene Ultra Fizz (antacid), Brufen Power Spray (analgesics), Arachitol Nano 2000 (Vitamin D deficiency), Doxstem 20 (antiemetic), Brivetoin (anti-epileptic), Digerraft (antacid), Rowasa 2 (ulcerative colitis), Lacoixa (anti-epileptic), Cabernorm (hyperprolactinemia)

*Source: IQVIA: MAT March 2021

KEY BRANDS

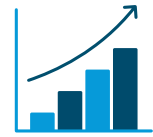


Colospa (irritable bowel disease), Ganaton (gastrointestinal motility), Librax (irritable bowel disease), Zolfresh (insomnia), Thyronorm (hypothyroidism), Duphaston (miscarriage and IVF), Duphalac (constipation), Digene (antacid), Prothiaden (pain & depression), Influvac (prevention of influenza), Creon (pancreatic insufficiency)



Cremaalax (constipation), Pankreoflat (indigestion), Duvadilan (preterm labor), Brufen (Analgesics), Enteroshield (prevention of typhoid), Cremaffin (constipation), Arachitol Nano (Vitamin D deficiency), Udiliv (cholestatic chronic liver disease), Vertin (vertigo)

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



BUSINESS MODEL

LEVERAGING OUR FUNDAMENTAL STRENGTHS TO CREATE LONG-TERM VALUE

INPUTS

MANAGEMENT APPROACH

VALUE CREATION PROCESS

OUTCOMES FY 2020-21

FINANCIAL CAPITAL

Sources of funds from business operations, financing or investing activities

Prudent and effective deployment of funds to expand business operations and deliver operational excellence as well as sustainable growth year after year.

MANUFACTURED CAPITAL

Tangible and intangible infrastructure, offices and manufacturing plant

Optimum utilisation of manufacturing operations, upgradation of processes, and responsible partnerships with local manufacturers, enhance efficiency and productivity, while reducing cost and ensuring best quality standards.

HUMAN CAPITAL

Employees' skills and competencies, knowledge and experience

Offer inclusive and balanced work environment. Attract, motivate and retain best-in-class talent, provide development opportunities to employees for exceptional outcomes.

INTELLECTUAL CAPITAL

Strong heritage brands, world-class technology, robust processes and systems

Continuous investments in new product developments, scientific research, clinical studies, improved packaging and enhancing our human capabilities to cater to the evolving needs of our customer and enhanced customer experience.

SOCIAL & RELATIONSHIP CAPITAL

Relationship with all stakeholders, community development and well-being

Promote trust with stakeholders, improving the quality of life of people in areas of presence and achieve sustainable growth, delivering innovative solutions and working towards building stronger communities.

NATURAL CAPITAL

Natural resources we consume to effectively conduct our business activities

Ensure sustainable use of natural resources, reducing the environmental impacts of our business across our value chain. Continue to develop systems and targets for reducing greenhouse gas emissions, energy consumption, water use, and the volume and impact of waste.

PURPOSE

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



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ACTIVITIES

High Quality Manufacturing

Robust Distribution

Science-based Products

Strong Partnerships

Experienced Sales and Marketing Team

STAKEHOLDERS

Investors
Patients and Doctors
Value Chain Partners
Employees
Environment
Community

₹1,002 Crore
EBITDA

₹691 Crore
PROFIT AFTER TAX

27.4%
RETURN ON CAPITAL EMPLOYED (ROCE)

₹727 Crore
CASH GENERATED FROM OPERATIONS

30%#
INCREASE IN LIQUID INSTALLED CAPACITY WITHOUT CAPEX

10%#
REDUCTION IN CONVERSION COST IN LIQUID

8.5%#
INCREASE IN PRODUCTION VOLUME IN TABLETS

#at Goa plant

~12 Lakh
NO. OF TRAINING HOURS

~6.2%
ATTRITION RATE

244
NEW JOINEES DURING THE YEAR

15
NEW PRODUCTS LAUNCHED

9
TRADEMARKS REGISTERED

8
CLINICAL STUDIES

~20,000
MEDICAL STAFF TRAINED

₹13.88 Crore
CSR EXPENDITURE

9,800+
HEALTH CLINICS CONDUCTED

~98,000
LIVES IMPACTED THROUGH HEALTH CLINICS

~1,500
STUDENTS IMPACTED THROUGH SMILE FOUNDATION

~95,000 KWH#
ENERGY SAVINGS

33%#
PLANT WASTE INCINERATED WITH ENERGY RECOVERY

~1,055 KL#
RAIN WATER HARVESTED

#at Goa plant



ABBOTT PROUD

NAVIGATING THROUGH A PANDEMIC

The COVID-19 pandemic has had a profound impact on markets and people across the world, disrupting the way we live and work. Abbott India has remained resilient and navigated through this crisis through our redefined endurance and strategies.

OUR PEOPLE

We are proud of our people who, despite a challenging environment, stepped up to do what we have always done; remained agile and resilient while working with a sense of urgency to deliver our quality medicines to the people who need them. We remained true to our core values of Pioneering, Achieving, Caring,

and Enduring, acted quickly and decisively to ensure the health of our employees, adhered to the government regulations, maintained an uninterrupted flow of medicines, and utilized the new rules of engagement with our key stakeholders.



BUSINESS OPERATIONS

We remotely collaborated with all our stakeholders, found new ways to overcome adversity and created new opportunities. We made certain that our manufacturing plant remained fully operational despite the challenges around us, because we know that our medicines are helping millions of Indians lead a healthier life. Our resilient supply chain, robust inventory management process and efficient distribution network enabled business continuity as usual.

DIGITAL TRANSFORMATION

As COVID-19 changed the working conditions across industries, at Abbott India too, we had to relook at our day-to-day operations and pivot to the new normal. Digital technology played a key role in ensuring a continuous connect with both healthcare professionals (HCPs), patients and providing the vital support that they needed. Our multi-channel engagement (MCE) model ensured a high-level engagement with our stakeholders via diverse digital touch points. We utilized virtual platforms to launch our products and organized knowledge sharing sessions with international speakers. Employees too continued to receive relevant training and education online.

COVID-19 RELIEF EFFORTS

Despite multiple vaccines being rolled out around the world, the need for preventive measures, including testing, remains. Since the onset of the pandemic, Abbott Laboratories launched a variety of COVID-19 tests around the world. From assays that run on high-throughput instruments capable of handling large volumes of tests at once, to self-contained point-of-care devices that deliver quick and reliable, on-the-spot results, Abbott lived up to its reputation as a quick responder to medical emergencies.

During this critical time, we supported the community through various initiatives. We worked with Self-Employed Women's Association (SEWA) to educate its 19 Lakh members on COVID-19 prevention and care efforts in their communities. We have been also working with them on building economic resilience and restoring livelihoods for the low-income, daily wage earners. Through cash grants to CARE and AmeriCares, we supported frontline healthcare workers across 7 leading hospitals in Mumbai and Delhi. Through these NGO partners, we also helped secure supplies for hospitals and COVID care centers, expand existing facilities and build new temporary COVID care centers with medical staff, beds, testing labs, and life-saving equipment, such as oxygen and ventilators.

We have also conducted a special vaccination drive for HCPs, and vaccinated close to 15,000 HCPs, during the lockdown so that the frontline workers and their families could get their flu vaccines without supply constraints.

ENDURANCE TO SUCCEED. REDEFINED.

We have delivered market-beating growth year after year. Our redefined strategies, amidst challenging times, zeal to meet the evolving needs of our customers and patients have helped us sustain a strong performance and value enhancement for all our stakeholders. We are constantly pushing boundaries to bring niche therapies to the fore and become a one-stop answer for individuals to live healthier lives.

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84.6%
DIVIDEND PAYOUT
RATIO

₹325
EARNINGS
PER SHARE

23.3%
EBITDA MARGIN



CHAIRMAN'S MESSAGE

DEMONSTRATING THE INVINCIBLE ABBOTT SPIRIT

“At Abbott, we believe that health is critical to enriching the world around us. We remain steadfast in our commitment to delivering sustainable healthcare solutions that takes care of people and the planet. We pivoted our engagement models, leveraged our digital capabilities, and kept pushing the boundaries of innovation.”

Dear Shareholders,

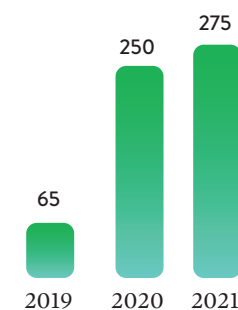
The COVID-19 pandemic continues to pose significant challenges, straining healthcare infrastructure, and leaving behind significant adverse economic and social impact. At the same time, we are witnessing the indomitable spirit of the medical fraternity and other frontline workers in the face of unprecedented adversity. The pandemic has taken a heavy toll on human life, and our heart goes out to those families who lost their near and dear ones.

We firmly believe that crisis breeds new opportunities to redefine the conventional template and set in motion ideas and innovation

for building a better future. We are confident that with a concerted vaccination drive and other non-pharmaceutical interventions such as masking and social distancing, the nation will overcome this crisis soon.

Despite an extremely challenging operating environment, Abbott India continued its growth trajectory, outperforming the market and the industry. Our Revenue from Operations grew by 5.3% and Profit Before Tax by 15.4%. This robust performance not only demonstrates the resilience of our business model, but also our ability to quickly adapt to the rapidly evolving realities.

GROWING DIVIDEND (IN ₹)*



*Includes Special Dividend

₹691 Crore

PROFIT AFTER TAX

16.0%

PAT (% OF REVENUE FROM OPERATIONS)

The Board recommended a dividend of ₹275 per share including ₹155 special dividend for FY 2020-21.

Since the onset of the pandemic, we have been working closely with our people and partners to support communities with resources and technologies to tide over the crisis. We managed to ensure business continuity with virtually no disruption in manufacturing and supply chain. We did all this, while protecting the health of our employees and rigorously following the safety guidelines.

ENSURING BUSINESS EXCELLENCE

At Abbott, we believe that health is critical to enriching the world around us. We remain steadfast in our commitment to delivering sustainable healthcare solutions that takes care of people and the planet. We pivoted our engagement models, leveraged our digital capabilities, and kept pushing the boundaries of innovation. As a result, we witnessed the endurance of our people by a series of innovative product launches and new initiatives. These redefined ways of working helped further strengthen our key brands and maintained our leadership in the Indian Pharmaceutical Market (IPM). We launched 15 new products and line extensions in FY 2020-21 and will focus on ensuring their success.

We also continued to focus on capability building of our field force. We paved the way for greater collaboration amongst our employees and encouraged them to think out of the box. We improvised on ways of engagement with our customers, specifically the healthcare professionals. Flagship scientific models were created, including the digital masterclass. Strategic tie-ups and partnerships with various societies, associations and thought leaders enabled us to deepen our academic engagements. Overall, we have conducted over 3,500 medical education programs with doctors. Our marketing teams conducted several awareness initiatives on digital platforms, especially for Vitamin D and influenza as these two therapies have been talked about a lot in recent times.

One of our key takeaways from the year is that for businesses around the world, purpose should take precedence over profitability. Our unwavering focus on integrity and culture of compliance have helped us to thrive in a difficult environment. We uphold the highest ethical standards in our business conduct and live by our values, while operating with honesty and fairness.

EMPATHY AND COMMITMENT

As part of our social initiatives, we established health clinics for various therapeutic areas, which enabled access to essential health services and credible information with the help of qualified doctors. Through Self-Employed Women's Association (SEWA), we continue to create new models to improve access of quality healthcare to the low-income population. We also remain committed to engage in activities that complement government's COVID relief efforts.

It is also a matter of pride that we won several awards and recognitions during the year. In India, Abbott was recognized by Business Today as one of - Top 25 “Coolest Places to Work” and was included in the list of “2020 Working Mother and Best Companies for Women in India” by Avtar, a pioneering Diversity & Inclusion Consulting firm.

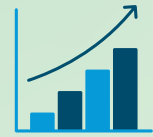
Healthcare access, availability and equity in utilisation of healthcare services in the country are the pressing needs of the hour. We have put in place the building blocks for this, and we look forward to delivering on our promise.

I extend my sincerest gratitude to our employees and partners for their passion and commitment, and to our shareholders for their continued trust and support.

Regards,

MUNIR SHAIKH

Chairman



10-YEAR FINANCIAL HIGHLIGHTS

FOCUSING ON SUSTAINABLE RETURNS

(Amounts in ₹ Crore, unless otherwise stated)

OPERATING RESULTS	INDIAN GAAP				INDAS®						
	2011*	2012	2014 (15M)	2015	2016	2017	2018	2019	2020	2021	
Revenue from Operations#	1,508	1,675	2,309	2,317	2,646	2,939	3,307	3,679	4,093	4,310	
Other Income	20	22	49	48	50	57	117	113	114	81	
Material Cost	862	972	1,296	1,313	1,492	1,712	1,905	2,088	2,314	2,391	
Employee Benefit Expense	167	206	300	305	341	345	394	436	476	493	
Other Expenses	304	295	445	387	448	484	484	550	545	505	
Depreciation and Amortisation	15	19	22	15	14	16	16	17	60	58	
Finance Cost	-	-	-	1	3	2	4	2	9	18	
Profit Before Tax and Exceptional Items	180	205	295	344	398	437	621	699	803	926	
Exceptional Items	-	10	-	-	-	-	-	-	-	-	
Provision For Taxation	60	70	97	115	143	160	220	249	210	235	
Profit After Tax and Exceptional Items	120	145	198	229	255	277	401	450	593	691	
Earning Per Share - Basic & Diluted (₹)	56.66	68.10	93.39	107.75	120.12	130.19	188.81	211.93	279.04	325.04	
Dividend Per Share (₹)	17.00	17.00	23.00	31.00	35.00	40.00	50.00	50.00	107.00	120.00	
Special Dividend Per Share (₹)	-	-	-	-	-	-	5.00	15.00	143.00	155.00	
ASSETS EMPLOYED											
Fixed Assets (Net)	80	109	100	100	111	116	84	106	271	251	
Other Assets (Net)	464	538	688	837	1,084	1,271	1,609	1,902	2,160	2,351	
Total Assets	544	647	788	937	1,195	1,387	1,693	2,008	2,431	2,602	
FINANCED BY											
Share Capital	21	21	21	21	21	21	21	21	21	21	
Other Equity	523	626	767	916	1,174	1,366	1,672	1,987	2,410	2,581	
Total Equity	544	647	788	937	1,195	1,387	1,693	2,008	2,431	2,602	
NUMBER OF SHAREHOLDERS											
	19,354	20,826	18,270	19,407	21,250	23,004	22,583	27,559	51,442	87,794	
HEADCOUNT											
	2,425	2,667	2,766	2,867	2,956	3,083	3,322	3,485	3,551	3,585	

* Post Merger with Solvay Pharma India Limited

Inclusive of Excise duty on sales/ Net of GST

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



MANAGING DIRECTOR'S MESSAGE

OUR ENDURING FAITH IN OUR ABILITIES

“I feel proud to lead an organization that continues to play pivotal role in promoting health and helping people live their best lives. This year we have remained focused on our long-term goals while reshaping and pivoting our business model to adapt to the challenges that we were presented with. The steps we have taken to redefine our ways of working reflect both our endurance as well as our agility in these dynamic times, which have helped us to achieve this performance.”

Dear Shareholders,

The year 2020 was one of the most challenging years we have known. While the second wave of this pandemic continues to present challenges for us in India as well as some of the other countries, we are confident that we will overcome these challenges and evolve to be even stronger from having had to deal with

this experience. We salute the frontline workers who have been relentlessly striving to support all of us in these critical times.

At Abbott India, what has really emerged for us during this pandemic is the endurance of our employees. We have worked tirelessly through last year to ensure that there is minimum disruption in the supply of medicines that are so important to millions of people in the country. Across business functions, at our manufacturing and supply units, and through the efforts of all our employees, we have remained committed to provide solutions for patients and doctors. We have never felt closer to our purpose of helping as many people as possible lead fuller lives.



₹4,249 Crore

SALES

16.5%

NET PROFIT GROWTH Y-O-Y

THE YEAR IN FOCUS

I feel proud to lead an organization that continues to play pivotal role in promoting health and helping people live their best lives. This year we have remained focused on our long-term goals while reshaping and pivoting our business model to adapt to the challenges that we were presented with. The steps we have taken to redefine our ways of working reflect both our endurance as well as our agility in these dynamic times, which have helped us to achieve this performance. Our annual Sales stood at ₹4,249 Crore, registering a growth of 4.8%, compared to the preceding year, while our Net Profit grew by 16.5%.

I am happy that we have retained our position as the leading pharmaceutical company in 90% of therapies* that we are present in involving women's health, gastroenterology, metabolics, pain management, central nervous system, and vaccines. Currently, nine of our top 10 brands lead their individual markets.*

During the year, we built on our strengths and leveraged our competitive advantage to scale our business significantly. We expanded the breadth of our key portfolios and introduced 15 new products this year. While we advance our established brands and increase our efforts towards vertically integrating our portfolio, we remain committed to create value for our stakeholder groups.

Our consumer health portfolio, led by Digene, witnessed an impressive turnaround. To ensure direct targeted relief, we launched a topical pain relief spray, Brufen Power spray. Our heritage Cremaffin portfolio, with its enhanced packing features, is gaining healthy returns in the market. Our vaccine division, led by Influvac, has provided a stellar performance this year. To protect our frontline workers we also engaged in a nation-wide flu vaccination drive during the lockdown.

Our gastro portfolio led by some established brands have maintained their growth trajectory. Digeraft, our new product in this portfolio, has seen a tremendous demand and is one of our most successful recent launches. Our Gutfit program keeps evolving, and we launched an App this year to enable virtual connect between patients and doctors.

We also took a big step for patients with epilepsy in India with the launch of Brivetoin and Lacoza. Understanding the evolving needs of present-day patients, we launched the first-ever comprehensive

*Source : IQVIA

patient support program for Women's Health – Tender, Love & Care, that will hand hold to-be parents through their unique journey.

To gain higher leverage from untapped markets, we launched a team to specifically focus on coverage in the Tier 2 markets. This will open new avenues and also provide a larger population, access to our quality medicines.

GOING BEYOND TREATMENT

We continued addressing our patient needs in a tailored approach to transform the way they use medicines, and all these efforts have provided tailwinds to achieve our purpose. To provide patients with credible information and fulfil the need gap for understanding the correlation between Vitamin D deficiency and immunity, we launched the 'D Strong Active Life' campaign. We ran a 360-degree multi-specialty digital campaign 'Liver Care Beyond Compare' to increase awareness on liver disorders amongst healthcare professionals. For improving the diagnosis of complex issues such as vertigo, we launched Vertigo clinics this year.

We have and continue to pioneer new ways of engagement with our healthcare professionals; our multi-channel engagement model helped us deliver targeted and personalized communications to our healthcare professionals. More than 90% of our sales force is equipped with e-detailing solutions that help them connect with doctors easily in these remote working conditions. As a scientifically driven Company, we continue conducting knowledge enhancement programs for our healthcare professionals.

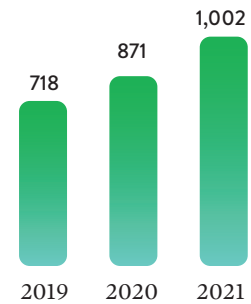
The pandemic demanded new forms of engagement and learning for our employees, and we connected with them remotely through various wellness and capability building initiatives. Our virtual exercise programs are run almost every day to ensure that our people can manage to lead a healthy life despite the lockdown. Several leadership development programs such as In-stride, Global Citizen Development Program, Emerging Leaders Program, New Leaders Program, and more were virtually conducted during the year.

Our Diversity & Inclusion agenda has received a major push this year with several interventions being launched, thus helping us in our endeavor to be a gender-diverse and balanced company.

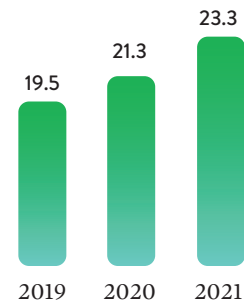


MANAGING DIRECTOR'S MESSAGE (contd)

EBIDTA (In ₹ Crore)



EBIDTA MARGIN (%)



I am #AbbottProud to see the way my leadership team has fostered an inclusive workplace by raising awareness of the importance of inclusive practices and encouraging conversations on the topic across the organization. The Women Leaders at Abbott (WLA) and the Wo-mentoring programs were just a start – and we have a lot more to do in the coming years.

COVID-19 has been a test of our resilience and flexibility as a team. To help our people cope with the challenges, we have always kept their health and well-being a top priority without shifting our focus from their long-term growth and development as individuals and professionals. We will continue to invest for their development.

TOWARDS A BETTER WORLD

We remain bullish on our Environment Social and Governance (ESG) priorities. Health is intrinsically connected to the environment, so we continue looking at ways to mitigate climate change by reducing our own imprint on the environment through ecologically sustainable practices across the value chain.

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

We have, time and again, underlined the importance of agility and consistency in our actions and solutions, and these have become even more critical in a world increasingly burdened by a range of acute and chronic diseases as well as climatic irregularities. To meet the challenges of tomorrow, we are increasing our focus on innovation, expanding our insights and analytic resources to better understand the behaviours and trends of our ecosystem and introducing a streamlined process to bring in a more efficient product mix.

As patients today become more digitally engaged and health aware, our drive at strengthening our technological capabilities and adopting the power of digital will remain key to our market success.

Our therapy-shaping initiatives help us improve brand focus, and also unlock growth opportunities for more evolved outcomes. Our partners across the value chain, the suppliers, the retailers, the stockists, will also benefit from our programs.

We are staying true to our commitment of operational excellence by making constant improvements in formulations and packaging to enhance patient adherence. We are tapping the real-world data that helps us develop these innovations and cater to the demands of our consumers in an efficient manner. Our patient support programs and partnerships with various key platforms will help us achieve this.

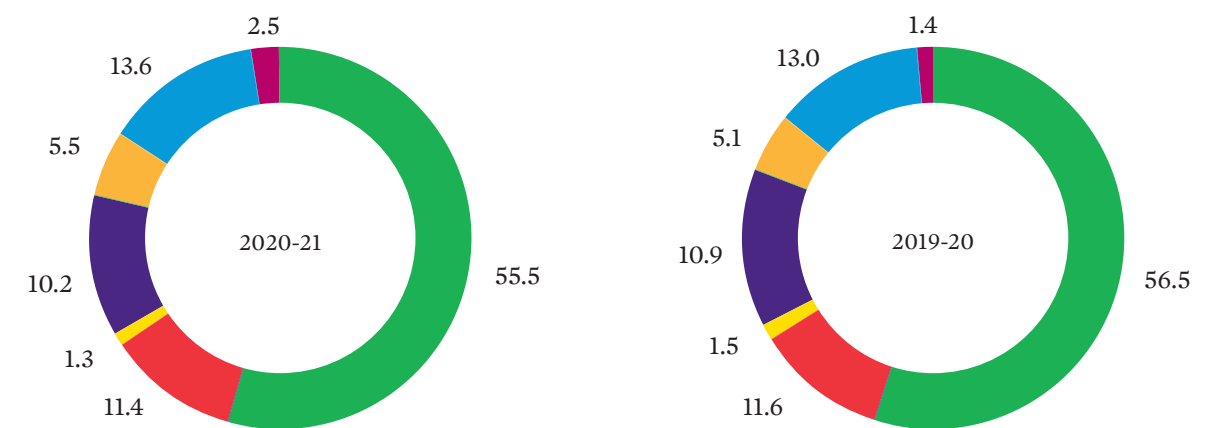
As we begin another exciting year of growth, we have a lot to look forward to. We have a stronger-than-ever portfolio of products, a robust pipeline of new products, new-age tools, a dynamically flexible team to work with, and the trust of our esteemed shareholders. It is your continued support and faith in us that inspire us to do more and remain steadfast in our journey.

Wish you all good health.

ANIL JOSEPH
Managing Director

REVENUE DISTRIBUTION

(%)



Materials Employee Cost Depreciation Other Expenses Tax
Proposed Dividend Retained Earnings and OCI

AWARDS

VALIDATING OUR EFFORTS

COOLEST PLACE TO WORK – ABBOTT IN INDIA
BUSINESS TODAY - TOP 25 LIST

GOLDEN PEACOCK HR EXCELLENCE AWARD
INSTITUTE OF DIRECTORS

2020 WORKING MOTHER AND BEST COMPANIES FOR WOMEN IN INDIA – ABBOTT IN INDIA
IN THE LIST BY AVTAR, A PIONEERING DIVERSITY & INCLUSION CONSULTING FIRM

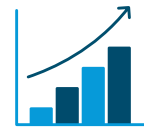
GOLDEN PEACOCK NATIONAL TRAINING AWARD
INSTITUTE OF DIRECTORS

LONG TERM CAMPAIGN AND PHARMA CAMPAIGN OF THE YEAR – SWARAKSHA CAMPAIGN (EPILEPSY)
RURAL MARKET ASSOCIATION OF INDIA – FLAME AWARDS

GLOBAL LEADERSHIP TRAINING & DEVELOPMENT AWARD
WORLD HRD CONGRESS

GOLDEN IMPACT AWARD – ARACHITOL NANO
PRONTO CONSULT

BEST HEALTHCARE BRANDS – INFLUVAC AND DIGENE
ET HEALTHCARE AWARDS

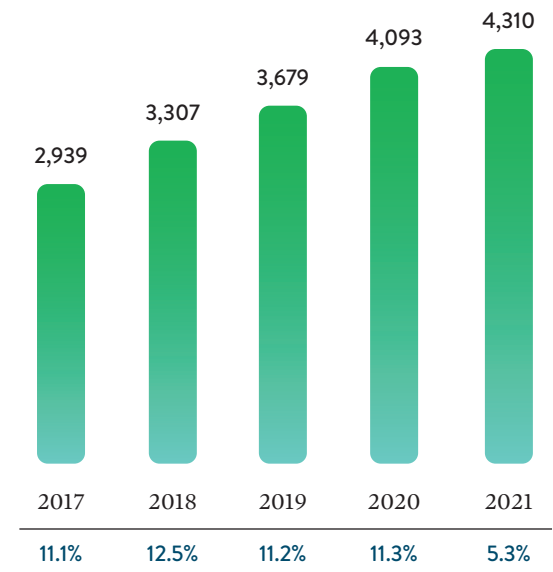


KEY PERFORMANCE INDICATORS

DELIVERING WITH PROVEN EXPERTISE

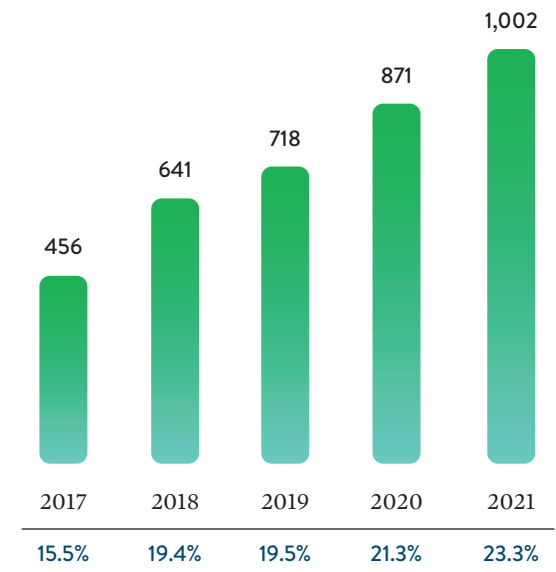
REVENUE GROWTH 5.3%

REVENUE (₹ IN CRORE)



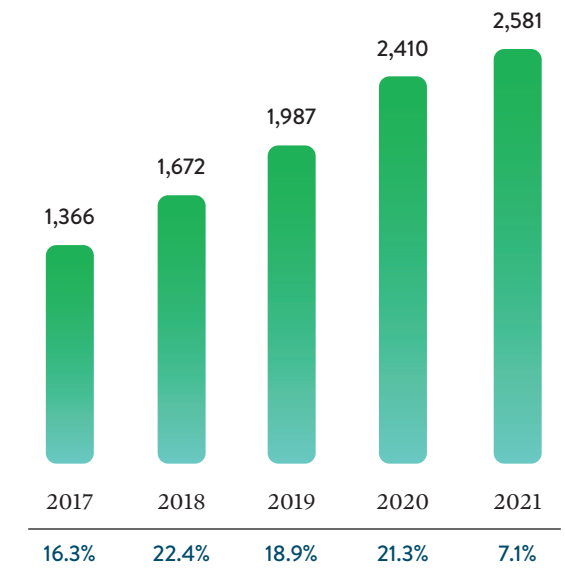
EBITDA MARGIN 23.3%*

EBITDA (₹ IN CRORE)



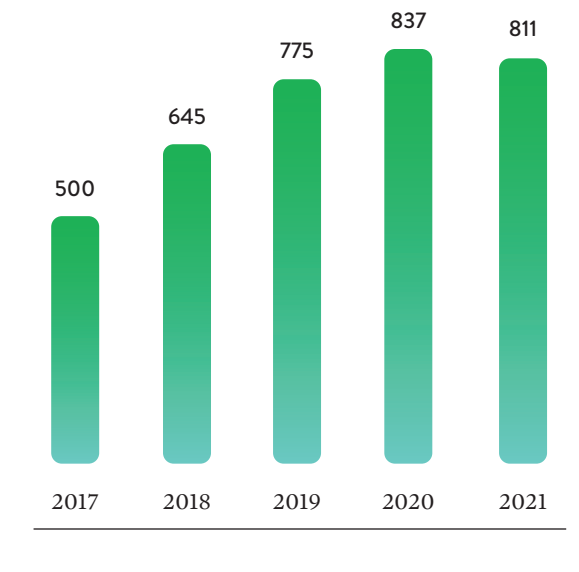
RESERVES AND SURPLUS GROWTH 7.1%

RESERVES AND SURPLUS (₹ IN CRORE)



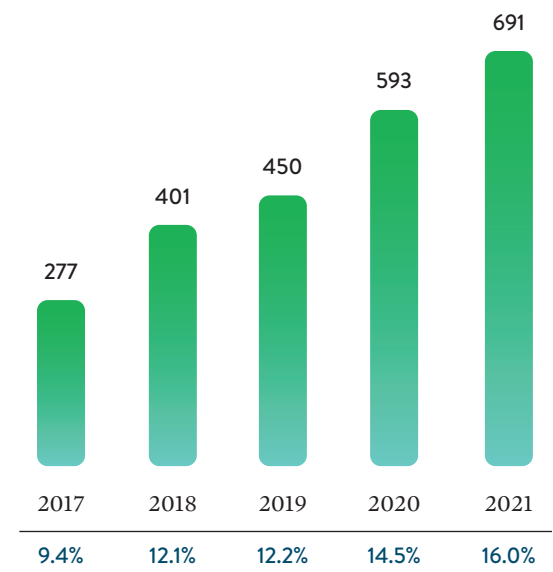
CONTRIBUTION TO EXCHEQUER

(₹ IN CRORE)



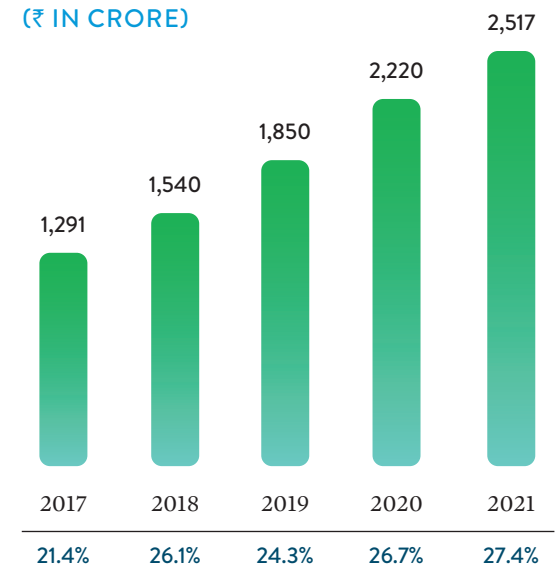
PAT MARGIN 16.0%*

PAT (₹ IN CRORE)



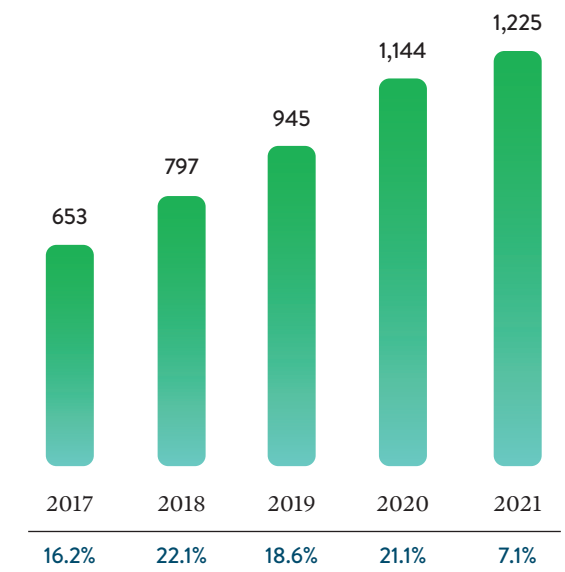
RETURN (PAT) ON AVERAGE CAPITAL EMPLOYED 27.4%

AVERAGE CAPITAL EMPLOYED (₹ IN CRORE)



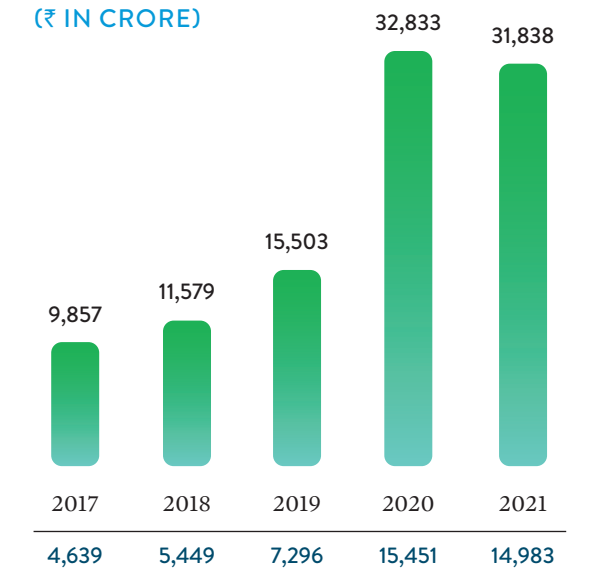
BOOK VALUE GROWTH 7.1%

BOOK VALUE PER SHARE (₹)



SHARE PRICE (₹) 14,983

MARKET CAPITALIZATION (₹ IN CRORE)



*% to Revenue from operations

ENDURANCE TO EXCEL. REDEFINED.

We have thoughtfully redefined our strategies and made well-informed decisions to remain relevant to all our customers. And we are proud that with the tailwinds of a strong strategy roadmap and differentiated business model, we are well positioned to provide improved medicines and offerings for people in India, and also mitigate disruptions due to unforeseen challenges. Our relentless pursuit to win the right way and excel in everything that we do, sets us apart and leads to greater transparency and integrity in our actions.

IN THIS SECTION

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7+ years
MARKET BEATING
PERFORMANCE

15+ products
LEADING THEIR
RESPECTIVE MARKETS*

33.3%
WOMEN DIRECTORS
ON BOARD

*Source IQVIA



OPERATING ENVIRONMENT

KEY TRENDS TRANSFORMING THE INDUSTRY

Both local and global changes continue to shape the pharmaceutical industry and impact the way we operate, the opportunities we leverage, and the challenges we counter.

RISE IN MEDICINE SPENDING ACROSS THE WORLD

The global pharmaceutical industry has seen an increased use of medicines over the past decade - and the rate of growth has outpaced both population and economic growth. Global medicine spending is expected to grow at 3-6% CAGR through to 2025. Medicine spending in India is projected to grow 9-12% over the next five years, which will make India one of the top 10 countries in terms of medicine spending.

Source: IQVIA Institute of Human Data Science study

CHANGING DEMOGRAPHICS

Globally, life expectancy is on the rise. According to projections by the United Nations, the world's population is expected to increase by 2 billion people by 2050, with the number of people aged 65 or over expected to more than double. This shift in demographic trends is also contributing to an increase in non-communicable diseases, driving higher demand for healthcare.

GROWING IMPACT OF PRICE CONTROL

Over the past few years, there has been an increase in the demand for quality medicines and healthcare facilities at affordable rates. Several countries, including India, have adopted measures to regulate the prices of medicines and make them more accessible to all sections of society. Pharma companies around the world are aligning their cost structures to meet these requirements and maximize this opportunity to reach more patients. However, increase in the list of drugs covered by the National List of Essential Medicines (NLEM), restrictions on trade margin mark-ups and amendments in pricing regulations will create price pressure on the industry.

E-PHARMACY AND PHARMACY CHAINS

The retail pharmacy sector is estimated to comprise at least 600,000 licensed outlets. Most are small, independent businesses, but pharmacy chains and e-pharmacies are a growing force. E-pharmacies' share of the retail market is currently estimated to stand at around 5% on an all-India basis, but shares are topping 15% in some major cities and are expected to grow.

TECHNOLOGY TRANSFORMATION

Digitalization represents an opportunity to offer more personalized healthcare for the prevention, diagnosis, and monitoring of diseases. Artificial Intelligence and big data optimize digital engagement with customers and patients. It also improves the effectiveness of clinical trials, while generating new insights into diseases and treatment delivery. Over three-quarters of doctors expect to conduct remote consultations more widely in the long-term.

EVOLVED STRATEGIES OR MODELS FOR CONSUMER OUTREACH

As the global healthcare landscape evolves and in-person interactions with healthcare providers lessen, there will be a greater demand on pharmaceutical companies to effectively convey complex therapies and their value to consumers and patients via relevant means. Unifying data across provider, patient, and partners on a common platform brings forth a single view of the brand to stakeholders.

CLIMATE CHANGE

Climate change has an undeniable impact on health worldwide, given that human health is intricately connected to social and environmental parameters such as the availability of clean air, safe drinking water, adequate food and secure shelter. Pharma companies are proactively reacting to these environmental risks and modifying their strategies to address sustainability issues and build products that help mitigate the effects of climate change on human health.

ABBOTT APPROACH

At Abbott, we are seeking new ways of doing business keeping in mind both short-term and long-term factors that impact it. To continue being one of the leading pharmaceutical companies in India, it becomes imperative for us to depend not only on our leading brands but also on our distinctive business capabilities. A consistent brand focus, changing product mix, and value creation across the product lifecycle are some of the areas that have ensured delivery of sustainable success.



MULTI-CHANNEL DOCTOR ENGAGEMENT

We are developing innovative models to engage with healthcare professionals through multiple digital and physical touchpoints. Our multi-channel engagement model helped increase remote productivity of our field force by enabling them to reach a large base of doctors.



PIVOT TO DIGITAL

An array of new digital tools has been made available and continue to be developed for our employees, especially for the field force. To better understand our customers, address patient needs, and adapt our communication strategy and campaigns accordingly, we have initiated a Digital Command Center that provides us with real-time social data and trends.



SHAPING THERAPIES

We are prepared to accelerate growth of current brands and new launches with clearly defined strategies, developed through in-depth analysis of market trends along with our capabilities and strengths. Shaping of key therapies is critical to drive therapy leadership and ensure that we continue on our path of consistent market-beating growth.



BEYOND THE PILL PATIENT SUPPORT

Engaging with patients for education, counselling or compliance support is crucial today due to their increased awareness. Our existing programs have shown success in ensuring therapy adoption and adherence as we further plan to explore targeted partnerships with other industry players and start-ups to expand the same.



PHARMACY ENGAGEMENT

The Company is committed to investing in this channel and building strong relationships with all the major players. We see this as a key lever for achieving our strategic goal of expanding access and affordability of our medicines.



SUSTAINABLE SOLUTIONS

At Abbott, sustainability means enabling the Company to deliver long-term impact for the people we serve by shaping options and promoting opportunities towards a better life. Abbott India has continued its sustainability journey by progressively reducing its CO₂ emissions, minimizing waste generation, and effectively managing resources to reduce its carbon footprint.



STRATEGIC PRIORITIES

FOCUSED ON COMPREHENSIVE GROWTH

At Abbott India, our operating strategy ensures that we retain our market leadership while delivering best-in-class products to our customers, strong returns for our shareholders, and generating consistent value for all our stakeholders.

PIONEERING PATIENT-CENTRIC CULTURE



[Read more](#) 42

Objectives

Deliver unique solutions for 'now' and 'next' therapies and shaping of key therapies

Progress made during the year

- Launched 15 products in key therapies this year
- Catering to the need-gaps in the women's health space, launched Tender, Love & Care, one of the industry's first patient programs
- Pivoted to digital means for our services offerings to ensure a continuous reach

Outlook for FY 2021-22

- Robust pipeline of products especially gastro, women's health, neuro, vaccines and consumer health, for the next few years, which along with our portfolio approach will help us establish our presence across several therapy areas
- Continue to align and adapt our strategies to ensure success of our new products and line extensions
- Continue developing innovative formulation and packaging solutions to launch differentiated new products and extend the lifecycle of established top brands.
- Build on our success with beyond-the-pill solutions by bringing in innovations

PARTICIPATING ACROSS CONTINUUM OF CARE



[Read more](#) 44

Drive differentiation for our doctors as well as patients, through high-quality, affordable care, providing education, encouraging adherence by leveraging all the latest digital tools and thereby enhancing our customer experience

- Through credible Key Opinion Leaders (KOL)-led content, we improved awareness among patients for key therapies such as Vitamin D, vertigo, thyroid, influenza and typhoid
- Launched the first-ever adult immunization recommendations for India, in partnership with Association of Physicians in India (API)
- For improved adherence, we introduced new innovations (acudose caps) for Vitamin D
- With Gutfit 2.0, we improved our patient outreach through virtual connect.

- **Awareness:** To improve awareness among patients, we will continue to build digital platforms which will provide relevant and customized therapy information to doctors and provide patients with a one-stop location for all patient support and counselling programs.
- We will continue to focus on increasing our geographic coverage (with established brands) in untapped markets
- **Diagnosis:** To help retain our competitive edge, we will continue to shape focus therapies through evidence-based interventions
- **Treatment:** We will continue to be the partner of choice to provide timely, comprehensive knowledge to our KOLs through various advisory boards, research, and guidelines
- **Compliance:** A higher focus on innovation and development (packaging, support programs) right from the go-to-market stage to ensure higher adherence and improved compliance among patients

INSPIRING AND BUILDING A DIVERSE WORKPLACE



[Read more](#) 46

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

- Attrition rate continued to remain among the lowest in the industry
- Diversity & Inclusion agenda received a major push this year with the launch of several focused interventions
- Launched a recognition framework that publicly acknowledges high performance, demonstration of right behaviors and Abbott values

- With the help of various wellness initiatives, we will continue to boost the mental health and resilience of our employees in the ever-changing environment around us and thus 'future-proof' the organization
- We will continue to provide best in industry Learning & Development, Rewards & Recognition and employee wellness programs, and focus on expanding the diversity of our teams
- Individual leadership will remain key to ensure our competitive edge – we will continue to invest in tools that will help our employees grow both personally and professionally



STRATEGIC PRIORITIES (contd)

REMAINING SUSTAINABLE



Read more 50

Objectives

To minimize environmental impact, as a responsible business, we aim to achieve zero harm, zero discharge and zero waste

Progress made during the year

- Our Goa plant has implemented innovative initiatives to reduce emissions, water use and waste and to make product packaging more sustainable
- Adopted various measures and enhanced production capacities without any capex
- Water consumption was kept at same level inspite of increase in production levels leading to water savings

Outlook for FY 2021-22

- 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 will 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 by Abbott global for 2030

CONTRIBUTING TO THE SOCIETY



Read more 54

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

- In partnership with SEWA, we expanded the access to our model of care for NCD management among low-income communities to reach more districts and more people, with support of telemedicine services and community healthcare workers that help mobilize resources on-ground. We also helped SEWA through a large scale communication campaign promoting preventive measures, and launch of 3 new livelihood earning programs to support community members who were impacted economically during the pandemic
- With focus on operational and financial sustenance, we continued our efforts to tackle NCDs and build economic resilience within communities

- Strengthen telemedicine services among SEWA communities to expand access to NCD care across other geographies
- Continue to invest in capacity building of community healthcare workers, so they can enable expansion of telemedicine services
- Engage more members of SEWA communities in livelihood needs earning programs and enable access based on requirements around health, nutrition and education
- Adopt 16 Primary Health Centers (PHCs) across 4 states and upgrade them to Health & Wellness Centres
- Support these upgraded facilities with trained ASHAs and awareness program among communities
- Support 4 schools with STEM learning and health education



ABBOTT INDIA LEADERSHIP

LEADING WITH EXCELLENCE

“ We are advancing our efforts toward vertically integrating our portfolio, yet we remain committed to create value through the delivery of strong returns to shareholders, best-in-class services to customers and being a sustainable business. We further contribute to the society by reducing our environmental footprint, building an inclusive company, and improving access to care.



Anil Joseph
Managing Director

“ Abbott is focused on building a business for the long-term with efficient use of capital, strong and profitable revenue growth, and focused risk management. Our unwavering integrity and culture of compliance enabled us to integrate evolving consumer needs into our solutions even as we navigated the challenges of a volatile operating landscape.



Rajiv Sonalker
CFO and Whole-time Director

“ Despite the changed external environment, the team across the board has evolved to new ways of work and a well-rounded performance has reinforced our market-beating growth legacy. We have been able to maintain growth in margins, our outlook remains strong, and with this we remain confident to have the same track record going forward.



Sridhar Kadangode
Director, Finance

“ We are consistently building the capabilities of our field force and equipping them with best-in-class systems and tools, relevant to the changing times. This is well complemented by digital marketing campaigns and medical education programs. This enables our field force to effectively engage with stakeholders in the healthcare ecosystem, and support healthcare professionals to deliver best care to their patients, across therapy areas.



Prateek Gupta
Director, Commercial Excellence

“ Our resilience helped us easily adapt to the online working conditions and we sustained our engagement with stakeholders through newer platforms. We continued the thyroid awareness and screening advocacy campaigns virtually and launched key epilepsy products last year. We remain committed to creating solutions that would help improve health outcomes.



T Ramakrishna Prasad
Commercial Director, Specialty Care

“ We have anchored considerable amount of our efforts to direct attention toward preventable health conditions like influenza, vitamin D deficiency, and insomnia. Despite the current challenging times, through strategic partnerships across multi-specialty associations, we have advanced our adult immunization program and we look forward to our promising pipeline of products.”



Milind Tendulkar
Commercial Director, GenNext and Vaccines

“ Our GI portfolio constantly innovated in key need-gap areas. The halt of our on-ground business model inspired the team to work with agility and create an alternative outreach program within 4 weeks. With constant evaluation of models, we can leverage the integrated healthcare ecosystem and shape our business for the future.



Kunal Chowdhury
Commercial Director, GI Business

“ Despite disruptions of our short-term plans due to the ongoing COVID pandemic, our long-term plan, to continue leading the market, remains unchanged. Regaining strong growth trajectory, shaping menopause therapy, expanding into new areas through launch of new products, and indication expansions are the key priorities in the Women’s Health space.



Sandeep Reddy
Associate Director, Women’s Health

“ Pandemic-driven changes in consumer behaviour trends are here to stay. At Abbott, we are constantly focused on meeting consumers’ changing needs to progress toward the future of health. Along with successful switches from Rx to Cx, we have also launched new products, direct-to-consumer campaigns, and enhanced access of our medicines through emerging channels such as e-pharmacy.



Mandar Keskar
Associate Director, Consumer Health

“ Our talent strategy is designed to enable business and, fundamental to this, is driving a culture that is inclusive and encourages diversity. Our core values of pioneering, achieving, caring and enduring have guided our response to the pandemic, and we are proud of the way our team has stayed resilient through the change and continued to deliver their best.



Keya Phatnani
Director, Business HR

“ At Abbott, we have been able to advance treatments for people suffering from various acute and chronic conditions, and we remain committed to provide improved medical solutions to these patients. Strategic efforts to lead medical engagements and conversations will continue to drive appropriate usage of our quality medicines.



Dr. Srirupa Das
Director, Medical Affairs

“ Over the last few years, the NPI process has been revamped strategically in Abbott India to ensure evaluation of all opportunities across stakeholders. We will continue to strengthen the existing therapy areas and parallelly grow our over-the-counter portfolio over the course of the next few years.



Dr. Vijay Patil
Associate Director, NPI and TAS

“ At Abbott, we are focused on adopting best corporate governance practices and raising the bar for sustainability disclosures. In line with these goals, we started the integrated reporting journey last year. We have a strong track record of compliance with legal and regulatory requirements, and we remain committed to continue doing so.



Krupa Anandpara
Associate Director, Secretarial & Company Secretary



GOVERNANCE

STRONG FOUNDATION FOR A BRIGHTER FUTURE

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

Our strong corporate governance structure is designed to ensure the success and longevity of our business. We adhere to the highest standards of governance, integrity, ethics, and transparency. Our values are the foundation of our identity and define how we operate and serve our stakeholders.

OUR VALUES

At Abbott, our core values of Pioneering, Achieving, Caring and Enduring are the foundation of our identity as a company. They define how we do our work and serve our stakeholders. Aligning our organization around this cohesive set of values is critical to the fulfillment of our mission and the achievement of our business goals.

ETHICS AND COMPLIANCE

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.

GOVERNANCE STRUCTURE

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 along with the challenges and opportunities associated with business operations. The Board provides guidance, oversight and strategic direction to the Management in achievement of its strategic objectives guided by Abbott's culture, ethics and values. The Board always acts in good faith, with due diligence and care in the best interests of the shareholders.

BOARD COMPOSITION AND DIVERSITY

The Board comprises of nine Directors of which three are Independent. One-third of the total directors are women. The Board's diversity ensures the company's thinking is informed by a wide range of perspectives. Our Board is composed of highly skilled professionals who bring a diverse range of skills, viewpoints and corporate experience to our Boardroom.

LEADING WITH A MISSION

33.3%

INDEPENDENT DIRECTORS ON THE BOARD

88.3%

AVERAGE ATTENDANCE RATE AT BOARD MEETINGS

33.3%

WOMEN DIRECTORS ON THE BOARD

The Board's expertise extends across:

- Healthcare industry
- Corporate strategy and strategic planning
- General management and leadership experience
- Sales, digital marketing and business development
- Human resources and community development
- Finance and Legal
- Geography and cross-cultural 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

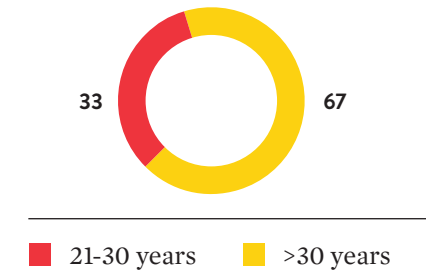
INTERNAL CONTROL FRAMEWORK

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.

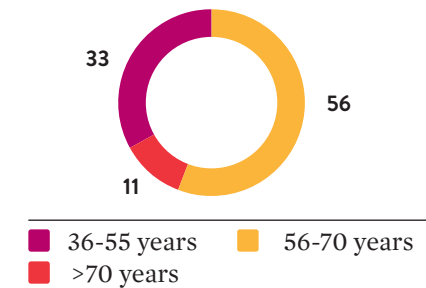
RISK MANAGEMENT

We have well-established risk management processes embedded within the business, which broadly encompasses aligning risk appetite and strategy, enhancing risk response and reducing operational surprises.

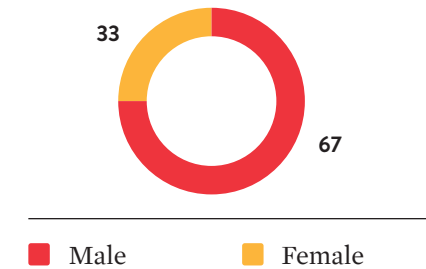
BOARD EXPERIENCE (%)



BOARD AGE PROFILE (%)



BOARD DIVERSITY (%)





BOARD OF DIRECTORS

GUIDING WITH DISTINCTION



Munir Shaikh
Chairman



Anil Joseph
Managing Director



Ambati Venu
Non-Executive Director



Kaiyomarz Marfatia
Non-Executive Director



Rajiv Sonalker
CFO and Whole-time Director



Anisha Motwani
Independent Director



Sudarshan Jain
Independent Director



Shalini Kamath
Independent 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

ENDURANCE TO SERVE. **REDEFINED.**

We remain committed to serving the community around us. Our quality medicines and innovative solutions are life changing only when it reaches the people who need it the most. Amid the environment around us, we have quickly adapted to the changes and progressively attuned our business model to provide enhanced value propositions to all stakeholders in a competitive market scenario. We continue to provide crucial assistance to our doctors and patients across the continuum of care. Our goal is to make quality healthcare inclusive, life-altering and available to as many as possible in India.

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~20,300

MEDICAL STAFF TRAINED
AS A PART OF KNOWLEDGE
DISSEMINATION WORKSHOPS

~58 Lakh

PATIENTS REACHED
THROUGH MAKING INDIA
THYROID AWARE INITIATIVE

~20 Lakh

LIVES IMPACTED
THROUGH CSR
INITIATIVES



ENHANCING CUSTOMER EXPERIENCE

RE-IMAGINING INNOVATION ACROSS THE CARE CONTINUUM

As a quality healthcare organisation, providing innovative solutions for the preferences and needs of our wide cross-section of stakeholders is integrated into the way we do business.



~30 Lakh

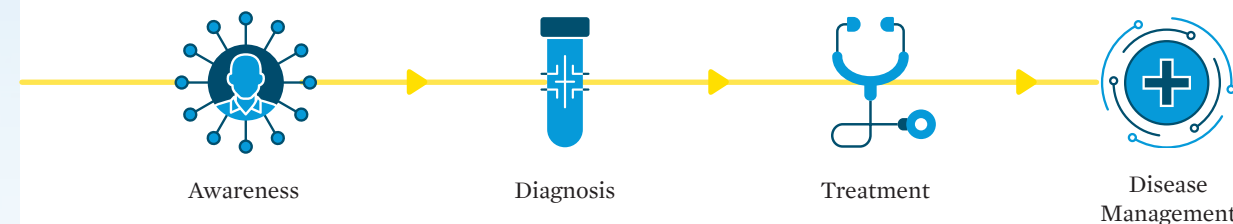
PATIENTS ENGAGED THROUGH D STRONG ACTIVE LIFE CAMPAIGN

~58 Lakh

PATIENTS REACHED THROUGH MAKING INDIA THYROID AWARE INITIATIVE



Our constant interactions with our partners and stakeholders allow us to identify their unmet needs and deliver innovations that help them lead a healthy life. This year, as the situation around us evolved in different ways, our unwavering focus on people's healthcare requirements and our agile ways of working helped us take some swift decisions. We used digital technologies to maintain continuity in our programs across the continuum of care, and the insights we have gained over the years ensured that we were able to deliver on our value-added programs in a steady and efficient manner.



REDEFINING APPROACH TO CARE FOR KEY THERAPIES

TENDER, LOVE AND CARE

This program helps develop a bond between doctors and patients, as the latter embark on their journey to parenthood. The program assures expectant mothers holistic care and counselling, ensuring a healthy and successful pregnancy.

malfunction, our collaboration with the Indian Thyroid Society (ITS) for Making India Thyroid Aware continues its journey on digital platforms.

GUTFIT PROGRAM

For providing continuous credible information on various GI disorders based on lifestyle, diet, and exercise, Gutfit, which is today one of India's largest lifestyle management programs, serves as the perfect bridge between doctors and patients. We also adapted tele counselling to be conducted in various languages this year, thus encouraging contact-less communication between patients and doctors.

SEIZURE FREEDOM MOVEMENT

Despite being a progressive society, conditions such as epilepsy remain a social taboo. We utilized multimedia and tried breaking the barriers to communication on the subject while addressing the myths related to the condition through our Seizure Freedom Movement.

We continue to build on our knowledge about patient needs and experiences to provide the best healthcare possible and enable people to lead healthier, fuller lives.

D STRONG ACTIVE LIFE CAMPAIGN

To provide people with credible information and fulfil the need gap of awareness on Vitamin D's role in immunity, we launched the D Strong Active Life campaign.

FIBROSCAN CLINICS

For asymptomatic conditions such as Non-Alcoholic Fatty Liver Disease (NAFLD), the need of the hour was a quick, non-invasive, and convenient diagnostic tool that would be more sensitive and have greater patient acceptance. Our Fibroscan clinics offered the right solution and have been able to help arrest growth of silent lifestyle diseases that can cause harm in the long run.

MAKING INDIA THYROID AWARE

To instill greater awareness and address the neglect of visible symptoms of thyroid



KNOWLEDGE SHARING

STRENGTHENING THE HEALTH ECOSYSTEM TOGETHER

In all our engagement initiatives with our partners, we keep in mind the diversity of our stakeholder fraternity and ensure that their unique needs and experiences are addressed through our initiatives.

Knowledge sharing with Healthcare Professionals (HCPs) continues to remain a high priority for us. Given the background this year, we took greater care to add value to our engagements with our key stakeholders – healthcare professionals using unique platforms. Through focused virtual speaker programs, advisory boards, master class and training webinars we ensured that they continued their learning through multiple channels in a seamless manner.

KNOWLEDGE AND EXPERIENCE SHARING WITH HEALTHCARE PROFESSIONALS

ROBUST KNOWLEDGE DISSEMINATION

Evidence-based medicine is gaining importance in empowering healthcare professionals to ensure better patient care. We continue to disseminate invaluable medical knowledge to doctors and patients about existing therapies and provide reliable data regarding the benefits and safety of choosing between various treatment options for better health outcomes.

DIGITAL CONNECT

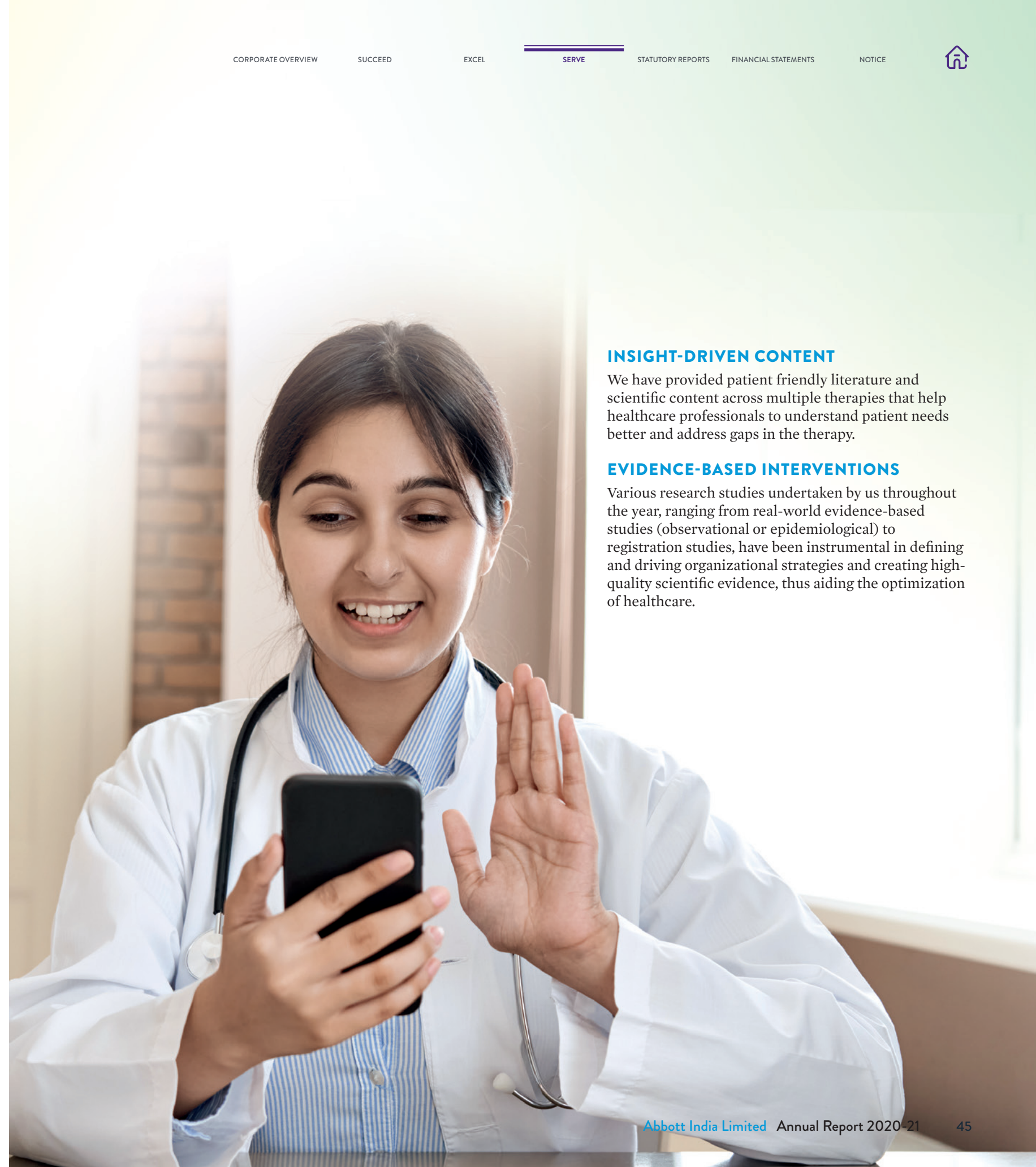
We have tapped the digital media quite effectively to enable easy access to information and helping the doctors stay on top of the latest research and developments in various therapies that we operate in. For improving the overall experience and engagement with HCPs, we have built unique platforms such as web portals and virtual counselling platforms. We also utilize data in a way that it can help us transcend the silos created within the ecosystem, and HCPs can receive evidence-based information across multiple platforms.

8

CLINICAL STUDIES

8

MEDICAL PUBLICATIONS



INSIGHT-DRIVEN CONTENT

We have provided patient friendly literature and scientific content across multiple therapies that help healthcare professionals to understand patient needs better and address gaps in the therapy.

EVIDENCE-BASED INTERVENTIONS

Various research studies undertaken by us throughout the year, 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.



VALUING OUR EMPLOYEES

BUILDING A HIGH-PERFORMANCE CULTURE OF EXCELLENCE

Our human capital continues to be the driving force of our business. Our employees' skill, dedication and endurance help us understand and respond to changing healthcare needs. From talent acquisition to onboarding, nurturing and development, our efforts are geared at enhancing our employee value proposition – 'Grow with the Leader'.

FOR SUSTAINED TEAM PERFORMANCE

OUR TALENT STRATEGY

With an aim to become 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 an environment of transparency, accountability and positive reinforcement.

The above objective is fulfilled through five strategic pillars of the talent strategy:

Leadership engine: Have a robust talent pipeline for all critical positions by identifying and developing high-performing talent and preparing them for successful transition to critical roles

#1 field force: Enhance quality, productivity and diversity in field force and further develop strong performers

Managerial effectiveness: Develop managerial capability to support and accelerate team performance and drive higher employee engagement

Best-in-class support functions: Build and strengthen functional capabilities to effectively meet changing organizational needs

Stronger Employee Value Proposition (EVP): Strengthen the EVP through various internal and external initiatives for employees, potential talent pool and other external stakeholders

BUILDING COMPETENCIES ACROSS THE BOARD

We provide career growth opportunities through upskilling interventions across all levels of employees. Several leadership development programs such as In-stride, Global Citizen Development Program, Emerging Leaders Program, New Leaders Program and others were conducted during the year.

Emphasis on Individual Development Plan (IDPs): The focus is on having customized development plans for employees on current and future aspirational roles.

Talent Management Review (TMR): Talent Management process is well embedded in our system and supports leadership, sales, marketing and support functions.

Accelerate: This program is focused on building uniform functional competency-based development journey for the First Line Managers (FLM).

Abbott Learning Academy: Abbott Learning Academy comprises of calendarized programs for employees across levels and functions. All employees have access to e-learning and virtual learning platforms to upskill themselves on a real-time basis.

KEY ACHIEVEMENTS

100% of FLMS have moved one level up through "Accelerate Curriculum"

2,600+ training topics/sessions delivered during lockdown

80% of training content has been digitalized



19

WELLNESS PROGRAMS CONDUCTED

330

NO. OF EMPLOYEES PARTICIPATED IN ACCELERATE PROGRAMS

100

NO. OF EMPLOYEES PROMOTED TO THE NEXT LEVEL UNDER TMR

VALUING OUR EMPLOYEES (contd)

DIVERSITY AND INCLUSION

Building a diverse and inclusive (D&I) workplace – one that inspires new ideas, creativity and innovation in every employee – makes us stronger as a company. Diversity and inclusion are a source of value creation and remains core to our business conduct. It acts as a platform for attracting, retaining and advancing women in the organization, thereby becoming an Employer of Choice for women.

THE WOMEN LEADERS OF ABBOTT (WLA)

WLA is an employee network that 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.



ASCENT – ABBOTT SECOND CAREERS ENGAGEMENT PROGRAM

This program is designed to strengthen our commitment to diversity by providing a second career opportunity to veterans and women returning from career breaks.

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.

EMPOWER

As a part of this initiative, women employees receive curated content that include theme-specific webinars, videos, articles and podcasts to sharpen and enhance their skills.

EMPLOYEE RECOGNITION

Abbott India Limited Excellence Club was launched in 2021 with an aim to motivate employees by appreciating and acknowledging high achievers and recognizing performance, individual leadership, demonstration of Abbott behaviours and values, the best leaders, projects, Business Units and brand long service and commitment through a uniform recognition framework for all.

NATIONAL GOAL SETTING & RECOGNITIONS

As we continued to conduct our events and programs virtually, our annual national goal setting meeting was no different. Spread over three days, and attended by over 3,000 employees, it was celebrated with the typical enthusiasm and excitement. We recognized and rewarded our top-performing employees remotely.

HEALTH AND WELLNESS OF OUR PEOPLE

The health and well-being of our people remain a key priority for Abbott. True to our commitment, we have launched various initiatives to ensure timely support to our employees and their families, thus helping them live healthier, fuller lives.

100%

OF THE SALES EMPLOYEES COMPLETED THE ONLINE DEFENSIVE DRIVING REFRESHER TRAINING MODULE

~2,400

SALES EMPLOYEES ATTENDED A VIRTUAL REFRESHER TRAINING COURSE ON DEFENSIVE RIDING SKILLS AND BEHAVIORS AND SAFETY GUIDELINES FOR COVID-19

~12 Lakh

MAN-HOURS OF TRAINING (6 TIMES MORE THAN THE AVERAGE HOURS SPENT IN PRE-COVID TIMES)





SAFEGUARDING OUR ENVIRONMENT

DELIVERING ON OUR COMMITMENT TO THE PLANET

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



¹ Versus 2019



OPERATIONAL EFFICIENCIES AT THE PLANT

During the year, the plant undertook several initiatives for increasing operational efficiencies and reducing the cost and resources used.

These initiatives enhanced production capacities and led to following benefits-

TABLETS MANUFACTURING

- 50% increase in coating installed capacity in 2 shifts from 675 mio tabs to 1,012 mio tabs. Increase in installed capacity will help site to produce all Brufen SKU's in-house as well as scope for internalization of new coated product
- 75% reduction (from 16 hours to 4 hours) in coating solution preparation time with user friendly method
- 20% reduction in machine hours (from 12 hours to 8 hours) and 11% reduction in labor hours (from 36 hours to 32 hours)
- Standard Yield improved from 98% in 2020 to 98.3% in 2021 resulting in cost saving

LIQUID MANUFACTURING

- Enhancement in liquid installed capacity from 9,745 KL to 12,700 KL (30%) without any capex
- Reduction in conversion cost in liquid by 10% (Actual 2019 v/s 2020) resulting in reduction of cost per unit
- Over 54% volume growth in liquid which is the highest ever since inception of plant (44.4 million bottles)

ENERGY CONSERVATION AND REDUCTION OF CARBON EMISSIONS

Our contribution to a healthy world includes reducing energy consumption and carbon emissions, both in our direct operations and throughout our value chain. This is demonstrated through efforts taken for efficient use of energy.

SLEEP MODE ACTIVATION FOR AHUS FOR WAREHOUSE, FGS AND OTHER AREAS

Air Handling Units (AHU) installed in warehouse and finished goods stores are put on sleep mode during non-working hours by running on slow speed with help of Variable Frequency Drive (VFD) resulting in energy saving of 92,306 KWH.

OPTIMIZATION OF AIR COMPRESSOR

The air compressor used to generate compressor air smartly operated through VFD only when it is required, i.e when pressure drops in system. This avoids unnecessary running of air compressor leading to energy saving of 2,769 KWH

33%

PLANT WASTE WAS INCINERATED WITH ENERGY RECOVERY

37%

INCREASE IN PRODUCTION VOLUMES FOR LIQUID FORMULATION WHILE CO₂ EMISSION MAINTAINED AT THE SAME LEVEL

8.5%

IN TABLETS KEEPING THE WATER CONSUMPTION WHILE CO₂ EMISSION MAINTAINED AT THE SAME LEVEL



SUSTAINING ENVIRONMENT (contd)

THE GOA PLANT RETAINS ITS CERTIFICATION OF ZERO WASTE TO LANDFILL (ZWL)

Zero waste to landfill is a process whereby a site finds ethical, economical, and efficient means to manage processes to avoid and eliminate the volume and toxicity of waste and materials, and in turn conserve and recover all resources.

1,957 KL

WATER SAVED

3,657 KG

HAZARDOUS WASTE REDUCED ON ACCOUNT OF CHANGE IN PACKAGING

WATER CONSERVATION

We are committed to managing our water usage responsibly and efficiently. We carefully manage our water use and discharges and thereby improve water efficiency across our operations.

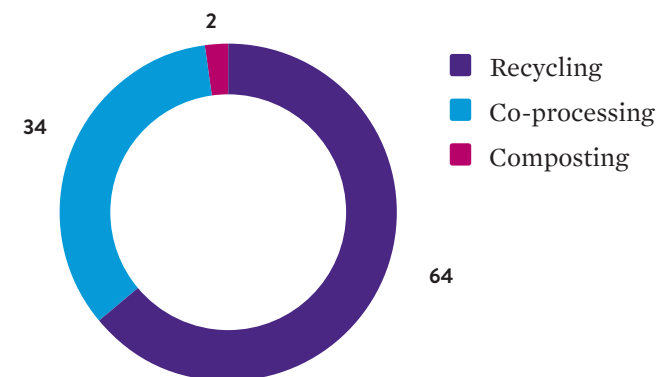
- Over the last five years, the plant has achieved more than 20% absolute water reduction in usage.
- The rainwater harvesting project continues to save water by reducing the intake of purchased water. Total rainwater harvested and consumed during the year was 1,055 KL.
- Water recovered from de-mineralized water plant process is used in utilities for cooling tower. This leads to total saving of 1,957 KL water annually.
- Water consumption was kept at same level despite increase in production.

RECYCLING OF WASTE

We reduce the environmental impact of our product packaging and minimize waste in our operations through reuse and recycling programs across the Company.

- The plant continues to send hazardous waste for co-processing and it is ensured that energy from the waste is recovered, thus, contributing to the reduction of CO₂ emission.
- During the year, there was a change in the mode of packaging of off-specification products from 50-liter High Density Polyethylene (HDPE) drum to Low Density Polyethylene (LDPE) polybags. This has significantly reduced the weight of hazardous waste sent for disposal. The empty drums which were saved in these processes are then sold to authorized recyclers, contributing to increase in revenue generated from scrap sales at site.
- As a commitment under the Plastic Waste Management Rules, we have collected approximately 1,383 MT of post-consumer waste through our partners under extended producer responsibility. This waste is recycled or disposed of in a scientific way.

WASTE MANAGEMENT (%)





SUPPORTING OUR COMMUNITY

CONTRIBUTING TO INCLUSIVE DEVELOPMENT

We are committed to empowering our stakeholders and supporting the disadvantaged, underserved and vulnerable communities.

At Abbott, we value the trusted partnerships we have built over the years with Governments, healthcare professionals, educational institutions and nongovernmental organizations. Through our partnership-based approach, we develop sustainable and scalable solutions to address social challenges in healthcare and education.



1,500+

STUDENTS IMPACTED THROUGH SMILE FOUNDATION

9,800+

HEALTH CLINICS SUPPORTED

98,000+

BENEFICIARIES IMPACTED THROUGH HEALTH CLINICS



MALARIA ELIMINATION PROGRAM WITH MALARIA NO MORE

Our engagement with Malaria No More in Odisha is aligned to the Prime Minister's goal to make India Malaria free India by 2030. With one million Rapid Diagnostic Test (RDTs), technical expertise, and a cash grant, we helped strengthen Odisha's Malaria detection and surveillance system through effective data collection and monitoring methods. This model has proven its efficacy with over 90% reduction in cases over the years of our engagement. Through a multi-sectoral Malaria Action Coalition, we are now working to propagate this model to other Malaria-affected states in the country.

BUILDING ACCESS TO QUALITY & AFFORDABLE HEALTHCARE INFRASTRUCTURE AND SERVICES WITH AMERICARES

In partnership with AmeriCares, we are working to upgrade 16 primary healthcare centers across four states of India to Health & Wellness Centers. These centers will have adequate infrastructure and services and will be supported by trained community healthcare workers who will help members of the community access the services and drive improved adherence to prescribed care. We are also working with communities around these centers to help them better understand their health needs and drive awareness about healthcare services available to them through upgraded facilities.

PROMOTING STEM EDUCATION AND HEALTHY LIVING AMONG CHILDREN WITH SMILE FOUNDATION

In partnership with Smile Foundation, we are supporting 1,500+ students from socially disadvantaged communities across four schools in and around Mumbai who lack access to quality education and infrastructure. We aim to improve their problem-solving and logical-reasoning skills through access to latest digital tools for STEM learning. Additionally, we are working at improving awareness of non-communicable diseases (NCDs) and other health areas such as WASH and nutrition.

QUALITY AND AFFORDABLE HEALTHCARE DELIVERY PROGRAM WITH SELF-EMPLOYED WOMEN'S ASSOCIATION (SEWA)

In partnership with SEWA (Self-Employed Women's Association), we are working to improve access to quality and affordable NCD care services among low-income populations through two community-based clinics in Ahmedabad and Mehsana, a team of community healthcare workers (CHWs) and tele-medicine services that provide care remotely across 12 districts in Gujarat. Through this initiative, we create sustained awareness around NCDs and facilitate access to screening, consultation and health management.

IMPROVING ACCESS TO HEALTHCARE THROUGH HEALTH CLINICS

We have successfully supported 9,806 health clinics and impacted 98,000+ people across 461 locations in India. Through the clinics, Abbott supports qualified doctors and healthcare professionals to expand disease diagnosis and access to care. This includes programs to raise awareness and improve care for epilepsy and liver diseases. These health clinics address the need for prevention, early detection, and management of diseases as part of the Company's commitment to doing business responsibly and sustainably.



Board of Directors Report and Management Discussion and Analysis

TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-seventh Report and the Audited Financial Statements of the Company for the financial year 2020-21.

FINANCIAL HIGHLIGHTS

Particulars	₹ in Crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	4,310.02	4,093.14
Other Income	80.90	114.39
Total Income	4,390.92	4,207.53
Profit Before Tax	925.95	802.70
Profit After Tax	690.69	592.93
Retained Earnings and Other Comprehensive Income (OCI)		
Balance brought forward	1,922.54	1,567.49
Profit After Tax	690.69	592.93
OCI arising from remeasurement of employee benefits	1.25	(4.96)
Dividend-FY 2019-20	(531.23)	-
Dividend-FY 2018-19	-	(138.12)
Dividend Distribution Tax [#]	-	(28.39)
Transfer to Reserves	(69.07)	(59.29)
Implementation of IND AS 116 (Net of Tax)*	-	(7.12)
Balance carried forward	2,014.18	1,922.54

*Under modified retrospective method.

[#]Effective April 1, 2020, dividends distributed by the Company shall be taxable in the hands of the shareholders.

DIVIDEND

Your Directors recommend a final dividend of ₹ 120/- and special dividend of ₹ 155/- per share (previous year : final dividend of ₹ 107/- and special dividend of ₹ 143/- per share) for the year ended March 31, 2021 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 Crore (previous year : ₹ 531.23 Crore).

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, 2021 after deduction of tax at source.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy adopted by the Company in terms of requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>. The said Policy lays down various factors which are considered by the Board while recommending dividend for the year.

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.

ECONOMIC OUTLOOK

India has been one of the fastest growing large countries in the past decade, regularly achieving an annual growth of 6-7%. The rise in GDP is largely credited to factors including urbanization and improvement in the efficiency and productivity of technologies.

As per IMF, the economy contracted by 8% in 2020 owing to the COVID-19 pandemic and lockdown. The Government has made significant efforts towards safeguarding citizens and energizing the economy.

Going ahead, accelerating global recovery, ample liquidity/low rates are expected to aid upturn. Growth in 2021 was expected to bounce back to 12.5% due to recovery post easing of lockdowns. However, second wave, high caseloads, new lockdowns, rising input prices, MSME stress and weak labour market are some of the headwinds in need of immediate addressal. A combination of policy reforms and rapid digitalisation continue to boost the Indian economy onto a higher growth trajectory, despite the debilitating effects of the pandemic. Monetary and Fiscal support is crucial in this regard. The Reserve Bank of India is committed to keeping rates well anchored and the Government must keep up spending. Finally, quick progress on vaccination is paramount.

INDUSTRY REVIEW

The global pharmaceutical industry has seen an increased use of medicines over the past decade where the rate of growth of medicine usage has outpaced both population and economic growth. This expansion has been largely on account of the pharmemerging markets.

The Indian pharmaceuticals industry is poised for a big leap forward in this decade. Health, science and innovation have come into sharp focus as never before. The developments over the past year have emphasized the importance of an innovation ecosystem, a robust infrastructure for production of drugs and pharmaceuticals and the need to constantly build a huge talent pool of scientists, researchers and technologists who can be the arrowheads for the future. India has emerged as a pharmacy to the world, supplying critical drugs and vaccines in the course of this pandemic.

Indian pharmaceuticals industry supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in UK as per the Indian Ministry of Commerce. It is also the largest producer of generic medicines and vaccines, occupying 20% volume share in generics and 62% in vaccines as per the National Indian Promotion Agency.

As per IQVIA, India's domestic Pharmaceuticals Market (IPM) is estimated at ₹ 153,534 Crore in 2021 with growth of 4.4% v/s 2020. Acute therapies dominate IPM with 64% of total sales, however the chronic segment shows faster growth. There are estimated to be over 8,000 pharmaceutical companies, however the market is dominated by a core of around 300 manufacturers whose products generate the majority of sales in most therapy areas. Domestic manufacturers claim around three-quarters of the market in value terms.

Branded generics dominate the domestic prescription pharmaceutical market, accounting for around 80% of sales by value as per IQVIA. While efforts to raise the regulatory bar are being pursued, brand names and company image are still widely regarded as de-facto indicators of quality. The market is expected to grow at 8% per annum over the next 5 years driven by high economic growth, increasing penetration of health insurance and increased private sector investment.

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 growth include :

- **Technology and Digitalization** : The COVID-19 pandemic has changed the comfort level of patients and doctors with using technology. Over three-quarters of doctors also expect to conduct remote consultations more widely in the long term. While results of tele-detailing by medical representatives have been mixed, a substantial proportion of physicians have proved receptive to these shifts, which appear likely to trigger a permanent change in promotional

models. Going forward, there will be a greater emphasis placed on the sales representative's ability to communicate effectively through digital channels.

- **Ayushman Bharat** : AB-PMJAY targets to cover around 500 million of the country's poorest individuals with health insurance of ₹ 5 Lakh per family per annum for secondary and tertiary care hospitalization. By May 2021 it had issued approx. 150 million e-cards, however take up was slow with only 50% of the total budget allocated being used. The transformation of public primary care facilities into Health and Wellness Centers is faring better, with more than 75,000 Health and Wellness Centers operational by May 2021.
- **E-pharmacy and pharmacy chains** : The retail pharmacy sector is estimated to comprise at least 6,00,000 licensed outlets. Most are small, independent businesses, but pharmacy chains and e-pharmacies are a growing force. Pharmacy chains have expanded aggressively with MedPlus at 1,650 stores and Apollo at 3,700 stores. E-pharmacies' share of the retail market is currently estimated to stand at around 5% on an all-India basis, but shares are topping 15% in some major cities and expected to grow. The Company has engaged with leading players in this space and is poised to benefit from any growth.
- **Price Controls and Regulations** : The 2021 update of the National List of Essential Medicines (NLEM) is likely to increase downward pressure on drug prices. Additional downward pressure could come from plans to cap the MRP of Non-NLEM drugs by limiting trade margins, as well as from expansion of the span of DPCO price controls. While those plans may have been put on hold in the face of the COVID-19 pandemic, both are expected to re-emerge in the medium term.
- **OTC Drug Regulations** : With rising patient empowerment and growing willingness to self-medicate, there is growing demand for drafting a well-defined OTC policy. A committee tasked with the development of recommendations on the establishment of an explicit OTC medicines category was set up in 2016. Any policy mandate is likely to benefit the Company given its dedicated OTC vertical.
- **Uniform Code of Pharmaceuticals 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 a strong compliance process in place, it would be well positioned under a strict enforcement of UCPMP.

REVIEW OF OPERATIONS

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



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

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

Financial Performance

Revenue from Operations : Revenue from Operations for the year ended March 31, 2021 is ₹ 4,310.02 Crore in comparison to ₹ 4,093.14 Crore last year, recording a growth of 5.3% over the previous financial year.

Profit Before Tax : Profit Before Tax for the year ended March 31, 2021 at ₹ 925.95 Crore grew by 15.4% over the previous year.

Other Income : The Other Income stood at ₹ 80.90 Crore, 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 29.4% due to reduction in interest rates. The Company has an investment portfolio of ₹ 2,332.14 Crore as on March 31, 2021.

Material Cost : The Material Cost increased on account of inflation, but was compensated by improved sales price realisation, resulting in a marginal decrease in the same as a percentage to Sales from 57.1% in financial year 2019-20 to 56.3% in the current year.

Employee Cost : The Company increased its employee strength to 3,585. The Employee Cost as a percentage to Sales shows a marginal decrease at 11.6% in the current year vis-à-vis 11.7% in the financial year 2019-20. The increase in Employee Cost by 3.5% over the last year is mainly due to merit increase.

Other Expenses : Other Expenses including Depreciation and Finance Cost decreased by 5.2% over the last year. Also, as a percentage to Sales, it has decreased to 13.7% vis-à-vis 15.1% in the previous year.

Key Financial Ratios :

Particulars	2021	2020	Change
Debtors Turnover (Days)	15.2	13.8	10.1%
Inventory Turnover (Days)	6.9	7.2	(4.2%)
Interest Coverage Ratio*	51.7	95.1	(45.6%)
Current Ratio	3.4	3.6	(5.6%)
Debt Equity Ratio	0.5	0.5	-
Operating Profit Margin (%)	22.0	20.0	10.0%
Net Profit Margin (%)	16.0	14.0	14.3%
Return on Net Worth (%)	27.0	26.0	3.8%

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

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

Detailed explanation of ratios :

(i) Debtors Turnover (Days)

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

(ii) Inventory Turnover (Days)

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

(iii) Interest Coverage Ratio

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

(iv) Current Ratio

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

(v) Debt Equity Ratio

The 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 liabilities by its Shareholder's equity.

(vi) Operating Profit Margin (%)

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

(vii) Net Profit Margin (%)

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

(viii) Return on Net Worth (%)

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

Business Performance

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

The Company provides products and solutions across various therapeutic areas such as Women's Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty (Pain Management, Insomnia, Nutritional supplements and Vitamins), Vaccines, Consumer Health, etc.

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

Women's Health : This portfolio was adversely impacted during the year due to key elective procedures such as In-Vitro Fertilisation (IVF) being postponed owing to the ongoing COVID-19 pandemic. Overall, there was a de-growth of 19.8% during the year. The key brand under Women's Health is Duphaston (miscarriage and IVF). The Company has robust plans in place to address generic competition to lead brand Duphaston, leveraging its high level of equity, credibility and trust with gynecologists and IVF specialists. The launch of a first-of-its-kind "Tender Love and Care" program to provide virtual counseling and curated lifestyle management support for couples undergoing pregnancy has provided a significant boost to our value proposition in this therapy. Regaining strong growth trajectory in Duphaston, shaping menopause therapy and expanding into new areas through launch of new products and indication expansions are the key priorities in this space. During the year, Parihep 60 (deep vein thrombosis) was launched.

Gastroenterology : The Gastro portfolio was a key growth driver for the Company with 7.9% growth during the year. This was mainly driven by growth of top brands Cremaffin Plus (constipation), Udiliv (cholestatic chronic liver disease) and Duphalac (constipation). Increased geographic presence, relevant line extensions and differentiated marketing contributed to the sustained growth. Focus on new launches has yielded substantial results with Digeraft (antacid) being one of best performing new products in recent years. Beyond-the-pills offerings have also seen significant scale up and we continue to invest in this area to connect and support our patients better. A robust new product introduction process through extensive market research has helped to further enhance the portfolio. Going forward, focus remains to launch new products and support our consumers with a comprehensive service offering. Besides Digeraft, we have launched 3 other new products viz. Colohep (fatty liver disease), Pankreoflat HD (indigestion), Rowasa 2 (ulcerative colitis).

Metabolics : This portfolio achieved a growth of 7.0% mainly driven by Thyronorm (hypothyroidism) which continues to maintain its leadership position*. We have increased our focus on enhancing our digital footprint in

all therapy shaping initiatives especially during COVID-19 period and look forward to scaling these up going forward. Consolidating presence in space of hormone management, we launched Cabernorm in January 2021 which is preferred widely to treat hyperprolactinemia. Combinorm continues to establish concept of usage of pre-probiotics in treatment of bacterial vaginosis.

Central Nervous System (CNS) : The CNS business achieved a growth of 10.0% which was higher than the market*, mainly driven by Vertin (vertigo). The other key brands in CNS are Prothiaden (pain & depression) and Inderal (migraine & hypertension). We have restructured our sales force to drive higher focus on the key brands and have seen positive results from that. Innovative new products, like the mouth dissolving Vertin MDS strip (first globally) (vertigo), Lacoza, a syrup formulation of Lacosamide (which is a new generation of anti-epileptic) and Brivetoim (anti-epileptic) were launched during the year. Growth of these new products will be a priority for the business going forward.

Multi-Specialty : Under Multi-Specialty, the Company offers products for insomnia, nutritional supplements and vitamins, Pre-term labor and pain management. This portfolio has shown a growth of 6.6% during the year despite the pandemic situation. Zolfresh (insomnia), Arachitol portfolio (Vitamin D deficiency), Brufen (analgesics) and Duvadilan (preterm labor) are the key contributors in the business. We pioneered a cross-functional initiative for process enhancement which helped us build a progressive business.

To expand portfolio, 3 new products with patient centric solutions, Arachitol Nano Daily 2K IU with innovative Acudose caps (Vitamin D deficiency), Doxstem 20 (antiemetic) and Digecaine (antacid) were launched.

Vaccines : The Vaccines portfolio showed strong double-digit growth of 42.3%, which was mainly driven by Influvac (prevention of influenza). Influvac is the key brand for the Company under this portfolio and leads its participated market. The Company has a licensing arrangement with Bharat Biotech India Limited to market vaccines in immunology segment. The key brands under this arrangement are Enteroshield (prevention of typhoid) and Rotasure (prevention of rotavirus gastroenteritis). The launch of a very critical adult immunization guideline for vaccine-preventable diseases by the Association of Physicians in India (API) will help us increase awareness and equip Healthcare Practitioners (HCP) with evidence-based information to guide vaccine recommendation and administration. We have also conducted a special vaccination drive for HCPs during the lockdown so that the frontline workers and their families could get their flu vaccines without supply constraints. Going forward, a key priority is to establish adult immunization segment in India through a dedicated adult vaccination task force.



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

We are looking to expand the portfolio beyond current set of vaccines and target segments. During the year, we launched Influvac Quadrivalent 0.5 ml vaccine (prevention of influenza) which will help us receive advocacy from doctors and launched JE Shield (prevention of Japanese encephalitis).

Consumer Health : During the year, this portfolio delivered growth of 15.9% despite pandemic challenges. Digene, flagship brand in antacids strengthened its positioning and was awarded the Economic Times “Best Brand Award” for 2020. We further expanded the portfolio with the launch of Digene Ultra fizz in May 2020, a differentiated innovation with 50% higher ANC (acid neutralizing capacity) than leading powder antacids. Cremaffin continued its efforts on consumerising the brand post its Cx switch. We increased awareness of our scientific positioning of gentle and effective relief through direct-to-consumer campaigns and new packaging launch along with increasing availability and visibility at pharmacists.

We extended our footprint in analgesics category with launch of Brufen Power Spray. With a category-first unique metered spray and double strength diclofenac formula it provides targeted and powerful pain relief.

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.

The Management has exercised due care, made reasonable judgements and estimates, inter alia, in determining carrying amounts of trade receivables, property, plant & equipment, inventories and other financial assets based on the information available to date, while preparing the financial results as of and for the year ended March 31, 2021.

The second wave of COVID-19 pandemic has been fast-moving and has had very serious and unprecedented effects across various parts of the country. Our unwavering focus remains to ensure the uninterrupted supply of our medicines to meet the needs of our customers.

The Company's plant at Goa is functioning at normal capacity with stringent social distancing norms keeping health and safety of employees at priority. Office based employees have been working remotely as per the State Government guidelines. There is no significant disruption in availability of raw materials, manufacturing, supply chain and distribution.

In view of the uncertainties regarding the extent and duration of the current COVID-19 situation, we are unable to predict the future impact on the business operations. The Company will continue to closely monitor the situation and take appropriate measures in an attempt to mitigate adverse impact.

MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

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

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

Capability building of healthcare professionals has remained a high strategic priority for the Company. During the year, more than 3,500 medical education programs were conducted towards achieving this objective. The Company also partnered with over 12 medical associations to drive capability building in various therapy areas. Furthermore, as a continued commitment towards knowledge dissemination, 100 workshops were conducted, training approximately 20,300 medical staff. Over and above these, over 4,000 patient awareness programs were conducted on multiple therapy areas across India.

OUTLOOK

As per IQVIA, the pandemic will continue to affect healthcare provision and pharmaceutical sales through 2021 due to emergence of new variants that can spread faster and also vaccination availability challenges. While economic growth is forecast to rebound in 2021, the after effect of the economic downturn during the pandemic will continue to impact patient spending on healthcare and drugs negatively through 2021. However, even in these challenging times we strive for market beating growth. We have adapted to newer ways of working and provided continuous support to our patients and doctors. The following are expected to be major drivers of growth :

- **Multi-channel doctor engagement :** A key focus of the Company is engaging with doctors through multiple physical and digital touchpoints. This is likely to increase the productivity of the field force enabling them to reach a larger base of doctors. We are also constantly revamping our knowledge platforms to be able to provide more relevant information to doctors.
- **Beyond-the-pill patient support :** Engaging patients directly for education, counselling or compliance support is crucial today due to their increased awareness. The Company has been at the forefront of patient support programs and has continued expansion of the same with new programs including a first-of-its-kind “Tender Love and

Care” program to provide virtual counseling and curated lifestyle management support for couples undergoing pregnancy. Our existing programs have shown success in ensuring therapy adoption and adherence and we plan to explore targeted partnerships with other industry players and start-ups to expand the same.

- **Pharmacy engagement :** The OTC vertical has played a key role in establishing deeper relationships with our pharmacists. Further, strengthening of our channel management capabilities and early partnerships with emerging players will be an important focus going ahead.
- **Therapy shaping :** We are prepared to accelerate growth of current brands and future launches with clearly defined strategies, developed through in-depth analyses of market trends along with our capabilities and strengths. Shaping of key therapies is critical to drive therapy leadership and ensure that we continue on our path of consistent market beating growth.

RISKS AND CONCERNS

The Pharmaceutical Industry in India is considered amongst the most critical and hence is strictly regulated by the Government. Increase in the list of drugs covered by the National List of Essential Medicines (NLEM), restrictions on trade margin mark-ups and amendments in pricing regulations will create price pressure on the industry. Growing awareness about cheaper alternatives to branded generics and Government efforts for their increased penetration could also impact volume growth. Uncertainty on implementation of Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) and any adverse regulation could cause a negative impact as well.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

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

The Internal audit plan is finalized based on current perception of internal control risk and compliance requirement in consultation with the operating divisions. The Internal

Auditors, as a part of their audits, review the design of key processes to assess the adequacy of controls 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 regularly.

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

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

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2021 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

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

- Re-appointment of Ms Anisha Motwani (DIN : 06943493), as Independent Director for a period of 5 (five) years effective April 25, 2021, not liable to retire by rotation;



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- Re-appointment of Mr Rajiv Sonalker (DIN : 07900178), as Whole-time Director for a period of 2 (two) years effective July 1, 2021, not liable to retire by rotation.

These re-appointments are subject to approval of the Shareholders at the ensuing Annual General Meeting.

During the year, the Board, basis the recommendation of the Nomination and Remuneration Committee, had appointed Ms Karen Peterson (DIN : 08865448) as Additional Director effective September 8, 2020. Ms Peterson resigned from the Board effective close of business hours on May 18, 2021.

In compliance with Section 152 of the Companies Act, 2013, Mr Kaiyomarz Marfatia (DIN : 03449627) and Mr Ambati Venu (DIN : 07614849) 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 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. All the Independent Directors have registered themselves in the Independent Director's Database as managed by the Indian Institute of Corporate Affairs.

Number of Board Meetings

Six Board Meetings were held during the year on April 27, 2020; June 8, 2020; August 7, 2020; November 11, 2020; February 9, 2021 and March 11, 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Rules framed thereunder read with the Secretarial Standards on Meetings of the Board of Directors.

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

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

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

- criteria and 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/policies.html>

As per the aforesaid Framework, Board and Board Committees evaluation is done by the Board through self-assessment and group discussions. Parameters for evaluation of the Board include 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.

Parameters for evaluation of the Committee include 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.

Evaluation of the Directors is done by the Board (excluding the Director whose evaluation is being done). Parameters for evaluation of the Directors include 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.

Independent Directors at their separate meeting evaluate the performance of the Board, Non-Independent Directors and the Chairman basis the feedback from Executive and Non-Executive Board Members.

During the year 2020-21, questionnaire along with feedback forms were circulated to the Directors for evaluation of the Board, Committees and Directors. The Board discussed the responses received from each of the Directors on the same. The Board also confirmed that the Independent Directors continue to fulfil criteria prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and remain independent from the Management. Independent Directors, at their separate meeting, reviewed performance of Non-Independent Directors, Board and the Chairman, considering the views of the other Executive and Non-Executive Directors.

KEY MANAGERIAL PERSONNEL

Mr Anil Joseph, 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, 2021.

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 detail in the Corporate Governance Report, forming part of this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the year ended March 31, 2021, 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, 2021 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 Companies Act, 2013 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 Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>

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



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The said policy was reviewed and updated at the Meeting of Board of Directors held on May 18, 2021 in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2020-21 were pre-approved by the Audit Committee. Prior approvals of the shareholders are in place for the Material Related Party transactions. Actual transactions were reviewed by the Audit Committee on a quarterly basis. The details of the same are provided in Note 41 to the Financial Statements.

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

During the year, the unpaid dividend and shares were transferred in line with the above, the details of which have been given in the Corporate 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/policies.html>. The said Policy has been updated to meet with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

CSR Programs/Activities undertaken during the financial year 2020-21

The Company spent an amount of ₹ 13.88 Crore on various CSR programs during the financial year 2020-21. The Annual Report of the CSR activities undertaken by the Company is annexed as "Annexure I" and forms part of this Report.

RISK MANAGEMENT FRAMEWORK

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

- **Aligning risk appetite and strategy**-The Company considers its risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- **Enhancing risk response decisions**-Risk Management provides the rigor to identify and select among alternative risk responses-risk avoidance, reduction, sharing and acceptance.
- **Reducing operational surprises and losses**-The Company strives to gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- **Identifying and managing multiple and cross-enterprise risks**-The Company faces a variety of risks affecting different parts of the organization, and risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- **Seizing opportunities**-By considering a full range of potential events, the Company is positioned to identify and proactively realise opportunities.
- **Improving deployment of capital**-Obtaining robust risk information allows management to effectively assess overall capital needs and enhance capital allocation.

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

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

STATUTORY AUDITORS

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

AUDITORS' REPORT

The Auditors' Report for the financial year 2020-21 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/comments by the Board.

COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are appointed as the Cost Auditors of the Company for the financial year 2020-21 at a remuneration of ₹ 0.08 Crores plus taxes as applicable and reimbursement of out-of-pocket expenses.

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

COST AUDIT REPORT

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

Cost Audit Report along with the Compliance Report for the financial year 2019-20, issued by M/s Kishore Bhatia & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs on August 24, 2020 (due date of filing was September 27, 2020).

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 2020-21.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary for the financial year ended March 31, 2021 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.

With regards to the same, the Company has obtained an Order from the Department of Pharmaceuticals for increase in the limits for Foreign Investment upto 80% subject to compounding by the Reserve Bank of India. The Company has filed the application for compounding with the Reserve Bank of India.

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 Auditors 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 Companies Act, 2013, details of which needs to be mentioned in this Report.

HUMAN RESOURCES

The key to the Company's agility and success is, of course, its highly dedicated people. The focus of the Company is on attracting, engaging and developing talented people who share its vision and values. Therefore, the Company offers innovative programs, benefits and resources that address the diverse needs of employees, rewards their efforts, helps them build their best careers at Abbott.

Talent Strategy and Development

The above objectives are fulfilled through five strategic pillars of the talent strategy :

- **Leadership Engine** : Have a robust talent pipeline for all critical positions by identifying and developing high performing talent and preparing them for successful transition to critical roles;
- **No. 1 Field Force** : Enhance quality, productivity and diversity in Field Force and retain strong performers;
- **Managerial Effectiveness** : Develop Managerial capability to support and accelerate team performance and drive higher employee engagement;
- **Best-in-class support functions** : Build and strengthen functional capabilities to effectively meet changing organizational needs;



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

- **Stronger Employee Value Proposition (EVP) :** Strengthen the EVP through various internal and external initiatives for Abbott employees, potential talent pool and other external stakeholders.

The Human Resources team is instrumental in driving hiring effectiveness and on-boarding with focus on increasing representation of talent, ensuring customized best in industry training and development programs for all levels of employees and having the right campaign and processes to build culture of individual leadership and high performance.

Capability building initiatives

The Company believes in providing career growth opportunities through upskilling interventions across all levels of employees. Several leadership development programs such as In-stride, Global Citizen Development Program, Emerging Leaders Program, New Leaders Program, etc., were conducted during the year. The Company focuses on intentional development through various interventions :

- **Emphasis on Individual Development Plan (IDPs) :** The focus is on having customized development plans for employees on current and future aspirational roles. This helps in strengthening the internal talent pipeline and increasing readiness for the next role. IDPs comprise of 70% of experiential learning, 20% of internal/external coaching and 10% of classroom learning.
- **Talent Management Review (TMR) :** Talent Management process is well embedded in our system and supports leadership, sales, marketing and support functions. It is a robust annual talent review to ensure that critical roles have high performing incumbents based on performance evidence and to identify key successors for these critical roles.
- **Accelerate :** This program is focused on building uniform functional competency-based development journey for the First Line Managers (FLM). The key objective is to build best-in-class front line managers across business by contextualizing FLM competencies and identification of success profile behaviors.
- **Abbott Learning Academy :** Abbott Learning Academy comprises of calendarized programs for employees across levels and functions. Employees have access to e-learning and virtual learning platforms to upskill themselves on a real-time basis. All the employees have access to the platforms like Career Connect and global training sites which offer personalized tools and resources to help them manage their careers and create a high-impact development plan. The experience involves access to online learning resources on LinkedIn learning/Skillsoft/Mindtools,

on-the-job development and building global connections through exploring role profiles and connecting with role advisors.

Diversity and Inclusion (D&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.

There are various interventions for D&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 was launched to strengthen the 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 female 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 :** This program is dedicated for Hi-Po women employees, 150 women employees have been mentored so far and of these 40% women employees have had role rotation, promotions and transfers.
- **Empower :** As a part of this initiative, women employees receive curated content that include theme specific webinars, videos, articles and podcasts to sharpen and enhance skills.

- **Special Field Allowances for Women Employees :** The Field allowance was introduced to strengthen the measures focused on the health and safety of women field colleagues.

Employee Recognition :

Abbott India Limited Excellence Club was launched in 2021 to recognize the employees across levels under different categories basis their high performance, individual leadership and demonstration of the Company's behaviors and values. There are recognitions ranging from the best leaders, projects, business units, and brands.

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. In 2020-21, all employees completed the mandatory online training program on POSH. This training also forms part of the new Employee Orientation program.

During the year, 2 complaints were received by the Company/ ICC under the aforesaid Act and the same were appropriately closed.

HEALTH, SAFETY AND ENVIRONMENT**Health and Safety :**

At Abbott, employees' health and safety are the utmost priority and hence during the COVID-19 pandemic, the Company took key steps to protect and safeguard employees. Crisis Management Team formed on day 1 of the COVID-19 outbreak, regularly keeps assessing the situation and takes timely steps to provide all support to employees. Work from home transition for the PAN-India sales workforce and head office employees was announced on an immediate basis upon the lockdown being effective.

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 is committed to keeping employees safe by preventing dangerous incidents in and around the workplace. The Company strives to maintain the highest standards of Environment, Health and Safety (EHS) practices.

The training is provided to EHS employees on applicable EHS regulations and internal technical standards through both internal and external trainings and conferences. Monthly webinars are arranged by the subject matter experts to promote EHS awareness and share best practices across the Company.

In 2020 we moved to virtual training of employees, as per COVID-19 safety guidelines. Virtual training on hazardous waste disposal by GSPCB, effective measures on handling COVID-19 crisis at site by Green Triangle Society in which site representative participated. Site trainings were also conducted on topics like Slip, Trip Fall, Machine Guarding, Material Handling and emergency preparedness.

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

Safety committee was reconstituted at site for the years 2021 and 2022 effective January to comply with State government regulation. Occupational Safety & Health Audit was conducted at site by competent person notified by Inspectorate of Factories & Boilers. Action based on audit recommendations were submitted to the concerned Inspector.

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

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

- The Plant successfully participated in Occupational Health & Safety audit carried out at site by competent person as required under Goa Factories Rules, 1985. There were no critical/major findings in the audit report.
- 418 employees (including contractual employees) completed the Global EHS induction training module, and 30 employees attended Slip, Trip & Fall under STOP for Safety program.
- 544 Behavior Based Safety (BBS) programs observations were reported against a goal of 407 (134% of goal).
- Efficiently implemented COVID-19 safety guidelines and norms at site and resolved issues to ensure business continuity.

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



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

During the year, the Goa Plant received internal EHS excellence award from global divisional team for upgradation of fire-fighting facility at site with no business interruption.

Road Safety :

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

- 100% of the sales employees completed the online defensive driving refresher training module;
- About 2,400 sales employees attended a Virtual Refresher training on Defensive Riding skills and behaviors and Covid-19 Safety guidelines and behaviors;
- Developed BTB 2.0, a program for new employees that involves virtual training on defensive riding skills and behaviors as well as risk-assessment of their driving behaviors. The first program was rolled out in the month of March 2021.

To further enhance employee engagement on road safety and defensive riding, a series of initiatives like Quiz competition, Gamification-led engagement, family and community outreach programs are planned.

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 water conservation and emission reduction projects.

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

Over the period of last five years, the plant has achieved more than 20% absolute water reduction in usage. The rainwater harvesting project continues to save water by reducing the intake of purchased water. Total rainwater harvested and consumed during the financial year 2020-21 was 1,055 KL.

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 below the limits set by the State Pollution Control Board. There is also a vermi-composting unit in place to convert canteen waste into organic manure, which is used in the lawns and in the plantation inside the factory premises.

The plant retains its Zero Waste to Landfill (ZWL) certification. In financial year 2020-21, 64% of the waste was sent for recycling, 34% for co-processing and 2% for composting. The plant continued sending hazardous waste for co-processing, which has also helped reduce considerably the usage of plastic for packaging of such hazardous waste. The Company ensures that energy from the waste is recovered, thus contributing to the reduction of CO2 emission and global warming. 33% of plant waste was incinerated with energy recovery.

During the year, World Environment Day was celebrated with distribution of vegetable seeds to all plant employees. Tree plantation was carried out by site leadership team.

Plastic Waste Management :

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Central Pollution Control Board. During the year, the Company has collected approximately 1,383 MT of post-consumer waste through Extended Producer Responsibility (EPR) partners. This waste is recycled or disposed of in a scientific way. The Company is also working towards several upstream eco-initiatives that will help in plastic waste minimization, which is fundamental to the concept of EPR.

A project was undertaken at the Goa plant in January 2021, to change the packaging for disposal of off-specification product. This has resulted in change in the mode of packaging of off-specification product from 50 liters High Density Polyethylene (HDPE) drum to Low Density Polyethylene (LDPE) polybags. Around 1,306 HDPE drums were changed to LDPE which has resulted in reduction of 3,657 kg weight of hazardous waste. The empty drums which are saved in this process are then in turn sold to authorized recycler contributing to revenue generated from scrap sales at plant.

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

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

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 has been placed on the website of the Company at <https://www.abbott.co.in/investor-relations/financials.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 Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure IV" and forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing Particulars of Employees, which is available for inspection by the Members up to the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at investorrelations.india@abbott.com

CORPORATE GOVERNANCE REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

Mumbai
May 18, 2021

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 the 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.

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

Anil Joseph
Managing Director
DIN : 08753233

Sudarshan Jain
Director
DIN : 00927487

**ANNEXURE I****Annual Report on CSR Activities for the Financial Year 2020-21**

[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 building awareness and improving diagnosis. With relentless focus and efforts, we strive to improve healthcare and drive awareness building and diagnosis improvement through education and diagnostic camps, addressing the need for better healthcare, diagnostic and sanitation facilities. Through CSR, we work continuously towards health education, reaching out to the public at large through various channels. These initiatives are part of our continued focus and unflinching dedication to reaching out to the 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. At the same time, we 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 :

- Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community.
- Charitable donations and educational grants for serving the underserved sections of society.
- Reaching out to Government to advance sound public policy and expand patient access to healthcare.
- Disease awareness projects/activities that support 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.
- Environment protection measures.
- Such other projects that fall within the purview of the activities included in Schedule VII of the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

2. Composition of the CSR Committee :

Name of 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
Mr Munir Shaikh	Chairman	3	3
Mr Anil Joseph*	Member	3	2
Mr Rajiv Sonalker	Member	3	3
Ms Shalini Kamath*	Member	3	2
Ms Anisha Motwani	Member	3	3
Mr Ambati Venu#	Member	3	1

*appointed as Member effective August 8, 2020.
#ceased to be Member effective August 8, 2020.

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.html>

CSR Policy at <https://dam.abbott.com/en-ind/pdf/other-info/corporate-social-responsibility/Corporate-Social-Responsibility-Policy.pdf>

CSR Projects at <https://dam.abbott.com/en-ind/pdf/other-info/corporate-social-responsibility/csr-projects-approved-by-the-board-for-the-financial-year-2021-22.pdf>

- 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 (attach the report) : **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) : **₹ 691.65 Crore**
- (a) Two percent of average net profit of the company as per section 135(5) : **₹ 13.83 Crore**
(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) : **₹ 13.83 Crore**
- (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)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
₹ 13.88 Crore					NA



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

(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)	Malaria Elimination Program with Malaria No More	Building Access to Quality & 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	(in ₹ Crore)
						Total
Item from the list of activities in Schedule VII to the Act	(i)	(i)	(i)	(i) and (ii)	(i)	-
Local area (Yes/No)	No	No	Yes	Yes	No	-
Location of the project						
State	Gujarat	Odisha	Maharashtra, Goa, Himachal Pradesh, Chhattisgarh	Maharashtra	PAN India	-
District	Mehsana, Ahmedabad	Statewide	Kolhapur, South Goa, Solan, Raigarh	Mumbai	PAN India	-
Project Duration	Nov 11, 2019-Oct 31, 2020	Jun 4, 2019-Dec 31, 2020	Mar 15, 2021-Sept 15, 2022	Mar 15, 2021-Mar 30, 2022	Apr 1, 2019-Mar 31, 2021	-
Amount allocated for the Project (in ₹ Crore)	4.77	0.46	4.72	0.84	2.42	13.21
Amount spent in the current FY (in ₹ Crore)	4.77	0.46	4.72	0.84	2.42	13.21
Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (in ₹)	-	-	-	-	-	-
Mode of Implementation Direct (Yes/No)	Yes	Yes	No	No	Yes	-
Mode of Implementation-Through Implementing Agency						
1. Name	-	-	AmeriCares India Foundation	Smile Foundation	-	-
2. CSR Registration Number	-	-	CSR00000791	CSR00001634	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year : **NA**(d) Amount spent in Administrative Overheads : ₹ **0.67 Crore**(e) Amount spent on Impact Assessment, if applicable : **NA**(f) Total amount spent for the financial year (8b+8c+8d+8e) : ₹ **13.88 Crore**(g) Excess amount for set off, if any : ₹ **0.05 Crore**

Particular	Amount (in ₹ Crore)
Two percent of average net profit of the company as per section 135(5)	13.83
Total amount spent for the financial year	13.88
Excess amount spent for the financial year [(ii)-(i)]	0.05
Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

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) : **NA**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**

Munir Shaikh
Chairman, CSR Committee
DIN : 00096273

Anil Joseph
Member, CSR Committee
DIN : 08753233

**ANNEXURE II****Secretarial Audit Report for the financial year ended March 31, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Abbott India Limited

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

Based on my verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, 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, 2021 according to the provisions of :

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

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

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

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

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

The name of the Company appears in the breach list displayed on the website of the Depositories and BSE Limited for having foreign investments in excess of sectoral cap.

With regards to the same, the Company has stated that it has obtained an Order from the Department of Pharmaceuticals for increase in the limits for Foreign Investment upto 80% subject to compounding by the Reserve Bank of India. The Company is in process of compounding of the same.

I further report that :

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

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

I further report that :

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

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

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

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

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

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

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

Neena Bhatia

Place : Mumbai

Practicing Company Secretary

Date : May 18, 2021

Membership No. FCS 9492

UDIN : F009492C000337919

Certificate of Practice No. 2661

Annexure to the Secretarial Audit Report of Abbott India Limited for the financial year ended March 31, 2021

To,
The Members
Abbott India Limited

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

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

Neena Bhatia

Place : Mumbai

Practicing Company Secretary

Date : May 18, 2021

Membership No. FCS 9492

UDIN : F009492C000337919

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

i. Energy conservation measures :

Sleep Mode activation for Air Handling Units (AHUs) for warehouse and other areas :

- AHUs installed in warehouse and finished goods are put on sleep mode during non-working hours by running on the slow speed with help of Variable Frequency Drives (VFDs) resulting in energy saving of 92,306 KWH during the year 2020-21.

Optimization of Air Compressor :

- Compressed air is required to run process and equipment at plant. The air compressor used to generate compressor air smartly operated through VFD only when it is required i.e. when pressure drops in system. This avoids unnecessary running of air compressor thus leading to energy saving of 2,769 KWH.

ii. Water conservation measures :

Over the period of the last five years, the plant has achieved more than 20% absolute water reduction in usage :

- The rainwater harvesting continues to save water by reducing the intake of purchased water. Total rainwater harvested and consumed during financial year 2020-21 was 1,055 KL.
- Water recovered from de-mineralized water plant process is used in utilities for cooling tower resulting in total savings of 1,957 KL water annually.

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 :

Innovation in Brufen Coating formula led to following benefits :

- 50% increase in coating Installed capacity in 2 shifts from 675 mio tabs to 1,012 mio tabs. Increase in installed capacity will help site to produce all Brufen SKU's in-house as well as scope for internalization of new coated product.
- 75% reduction (from 16 hours to 4 hours) in coating solution preparation time with user friendly method.
- 20% reduction in machine hours (from 12 hours to 8 hours) and 11% reduction in labor hours (from 36 hours to 32 hours).
- Overall headcount reduction by 4 for total Brufen volumes in 2021.
- Standard Yield improved from 98% in 2020 to 98.3% in 2021 resulting in favorability of ₹ 1.14 Crores.

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

- Reduced time for line clearance and externalized dispensed material check activity.
- Increased average run speed of neck filling machine by 10% by improving on breakdowns and stoppages.
- Externalisation of sleeving activity with third party vendors.
- Standardisation of bottle necks for 45ml, 60 ml and 100 ml.

- Single Minute Exchange of Dia (SMED) to reduce Changeover time.
- Introducing Poka Yoke on line and automation.
- Reduced minor stoppages of other line equipment.
- Modification of line parts in order to prevent chronic minor stoppages.

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

- Enhancement in liquid installed capacity from 9,745 KL to 12,700 KL (30%) without any capex.
- Reduction in conversion cost in liquid by 10% (Actual 2019 v/s 2020) resulting in reduction of cost per unit.
- Over 54% volume growth in liquid which is the highest ever since inception of plant. (44.4 million bottles).

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**

Mumbai
May 18, 2021

iii. Expenditure on Research & Development

Particulars	₹ in Crore
Capital	0.24
Recurring	0.84
Total	1.08
Total R&D expenditure as a Percentage of total turnover	0.02%

C. Foreign Exchange Earnings and Outgo

Particulars	₹ in Crore
A. Total Foreign Exchange used	
a. On import of raw materials, stock-in-trade, consumable stores and capital goods	530.55
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	8.31
Total	538.86
B. Total Foreign Exchange earned	
a. Exports of goods	29.53
b. Service income	5.34
c. Recovery of expenses	0.47
Total	35.34

For and on behalf of the Board

Anil Joseph
Managing Director
DIN : 08753233

Sudarshan Jain
Director
DIN : 00927487

**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 :

- 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 2020-21 :

Name of the Director/KMP	% Increase in the remuneration (a)	Ratio of remuneration of each Director/to median remuneration of employees (b)
Mr Munir Shaikh* (Non-Executive Chairman)	-	1.7
Mr Sudarshan Jain* (Independent Director)	-	1.7
Ms Anisha Motwani* (Independent Director)	-	2.0
Ms Shalini Kamath* (Independent Director)	-	1.8
Mr Anil Joseph# (Managing Director)	NA	60.3
Mr Rajiv Sonalker (CFO and Whole-time Director)	17.1%	46.0
Ms Krupa Anandpara (Company Secretary)	7.9%	NA

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

#appointed as Managing Director effective July 1, 2020.

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

6.9%

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

3,585

- 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 :

8.9%

- 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

Anil Joseph
Managing Director
DIN : 08753233

Sudarshan Jain
Director
DIN : 00927487

Mumbai
May 18, 2021

Business Responsibility Report

At Abbott, our approach to sustainability starts with the people we serve and our purpose to help people live better and healthier. 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 the people we serve. We promote and preserve healthy living environment by minimizing the environmental footprint of our operations. We work closely with our suppliers to apply the highest standards of environmental and social responsibility throughout our supply chain, including protection of the human rights. 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 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	www.abbott.co.in
E-mail id	investorrelations.india@abbott.com
Financial Year	2020-21
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)	Thyronorm Duphaston Udiliv
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	₹ 4,249.11 Crore
Total Profit After Tax	₹ 690.69 Crore
Total Spending on Corporate Social Responsibility (CSR)	
a) Amount	₹ 13.88 Crore
b) As a percentage of average Profit After Tax of previous three financial years	2.4%
List of activities in which expenditure in 4 above has been incurred	a. Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA) b. Malaria Elimination Program with Malaria No More c. Building Access to Quality & Affordable Healthcare Infrastructure and Services with AmeriCares d. Promoting STEM Education and Healthy Living Among Children-with Smile Foundation e. Improving Access to Healthcare through Health Clinics



Business Responsibility Report (Contd.)

SECTION C : OTHER DETAILS

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

SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

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

Mr Anil Joseph, Managing Director

(b) Details of BR Head :

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

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

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

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

a. Details of Compliance (Y/N)

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

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

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not understood the principles	NA	NA	NA	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



Business Responsibility Report (Contd.)

3. Governance related to Business Responsibility (BR)

Information with reference to BRR 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 https://www.abbott.co.in/investor-relations/financials.html

SECTION E : PRINCIPLE-WISE INFORMATION

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

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

Abbott exists to enable people to live fuller, healthier lives. We strive to make an impact on 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 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 committees monitor compliance, provide training, and ensure 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 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.

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 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 15 stakeholder complaints during financial year 2020-21. Of these, 6 complaints were investigated in accordance with the Internal Investigations Policy and Compliance Program and appropriately resolved; 9 complaints were pending investigation as on March 31, 2021.

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 the quality, safety, and sustainability is implemented through entire process right from sourcing of raw materials to creating the high quality very efficient products to delivering them to the markets in a timely manner.

We use the Abbott Global Quality System as a foundation for each of our business units, incorporating effective quality management practices into every aspect of our daily work and complying with all applicable regulations and standards. Additionally, the Company continuously strives to innovate so that its customers can benefit from the latest advancements

in science. Our quality management system embeds the guiding principle of continuous improvement in all areas of quality and safety.

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

Protecting the authenticity of our products is another important part of earning people's trust. We proactively take action to ensure that counterfeit, illegally diverted and stolen Company products are kept out of the marketplace. We provide healthcare professionals and institutions the information they need in order to use Company products safely and effectively. We have established a procedure for product actions and recalls, which require completion of a health hazard assessment, medical assessment and a corrective and preventive action plan.

The Company recognizes our extended responsibility for the impact of our products on human health and the environment, which includes how we procure materials and services to produce them and their impact after we distribute them. 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 our treatment of waste that Abbott produces.
- Reducing the life-cycle impacts of our products and their packaging.

Engaging and partnering with our suppliers also plays 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 also work closely with our suppliers in a variety of strategic sourcing areas to ensure that we appropriately identify and mitigate the impacts associated with the production and consumption of our products and packaging.

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

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

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



Business Responsibility Report (Contd.)

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

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

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

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

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

Inspite increase in production volumes by 37% for liquid formulation and 8.5% in tablets, the water consumption and CO2 emission is kept at same level.

The table below shows our achievement viz a viz the target in water consumption, CO2 emissions and waste generated during the year 2020-21 at the plant.

KPI	Target	Achieved	Result against the target
Water (Kilo Liter)	40,239	36,049	4,190 KL less water used.
Waste (Metric Ton)	297	266	31 MT less waste generated.
CO2 (Metric Ton)	4,449	4,175	274 MT less CO2 emission.

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

Yes, the Company has been working on increasing the sourcing of local packaging materials, thereby reducing the need for transportation and the resultant vehicular

emissions. For example, the bottles for liquid products are now pre-sleeved and procured locally from a vendor close to the plant. We are increasingly localising the supply chain through the alternative vendor development process.

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

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

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

The Goa plant retains its certification of Zero Waste to Landfill (ZWL). In 2020-21, 64% of the total waste was sent for recycling and for beneficial use, 2% was composted on site, 34% was co-processed. We ensure that energy from the waste is recovered, thus contributing to the reduction of CO2 emission and global warming. 33% of plant waste was incinerated with energy recovery.

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

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

Abbott is recognized for being a great place to work. Many factors influence that, including our commitment to diversity and inclusion of all forms. We are a caring company, and our employees count on us for support. Our employees work hard every day to make a difference, and we take pride in helping them reach their potential.

We take a collaborative approach, listening to our employees to understand their needs and connect with them to build a working environment that meets those needs. One of our key

priorities is to enable our employees in such a way that working at the Company gives them the opportunity to become the best people they can be, to receive competitive compensation and benefits for their work, and to feel part of a community, doing meaningful work side by side with committed colleagues.

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

- Promotes diversity and inclusion
- Offers extensive professional development, mentoring and training 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 Company believes in motivating and engaging our employees through shared goals, capability building initiatives, career growth opportunities and an environment of transparency, accountability and positive reinforcement.

Compensation and Benefits

Our compensation policy has a vital role to play in attracting the best and brightest minds to work at Abbott and in building an environment of equal opportunity for all.

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

Listening to Employees

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

To help us focus on the right levers and to listen to our employees, the organization had rolled out an anonymous Employee Survey called as “Your Voice Counts” in order to

seek feedback and experience on identified factors. This helped us to identify areas that our employees think are important and need improvement. This survey is rolled out to sample set of employees on a quarterly basis to drive continuous improvement.

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

Health and Safety

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

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

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

Wellbeing

We strive to operate a workplace that is not only safe and healthy but also fosters well-being and ensures that all employees feel engaged. Abbott aims to make it easy for employees to live a healthy lifestyle and achieve optimal health, thus we focus on all Wellness across the four core areas of :

- **Physical Wellness :** Health check-ups, on-site doctor, vaccination drives and exercise challenges are programs that are provided for employees to focus on the physical health. We have an Annual Team challenge called as Exercise Across Abbott encouraging employees to form teams and publish daily exercise done. This program saw an increase of 183% in participation in 2020. Coupled with this program, virtual sessions on Zumba, Yoga, Functional Training, Tabata, Kickboxing to encourage physical fitness and wellness amongst employees and their families even while they were at home, the program was a great success in 2020 for Abbott in India.
- **Emotional Wellness :** Wellness of the mind is as significant and essential as our overall wellness. Abbott aims to support its employees on this journey by offering avenues where employees can learn from and leverage the knowledge of experts through a host of programs addressing various aspects of emotional well-being. Program targeted at building mental wellness and resilience, was launched as part of the India Wellness Program in 2020.



Business Responsibility Report (Contd.)

The BreakTheStigma campaign around Mental Wellbeing 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.

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

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

1. Please indicate the total number of employees?

3,585

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

During the year 6 Contractual employees were hired. As on March 31, 2021, 640 employees were contractual employees.

3. Please indicate the number of permanent women employees?

189

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

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

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

Yes

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

6%

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

2 complaints were received during the financial year under the Prevention of Sexual Harassment Act and were 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 solutions to social challenges facing them that are both sustainable and scalable.

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

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

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

Yes

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

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

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

The Company has implemented several initiatives to engage disadvantaged, vulnerable, and marginalized stakeholders. Through our continued engagement with Malaria No More, we have been working on a Malaria Elimination Program, in the State of Odisha, which is aligned with the Prime Minister's goal of Malaria-free India by the year 2030. With one million Rapid Diagnostic Tests (RDTs), technical expertise, and a cash grant, the Company has helped strengthen Odisha's malaria detection and surveillance system by effective data collection and monitoring methods. This model has proven its efficacy with over 90% reduction in cases over the years of

our engagement. Through a multi-sectoral Malaria Action Coalition, we are now working at advancing this model to other Malaria-affected states in the country.

The Company has been supporting Self-Employed Women's Association (SEWA)-the world's largest and oldest trade union of women working in the informal sector, in developing a community-based healthcare program that involves two clinics in Ahmedabad and Mehsana districts of Gujarat, bringing quality and affordable primary, acute and Non-Communicable Diseases (NCDs) care to low income populations. The program also drives a proactive community outreach through Master Health Trainers, who help build community awareness around the program and NCDs, and facilitate access to screening and consultation.

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

The Company works relentlessly towards strengthening health education and improving access to screening for NCDs. 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 which also apply to suppliers. We contribute to the fulfilment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. We take steps to prohibit the illegal and inappropriate labor conditions and cruel 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 labor laws;
- Promoting workforce diversity : not discriminating against any employee for reasons such as race, religion, color, age, gender, ethnicity, disability, marital status and sexual orientation, in addition to any other status protected by local law;
- Not tolerating harassment or harsh or inhumane treatment in the workplace;
- Protecting individual privacy;

- Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime and mandated benefits;

- Encouraging open communication between the management and employees.

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

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

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

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

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

During the year, two complaints were received under the Prevention of Sexual Harassment Act and the same were appropriately disposed off.

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

Abbott is committed to safeguarding a healthy environment by reducing the environmental impacts 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.

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



Business Responsibility Report (Contd.)

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

As a commitment under the Plastic Waste Management Rules, we have collected approximately 1,383 MT of post-consumer waste through our partners under extended producer responsibility. This waste is recycled or disposed of in a scientific way.

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

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

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

Yes. We're 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. And we'll reduce the environmental impact of our product packaging and minimize waste in our operations through reuse and recycling programs across our company.

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

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

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

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

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

The energy efficiency initiatives include optimization of air compressor efficiency for energy saving which has resulted in energy saving of 2,769 KWH, installation of sleep mode Air handling units in warehouse for storage of finished goods and other areas which has resulted in saving of 92,306 KWH during the year 2020-21.

During the year, there was an innovation in Brufen Coating formula which led to 50% increase in coating Installed capacity in 2 shifts from 675 mio tabs to 1,012 mio tabs without any capex. Increase in installed capacity will help site to produce all Brufen SKU's in-house as well as scope for internalization of new coated product. This will lead to saving of man hours and yield improvement.

Various pioneering and innovative changes were initiated during the year in liquid manufacturing process which led to enhancement in liquid installed capacity from 9,745 KL to 12,700 KL (30%) without any capex, reduction in conversion cost in liquid by 10% (Actual 2019 v/s 2020) resulting in reduction of cost per unit and over 54% volume growth in liquid which is the highest ever since inception of plant. (44.4 million bottles).

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

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

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

There are no show cause/legal notices received from CPCB/SPCB which are pending as on 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 towards the stable policy decisions which are beneficial for the patients and the pharmaceuticals sector.

The Company is member of industry bodies and engages with these associations regularly. The company submits inputs/suggestions to the policy makers through the trade associations on policies issued by the policy makers/regulators pertaining to the pharmaceutical sector.

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

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

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

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

Principle 8 : Businesses should support inclusive growth and equitable development

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

We focus our philanthropic investments in areas where we can :

- contribute with our business and our core capabilities
- leverage our employees' time and skills, and
- bring on partners that can help us build sustainable and scalable solutions 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 different focus areas for our philanthropic programs. In each of these areas, we partner with organizations that have the skills, knowledge, and resources to complement our efforts. We are committed to measuring the impact of our programs so that we can drive change sustainably and demonstrate 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 on improving access to quality and affordable healthcare among low income populations by creating resilient systems and processes for prevention, diagnosis and treatment of Non-Communicable Diseases (NCDs). This program not only helps meet the health needs of low-income populations, but also creates employment and entrepreneurship opportunities for SEWA members. Through two community-based clinics and tele-medicine services, we are helping build access to quality and affordable primary, acute and NCD care services across 12 districts in Gujarat. These clinics and tele-medicine services are supported by a proactive community outreach led by Health Master Trainers 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 1.9 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.

Malaria Elimination Program with Malaria No More

With a population of nearly 42 Million people, Odisha accounted for about 40% of India's malaria burden and one-third of South-east Asia's malaria burden in 2016.



Business Responsibility Report (Contd.)

In support of India's 2015 commitment to be malaria-free by 2030, the government of Odisha had prioritized malaria control and elimination. The Company has supported the partnership between the government of Odisha and Malaria No More by providing technology, expertise, and funding support to advance efforts to end malaria in the state.

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

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

In partnership with AmeriCares, we are upgrading 16 Primary Healthcare Centers to Health & Wellness Centers across 4 states in India. 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 communities. We are also working with communities around these Centers to help them better understand their health, educate them on healthcare services available through upgraded facilities, and through Community Healthcare Workers provide the assistance they'd need in accessing services and managing their health effectively.

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

Promoting STEM Education and Healthy Living Among Children-with Smile Foundation

In partnership with Smile Foundation, we are working with over 1,500 children across 4 schools in and around Mumbai who come from socially disadvantaged 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 also working at improving their knowledge and understanding of non-communicable diseases to promote healthy choices and prevention.

Our goal with this program is to empower the children with skills they need to be future-ready and have the health to enjoy 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 epilepsy and liver diseases.

COVID-19 Relief

Our COVID-19 relief work has been focused on supporting the efforts of our citizenship partners such as SEWA, global NGOs such as CARE and AmeriCares, and hospitals that have been leading the COVID-19 response in Mumbai and Delhi.

We worked with SEWA to educate its 1.9 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 cash grants to CARE and AmeriCares, we supported frontline healthcare workers across 7 leading hospitals in Mumbai and Delhi. Our nutrition team supplemented this effort by providing Ensure® to 4 Mumbai-based hospitals, and PediaSure® to Cuddles Foundation to help under-privileged children battling cancer. We supported the All India Institute of Medical Sciences, New Delhi, with Abbott ARCHITECT SARS CoV-2 IgG tests for conducting sero-surveillance among healthcare workers. We also provided government organizations on frontline duty with Vitamin C and Vitamin D3 from our pharmaceutical portfolio.

2. Are the programs/projects undertaken through in-house 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
Malaria Elimination Program with Malaria No More	Direct Implementation
Building Access to Quality & 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 the three programs are currently running, we are conducting reviews to ensure meeting of timely milestones. Impact assessments will be conducted at the end of the programs.

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

Community Development Projects	Contribution (₹ in Crore)
Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)	4.77
Malaria Elimination Program with Malaria No More	0.46
Building Access to Quality & Affordable Healthcare Infrastructure and Services with AmeriCares	4.72
Promoting STEM Education and Healthy Living Among Children-with Smile Foundation	0.84
Improving Access to Healthcare through Health Clinics	2.42

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

For all the above projects, we have aimed at 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 adopt our initiatives but also embrace the benefits that they experience as a result and expand the programs.

List of activities in which expenditure in CSR has been incurred :	- Quality and Affordable Healthcare Delivery Program with Self-Employed Women's Association (SEWA)
	- Malaria Elimination Program with Malaria No More
	- Building Access to Quality & 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

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

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

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

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

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

375 complaints (medical + non-medical) were received by the Company and responded to as per Company policies/procedures until March 31, 2021.

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

For and on behalf of the Board

Mumbai May 18, 2021

Anil Joseph
Managing Director
DIN : 08753233

Sudarshan Jain
Director
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. 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.

We have a Code of Conduct with the underlying belief of conducting business in a principled manner. It lays down our 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. Our policies also consider industry best practices, including provisions of global and local codes for pharmaceuticals. The Company's Board and leadership teams fully abide by and support the Code and the 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 members and other beneficiaries for their actions.

BOARD OF DIRECTORS

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

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 on the basis of 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.

The Company notifies the BSE Limited regarding all appointments/re-appointments/cessations of Directors as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the SEBI Listing Regulations").

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 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 2020-21	Attendance at		Number of Directorships in other companies ¹	Number of Committee positions held in other companies ²
				Board Meetings held in 2020-21	Annual General Meeting (September 7, 2020)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	NIL	6	6	No	2	NIL
Mr Anil Joseph (appointed as Managing Director effective July 1, 2020)	Managing Director	NIL	6	4	Yes	NIL	NIL
Ms Anisha Motwani	Non-Executive, Independent Director	NIL	6	6	Yes	7	6
Mr Sudarshan Jain	Non-Executive, Independent Director	250 (along with relatives)	6	6	Yes	1	NIL
Ms Shalini Kamath	Non-Executive, Independent Director	NIL	6	6	Yes	3	1
Mr Ambati Venu	Non-Executive Director	NIL	6	6	Yes	NIL	NIL
Mr Kaiyomarz Marfatia	Non-Executive Director	NIL	6	6	Yes	NIL	NIL
Mr Rajiv Sonalker Whole-time Director	Executive Director	NIL	6	6	Yes	NIL	NIL
Ms Karen Peterson (appointed as Additional Director effective September 8, 2020 and resigned effective May 18, 2021)	Non-Executive Director	NIL	6	1	NA	NIL	NIL
Mr Mark Murphy II (resigned effective June 30, 2020)	Non-Executive Director	NIL	6	1	NA	NA	NA

1. Includes directorships in private and foreign companies and alternate directorship. However, it does not include directorships in companies registered under Section 8 of the Act.
2. Includes Memberships of Audit Committee and Stakeholders Relationship Committee.

Board Meetings held during the year

During the year under review, 6 Board Meetings were held on the following dates :

April 27, 2020; June 8, 2020; August 7, 2020; November 11, 2020; February 9, 2021 and March 11, 2021. All Board Meetings were held via video-conferencing. The average attendance at the Meetings of Board of Directors was 88.3%.



Report on Corporate Governance (Contd.)

BOARD SKILL/COMPETENCIES/EXPERTISE

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

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Munir Shaikh Chairman	<p>Mr Shaikh has held several management and leadership positions in different geographies across various businesses. He possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair. He has an extensive leadership and industry experience including a deep knowledge and understanding of the Company's business operations, strategies and the business environment in which the Company operates.</p> <p>He holds expertise in the areas of General Management, Finance, Marketing and Business Development.</p> <p>He is a fellow of the Institute of Chartered Accountant in England and Wales.</p> <p>He is a Director in Abbott Laboratories (Pakistan) Limited and Sunshine Holdings PLC, Sri Lanka.</p>
Mr Anil Joseph Managing Director (effective July 1, 2020)	<p>Mr Joseph has diversified experience mainly in driving revenue and income growth; business turnaround and managing emerging markets. He has exposure in Sales & Marketing and General Management. Besides, having managed both Developed and Emerging Markets, he holds exposure in different countries and market types.</p> <p>He holds expertise in Sales & Marketing and Strategy Development in managing growth and sustaining success.</p> <p>He holds Master's in Business Administration (dual specialization-Marketing & Human Resources) from Symbiosis Institute of Business Management, Pune and Bachelor of Science (Mathematics) from C.M.S College, MG University, Kerala.</p>
Ms Anisha Motwani	<p>Ms Motwani is a Brand and Innovation expert with varied experience in marketing across diverse industries. As a marketer and creator of multiple consumer-oriented strategies, she takes a very strong interest in the topic of the Indian consumer-buying behavior, connect points, impact of the digital revolution, new segments and sub-segments etc. She has been in forefront of behavior change projects such as Swachh Bharat and Clean Ganga mission. She is an active contributor to various corporate and industry boards/association.</p> <p>She has immense knowledge and expertise on digital marketing and brand building, corporate communications, consumer research & analytics and creative excellence.</p> <p>She holds Master's in Business Administration from University of Rajasthan and Bachelor of Science from Sophia College.</p> <p>She is an Independent Director on the Boards of Welspun India Limited; Prataap Snacks Limited; Somany Home Innovation Limited and Angel Broking Limited and a Director on the Boards of L&T Investment Management Limited; Star Health and Allied Insurance Company Limited; and Dvara Kshetriya Gramin Financial Services Private Limited.</p> <p>She is a Member of Audit Committee in Prataap Snacks Limited, Somany Home Innovation Limited, Welspun India Limited and Star Health and Allied Insurance Company Limited and Member of Stakeholders Relationship Committee in Prataap Snacks Limited and Angel Broking Limited.</p>

Name	Skills/Competencies/Expertise/Qualifications and Other Directorships
Mr Sudarshan Jain	<p>Mr Jain is a veteran in the healthcare business. He has rich business experience in strategic management, corporate affairs, brand building and overall business operations in healthcare companies. His experience covers Pharmaceutical, OTC, Hospital, Diagnostic and Nutrition businesses.</p> <p>He has played active role in shaping the healthcare policy and improving access to healthcare in India and has wide industry knowledge and extensive expertise in building market leading brands.</p> <p>He holds Master's in Business Administration from the Indian Institute of Management (IIM), Ahmedabad and B.Sc. Degree in Physics from St. Stephens College, Delhi University.</p> <p>He is a Director on the Board of Healthium Medtech Private Limited.</p>
Ms Shalini Kamath	<p>Ms Kamath holds vast experience and expertise in three distinct fields-Human Resources, Business Development and Social & Community Development and across two continents-India and Africa.</p> <p>She also has extensive experience in building strong corporate brands, both externally and internally and has handled tripartite partnership projects related to community-oriented income generation programs. She is a certified and practicing "CEO & 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 Graphite India Limited; Borosil Renewables Limited and Ambit Finvest Private Limited.</p> <p>She is a Member of Audit Committee in Borosil Renewables Limited.</p>
Mr Ambati Venu	<p>Mr Ambati holds extensive experience in consumer goods, OTC and pharmaceutical businesses. Having worked in various regions, one of the strongest assets is his ability to excel within diverse socio-cultural environments.</p> <p>He holds strong business acumen, strategic leadership, the ability honed in both developed and emerging markets 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>
Mr Kaiyomarz Marfatia	<p>Mr Marfatia holds strong legal acumen and immense experience in corporate compliance functions, litigation, industrial licensing, foreign collaborations, technology transfer arrangements, distribution arrangements and IPR matters, among others, in Pharmaceutical/Healthcare and Engineering industries.</p> <p>He has played a vital role in the acquisition of various brands and businesses and handled cross functional projects such as manufacturing reconfiguration/optimization and corporate restructuring.</p> <p>He is a Law Graduate from the Government Law College.</p>
Mr Rajiv Sonalker	<p>Mr Sonalker has extensive financial experience in the Pharmaceutical, FMCG and Engineering industries in India & Europe.</p> <p>Besides in-depth knowledge about the Company, he has strong technical & analytical skills and expertise for leading the Corporate Finance function, including Risk & Internal Control. He has played a crucial role in several projects such as the merger, acquisitions, integration & corporate restructuring. He 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>



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 appointment/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 the opinion of the Board and Nomination and Remuneration Committee and as per the Declaration of Independence submitted by the Independent Directors, they fulfill the criteria of Independence as specified in the Act and the SEBI Listing Regulations and are independent of the Management.
- (ii) 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.

Meeting of Independent Directors

Independent Directors met once on August 1, 2020 during the financial year 2020-21 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 Chairperson, 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/Auditors at the Committee/Board Meetings to apprise the Directors with the Company's business strategies, long term plans, budgets, operations and performance, relevant legal/regulatory updates in the laws and regulations applicable to the Company. In addition, these presentations also provide insights into various growth opportunities for the Company, operational and environmental challenges associated with the Company's business operations, products, management's risk mitigation plans, human resources and CSR updates, etc.

The Directors are regularly briefed on the Company's policies and procedures, 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 2020-21 are available on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>

REMUNERATION OF DIRECTORS

Non-Executive Directors

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

During the year under review, Mr Munir Shaikh, Ms Anisha Motwani, Mr Sudarshan Jain and Ms Shalini Kamath were paid sitting fees amounting to ₹ 0.15 Crores, ₹ 0.17 Crores, ₹ 0.15 Crores and ₹ 0.15 Crores respectively, for attending Board and various Committee Meetings.

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

Executive Directors

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

Details of remuneration paid to the Executive Directors for the financial year 2020-21 are as follows :

Terms of Agreement	₹ in Crore)	
	Mr Anil Joseph Managing Director*	Mr Rajiv Sonalker CFO and Whole-time Director**
Period of appointment	5 years	2 years
Date of appointment	July 1, 2020	August 8, 2017
Salary & Other Allowances	0.97	1.95
Perquisites [#]	1.95	1.11
Contribution to Provident Fund	0.05	0.11
Performance Linked Incentive	0.83	0.69
Notice Period	Three Months	Three Months
Severance Fees	There is no separate provision for payment of severance fees.	
Stock Option [#]	NIL	

*appointed as Managing Director effective July 1, 2020.

**re-appointed as Whole-time Director effective July 1, 2021.

[#]The Company does not have any Stock Option Plan for its employees. However, above KMPs 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 determined by the Board based on the recommendation of the Nomination and Remuneration Committee in alignment with the Company policy.

The Company has entered into Agreements with Mr Anil Joseph, Managing Director for a period of 5 years from July 1, 2020 to June 30, 2025 and Mr Rajiv Sonalker, Whole-time Director for a period of 2 years from July 1, 2021 to June 30, 2023.

BOARD/COMMITTEE MEETINGS AND PROCEDURE

The Board meets at regular intervals. The Meetings of Board of Directors and Committees of the Board are scheduled well in advance and tentative annual planner is shared with the Directors at the beginning of the year to ensure the availability and participation of the Directors for all the Meetings. Board Meetings are convened at a shorter notice as and when

required for consideration of any urgent/special matters. For routine urgent matters, Board approval is also taken through Resolution by Circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meetings.

The Company Secretary circulates the agenda for all Board and Committee Meetings in advance electronically to all the Directors and Committee Members. Any other urgent matters not included in the agenda are taken up at the Meeting as "Other Business" with the permission of the Chairman/Chairperson of the said Meeting and all the Members present.

The Company Secretary collates and distributes the necessary information pertaining to the proposals submitted to the Board and Committees for their consideration and approval. All material information is circulated to the Board before the Meeting or is placed at the Meeting, including matters required to be made available to the Board as prescribed under Part A of Schedule II as referred in sub-regulation 7 of Regulation 17 of the SEBI Listing Regulations. Directors spend considerable time on discussions and deliberations at the Board/Committee Meetings.

The Company Secretary attends all Meetings of the Board and its Committees and circulates draft Minutes capturing the appropriate true and fair summary of the proceedings of the Meetings. The Company Secretary ensures the compliance and adherence to governance standards pertaining to these Meetings.

The necessary recommendations are made in the Committees in line with the requirements and the said matters are then placed before the Board for its consideration and approval.

The Managing Director along with his senior leadership team presents annual strategy plan. Update of the same is provided at each Board Meetings. During these interactions, Directors provide insights and guidance to the Management.

AUDIT COMMITTEE

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

Composition :

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

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



Report on Corporate Governance (Contd.)

Name of the Member	Category	Number of Meetings 2020-21	
		Held	Attended
Ms Anisha Motwani Chairperson	Independent Director	5	5
Mr Munir Shaikh	Non-Executive Director	5	5
Mr Sudarshan Jain	Independent Director	5	5
Ms Shalini Kamath	Independent Director	5	5

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 :

April 27, 2020; June 8, 2020; August 7, 2020; November 11, 2020 and February 9, 2021.

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, Chief Financial Officer, Statutory Auditors and the Internal Auditors as invitees. Other Non-Executive Directors attend the Meetings in their functional capacity. The Cost Auditors attend the Audit Committee Meeting where Cost Audit Report is discussed.

Ms Anisha Motwani, Chairperson of the Audit Committee attended the Annual General Meeting held on September 7, 2020 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 of the Company 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 2 Non-Executive Directors as on the date of this Report.

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

Name of the Member	Category	Number of Meetings 2020-21	
		Held	Attended
Mr Sudarshan Jain Chairman	Independent Director	4	4
Mr Munir Shaikh	Non-Executive Director	4	4
Ms Anisha Motwani	Independent Director	4	4
Mr Ambati Venu [#]	Non-Executive Director	4	4

[#] appointed as Member effective April 27, 2020.

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 29, 2020; August 6, 2020; February 9, 2021 and March 11, 2021.

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 programme in place for new Directors and reviewing its effectiveness;
- formulating the criteria for evaluation of performance of Board, its Committees and individual Directors and review its implementation and compliance and whether to extend or continue the term of appointment of the Independent Director on the basis of such assessment;
- to consider any other matters as may be delegated by the Board.

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

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



Report on Corporate Governance (Contd.)

- recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
- to consider any other matters as may be delegated by the Board.

Performance Evaluation Criteria of Independent Directors

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 Report. Please refer to disclosures on page no. 62.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, role, terms of reference as well as powers of the Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of the 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	Number of Meetings 2020-21	
		Held	Attended
Mr Kaiyomarz Marfatia Chairman	Non-Executive Director	3	3
Mr Anil Joseph*	Managing Director	3	2
Ms Shalini Kamath	Independent Director	3	3
Ms Anisha Motwani*	Independent Director	3	2
Mr Ambati Venu [#]	Non-Executive Director	3	1

*appointed as Member effective August 8, 2020.
#ceased to be Member effective August 8, 2020.

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 3 times on the following dates :

June 8, 2020; November 11, 2020 and March 30, 2021.

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	Number
Pending at the beginning of the year	NIL
Received during the year	9 [#]
Resolved during the year	9 [#]
Pending at the end of the year	NIL

[#]pertains 8 letters received from BSE Limited and 1 letter from Securities and Exchange Board of India (SCORES).

These investor grievances pertained to Transmission of Shares/Deletion of Name; Issuance of Duplicate Share Certificate; Non-receipt of Dividend; Updation of KYC Documents and Deduction of TDS on Dividend. 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 of the Company 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	Number of Meetings 2020-21	
		Held	Attended
Mr Munir Shaikh Chairman	Non-Executive Director	3	3
Mr Anil Joseph*	Managing Director	3	2
Ms Anisha Motwani	Independent Director	3	3
Mr Rajiv Sonalker	Whole-time Director	3	3
Ms Shalini Kamath*	Independent Director	3	2
Mr Ambati Venu [#]	Non-Executive Director	3	1

*appointed as Member effective August 8, 2020.
#ceased to be Member effective August 8, 2020.

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 :

June 8, 2020; November 11, 2020 and February 9, 2021.

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 of the Company 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	Number of Meetings 2020-21	
		Held	Attended
Mr Anil Joseph Chairman [#]	Managing Director	1	1
Mr Sudarshan Jain	Independent Director	1	1
Ms Shalini Kamath	Independent Director	1	1
Mr Kaiyomarz Marfatia	Non-Executive Director	1	1
Mr Rajiv Sonalker	Whole-time Director	1	1

[#]appointed as Chairman and Member effective August 8, 2020.

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



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Meetings :

During the year under review, the Committee met once on February 9, 2021. 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.

GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2019-20	September 7, 2020	9.00 a.m.	Via Video-Conferencing (VC)/Other Audio-Visual Means (OAVM)	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 ii. Approval for increase in Foreign Investment limits into the Company
2018-19	August 22, 2019	3.30 p.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021	None
2017-18	July 18, 2018	3.30 p.m.	RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai-400 020	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

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

During the year, a Special Resolution to advance loan(s) to any of the Company's group entities in India in which any Director of the Company is or shall be deemed to be interested, upto an aggregate limit of ₹ 300 Crore, in one or more tranches as per provisions of the Section 185 of the Act, was approved through Postal Ballot by the Shareholders of the Company with requisite majority on June 6, 2020.

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/policies.html>

The confirmations to the Code have been received from all the Directors and Senior Management. The Certificate issued by Mr Anil Joseph, Managing Director to this effect forms part of this report.

CODE OF FAIR DISCLOSURE

The Company has in line with the requirements of 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/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/official news releases are made available on the website of the Company at www.abbott.co.in and on the website of the BSE Limited.
- ii) During the year under review, the Company has not met any institutional investors/analysts.

GENERAL SHAREHOLDER INFORMATION

- i) **Annual General Meeting**
Tuesday, July 27, 2021 through Video-conferencing (VC)/ Other Audio-Visual Means (OAVM)
- ii) **Financial year**
April 1, 2020 to March 31, 2021
- iii) **Book Closure**
Wednesday, July 21, 2021 to Tuesday, July 27, 2021 (both days inclusive)
- iv) **E-Voting Period**
From 9.00 a.m. (IST) on Saturday, July 24, 2021 Upto 5.00 p.m. (IST) on Monday, July 26, 2021
- v) **Dividend Payment Date**
On and from August 3, 2021

vi) Listing on Stock Exchange

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

vii) The annual listing fees for the financial year 2020-21 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)

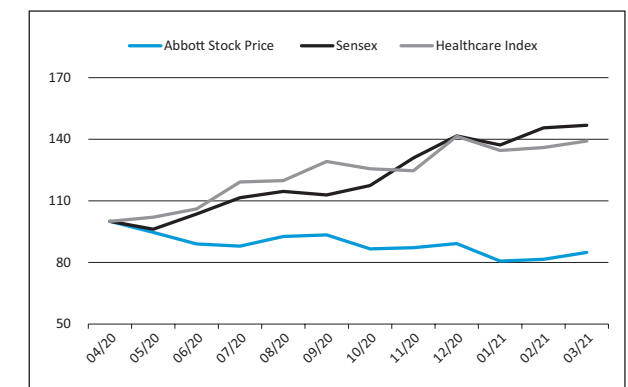
500488

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

Month	High	Low
April, 2020	18,500.00	15,000.00
May, 2020	18,569.00	16,151.00
June, 2020	17,800.00	15,550.00
July, 2020	16,000.00	14,749.80
August, 2020	17,350.00	15,500.00
September, 2020	17,100.00	15,525.00
October, 2020	16,555.00	15,125.00
November, 2020	16,064.75	15,042.95
December, 2020	16,669.80	15,150.05
January, 2021	15,899.85	14,120.00
February, 2021	14,999.00	13,970.10
March, 2021	15,229.95	14,264.75

xi) Performance in comparison to broad based indices

April 1, 2020 to March 31, 2021 Normalised (100)





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xii) Registrar and Share Transfer Agent

KFin Technologies Private Limited

Selenium Tower B,
Plot 31 & 32,
Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad-500 032
Tel No. : +91-40-6716 2222;
Fax No. : +91-40-2300 1153
Email : 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

xiii) Share Transfer System

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

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

xiv) Distribution of Shareholding as on March 31, 2021

Distribution (1)	No. of Shareholders (2)	% to Total (3)	No. of Shares held (4)	% to Total (5)
Upto 500	86,419	98.43	19,93,448	9.38
501 to 1000	763	0.87	5,51,219	2.59
1001 to 2000	343	0.39	4,88,219	2.30
2001 to 3000	109	0.12	2,67,174	1.26
3001 to 4000	50	0.06	1,75,437	0.83
4001 to 5000	32	0.04	1,42,108	0.67
5001 to 10000	34	0.04	2,46,023	1.16
ABOVE 10000	44	0.05	1,73,85,674	81.81
TOTAL	87,794	100.00	2,12,49,302	100.00

xv) Shareholding Pattern as on March 31, 2021

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	5,089	0.02
Financial Institutions	93,969	0.44
Foreign Portfolio Corporation	2,15,661	1.01
Insurance Companies	1,95,202	0.92
Mutual Funds	6,83,280	3.22
Domestic Companies	1,73,562	0.82
Non-Domestic Companies	471	0.00
Non-Resident Indians	1,06,428	0.50
Directors & Relatives	250	0.00
Unclaimed Suspense Account	4,711	0.02
Investor Education and Protection Fund (IEPF) Authority	1,00,396	0.47
Others	37,36,235	17.59
TOTAL	2,12,49,302	100.00

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, 2020	38	4,711
Number of shares claimed and transferred from the Unclaimed Suspense Accounts during the year	-	-
Number of shares transferred to Investor Education and Protection Fund	-	-
No. of shares as on March 31, 2021	38	4,711

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of seven years. Thereafter, the said shares including all benefits accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the 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, 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").

During the year, the Company has transferred 4,666 Equity Shares held by 35 Members to the IEPF Authority in July 2020 details of which are given below :

Particulars	No of Shareholders	No of Shares
No. of shares in IEPF Account as on April 1, 2020	630	96,925
No. of shares transferred to IEPF Account during the year 2020-21	35	4,666
No. of shares claimed and transferred to the Shareholders from IEPF Account during the year 2020-21	(6)	(1,195)
No. of shares in IEPF Account as on March 31, 2021	659	1,00,396

The details of shares so transferred is available on the Company's website under the Investor Section at <https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

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

xviii) Dematerialisation of Shares as on March 31, 2021 and liquidity

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

2,09,21,177 Equity Shares representing 98.46% of the Company's total paid-up share capital were held in dematerialized mode, as on March 31, 2021.

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

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

xx) Plant Location

L-18/19, Verna Industrial Estate, Goa

xxi) Address for correspondence**Abbott India Limited**

CIN : L24239MH1944PLC007330

Registered Office :

3, Corporate Park,
Sion-Trombay Road,
Mumbai-400 071
Tel No. : +91-22-6797 8888

Corporate Office :

Shares Department
16th Floor, Godrej BKC,
Plot C-68, "G" Block,
Bandra Kurla Complex,
Near MCA Club,
Bandra (East),
Mumbai-400 051
Tel No. : +91-22-5046 1000/2000
Fax : +91-22-5016 9400

Email : investorrelations.india@abbott.com

Website : www.abbott.co.in

KFin Technologies Private Limited

Unit : Abbott India Limited

Selenium Tower B,
Plot 31 & 32,
Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad-500 032
Tel No. : +91-40-6716 2222;
Fax No. : +91-40-2300 1153

Email : einward.ris@kfintech.com

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

KPRISM-Digital application by KFinTech

KFin Technologies Private Limited (KFinTech) has launched a mobile application-KPRISM and a website <https://kprism.kfintech.com/> for online service. The mobile application can be downloaded from the <https://kprism.kfintech.com/app/>. The Members are required to complete one time registration for availing various services viz., view of consolidated portfolio serviced by KFinTech, dividend status, requests for change of



Report on Corporate Governance (Contd.)

address, change/update bank mandate. The Members can also download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The said application can alternatively be downloaded from the Android Play Store.

OTHER DISCLOSURES

- a) There is no inter-se relationship between the Directors.
- b) The Company has obtained a certificate from Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661), confirming that none of the Directors on the Board is debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority for the year ended March 31, 2021.
- c) There were no Related Party Transactions entered into by the Company during the year that had potential conflict with the interests of the Company at large.
- d) Policies on Dealing with Related Party Transactions and Materiality and on Determination of Materiality of Event or Information for Disclosure are disclosed on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>. The details of transactions entered into with Related Parties is disclosed in Note 41 of the Financial Statements.
- e) In the preparation of Financial Statements, no differential treatment from that prescribed in the Accounting Standards has been followed.
- f) Pursuant to the disclosures made by the Senior Management to the Board, there were no material financial and commercial transactions entered by them where they have personal interest and which could have potential conflict with the interest of the Company at large.
- g) There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India or any Statutory Authority on any matters related to the capital markets during the last three years.
- h) In terms of requirement of Regulation 17(8) of the SEBI Listing Regulations, Managing Director and Chief Financial Officer have made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.
- i) The Company has complied with all the Corporate Governance requirements specified in Regulations 17 to 23
- and 24A to 27 and clauses (b) to (i) of Regulation 46 (2) of the SEBI Listing Regulations. The Company does not have any subsidiary and therefore, Regulation 24 is not applicable to the Company.
- j) There has been no instance of any non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.
- k) The Company does not deal in commodity(ies) and hence disclosure relating to commodity price risks and commodity hedging activities does not apply.
- l) The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement during the financial year ended March 31, 2021.
- m) The Company has not obtained any Credit Ratings during the year.
- n) The Company has complied with all the mandatory requirements of the SEBI Listing Regulations.
- o) During the financial year, there was no instance where the Board has not accepted any recommendation of any Committee of the Board.
- p) Total fees paid to the Statutory Auditors and all the entities in their network firm/network entities for all services rendered by them during the financial year 2020-21 is ₹ 1.91 Crore including all the taxes, as may be applicable.
- q) During the year, 2 complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were appropriately closed.

Compliance with Discretionary requirements :

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

For and on behalf of the Board

Anil Joseph
Managing Director
Mumbai May 18, 2021
DIN : 08753233

Sudarshan Jain
Director
DIN : 00927487

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, Anil Joseph, 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, 2021.

Mumbai
March 31, 2021

Anil Joseph
Managing Director
DIN : 08753233

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Abbott India Limited
Unit No. 3, Corporate Park,
Sion Trombay Road,
Chembur, Mumbai 400071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Abbott India Limited having CIN : L24239MH1944PLC007330 and having their Registered Office at Unit No. 3, Corporate Park, Sion Trombay Road, Mumbai 400071 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 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
Anil Joseph	08753233	01/07/2020
Anisha Motwani	06943493	25/04/2018
Sudarshan Jain	00927487	01/04/2019
Shalini Kamath	06993314	29/10/2019
Ambati Venu	07614849	01/03/2020
Kaiyomarz Marfatia	03449627	01/03/2011
Rajiv Sonalker	07900178	08/08/2017
Karen Peterson	08865448	08/09/2020

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 18, 2021
UDIN : F009492C000337930

Practicing Company Secretary
Membership No. : FCS 9492
CP No. : 2661

Neena Bhatia



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of
Abbott India Limited
3, Corporate Park,
Sion-Trombay Road,
Mumbai- 400 071

- The Corporate Governance Report prepared by Abbott India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

- The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

- 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.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

- 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.
- The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include :
 - Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast 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, 2020 to March 31, 2021 :
 - Board of Directors;
 - Audit Committee;
 - Annual General Meeting (AGM);
 - Nomination and Remuneration Committee;
 - Stakeholders Relationship Committee;
 - Corporate Social Responsibility Committee;
 - Risk Management 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;

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management;

- The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 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, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

- 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.

- This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **SRBC & COLL**
Chartered Accountants
ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**
Partner
Membership Number : 49365
UDIN : 21049365AAAAABG6388
Place of Signature : Mumbai
Date : May 18, 2021



Independent Auditor's Report

To the Members of Abbott India Limited

Report on the Audit of the Ind AS Financial Statements

OPINION

We have audited the accompanying Ind AS financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the

Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
(a) Provision for Non-Saleable returns (as described in note 24 of the Ind AS financial statements)	<p>Our audit procedures included, amongst others,</p> <ul style="list-style-type: none"> • Obtained an understanding of management process for making provision for Non-saleable returns including related controls. • Tested the Company's key controls relating to the deductions made to gross sales for sales returns, including those controls over booking of sales and sales return process. • We obtained management's calculations for provisions, recalculated the amounts and evaluated the assumptions used with reference to historical sales returns levels and current trends. • We considered the management's estimates by comparing historical accrued provisions and revenue deductions recorded to the actual amounts. • We tested the working of discounting of non-current provisions for sales return prepared by the management including the underlying assumptions. • 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.

Key audit matter	How our audit addressed the key audit matter
(b) Evaluation of uncertain tax positions (as described in note 39 (b) (ii) of the Ind AS financial statements)	<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 ₹ 78.74 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"> • We obtained an understanding of the management's process for : <ul style="list-style-type: none"> - identification of tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under applicable accounting principles, and for measurement of amounts involved. • We evaluated the design and tested the operating effectiveness of controls around the above process. • We obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year with the management. • We focused on the key developments in the tax 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. • 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. • We evaluated external legal counsel's response and analysed the conclusions reached which are supported by legal rationale. • We also tested the independence, objectivity and competence of such external legal counsel involved. • We have obtained direct confirmation for litigation cases from the external legal counsel, to support the decisions and rationale for disclosure of contingent liabilities in respect of the litigation cases. • We engaged internal tax specialists to evaluate management assessment of the outcome of such litigation cases. The tax specialists considered legal precedence and other rulings in evaluating management's position on such litigation cases. • We have evaluated the disclosures made by the Company in the financial statements in view of the requirements as specified in the Indian Accounting Standards.



Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis, Corporate Governance Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified as above 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 IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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 Ind AS financial statements – Refer Note 39 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

UDIN: 21049365AAAABF9138

Place of Signature: Mumbai

Date: May 18, 2021



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company, except for the following :

Sr. No.	Asset Category	Gross Block at March 31, 2021 (₹ in crores)	Net Block at March 31, 2021 (₹ in crores)	Remarks
1	Buildings	6.41	5.19	The title deeds are in the erstwhile name of the Company
2	Buildings	30.51	26.32	The title deeds are in the name of the entities that was merged with the Company

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, related to the manufacture of pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, duty of customs, goods and service tax, cess and other statutory dues applicable to it with appropriate authorities, though there have been slight delays in few cases for payment of professional tax.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :

Name of Statute	Nature of Dues	Amount disputed in ₹ crores (net of payments)	Forum where dispute is pending	Period to which the amount relates
Income Tax Act, 1961	Income Tax	2.92	Hon'ble High Court	A.Y. 1998-99
Income Tax Act, 1961	Income Tax	2.76	Income Tax Appellate Tribunal	A.Y. 2006-07 and A.Y. 2011-12
Income Tax Act, 1961	Income Tax	34.62	Commissioner of Income Tax (Appeals)	A.Y. 2004-05, A.Y. 2016-17, A.Y. 2017-18 and A.Y. 2019-20
Central Excise Act, 1944	Excise Duty	0.03	Commissioner (Appeals)	1991-1992
		0.04	Commissioner	1994 - 1995
		0.03	Assistant Commissioner	1994 and 1997 to 2002
		0.26	CESTAT	2005 to 2006
Customs Act, 1962	Custom Duty	0.04	Commissioner (Appeals)	1996
		0.75	CESTAT	2011 to 2013
The Bombay Sales Tax Act, 1959	Sales Tax	0.40	Deputy Commissioner of Sales Tax	1999-2000
Gujarat Value Added Tax	Value Added Tax	0.13	Deputy Commissioner, Commercial Taxes, Gujarat	2017-18
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	0.01	Additional Commissioner Appeal Grade- 2, Commercial Tax	2008-09 and 2009-10
Kerala General Sales Tax Act, 1963	Sales Tax	0.13	Sales Tax Appellate Tribunal, Additional Bench	2002-03
Goa Value Added Tax Act, 2005	Value Added Tax	0.02	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006-07
Central Sales Tax, 1956 (Goa)	Sales Tax	6.34	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006-07 and 2007-08
		0.17	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009-10
The West Bengal - Value Added Tax Rules, 2005	Value Added Tax	0.34	Additional Commissioner of Sales Tax, West Bengal	2016-17
Central Excise Act, 1944 (Goa)	Excise Duty	4.52	CESTAT, Mumbai	2014-15 to 2017-18
The Central Sales Tax (West Bengal) Rules, 1958	Sales Tax	0.03	Additional Commissioner of Sales Tax, West Bengal	2016-17
Maharashtra Value Added Tax Act, 2002	Value Added Tax	27.67	Deputy Commissioner of Sales Tax (Appeals)	2011-12



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

UDIN: 21049365AAAABF9138

Place of Signature: Mumbai

Date: May 18, 2021

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 statement of Abbott India Limited ("the Company") as of March 31, 2021 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, 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 these 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, an 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, 2021, 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 **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number: 49365

UDIN: 21049365AAAABF9138

Place of Signature: Mumbai

Date: May 18, 2021



Balance Sheet

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current Assets			
Property, plant and equipment	3	103.65	100.22
Capital work-in-progress	3	0.66	1.64
Intangible assets	4	1.17	0.90
Right-of-use assets	5	145.96	168.71
Financial assets			
Loans	6	14.35	16.78
Other financial assets	7	32.27	36.26
Deferred tax assets (net)	19	17.81	14.44
Other non-current assets	8	6.06	3.25
Total Non-current Assets		321.93	342.20
Current Assets			
Inventories	9	717.59	527.17
Financial assets			
Trade receivables	10	250.21	317.91
Cash and cash equivalents	11	218.27	145.14
Bank balances other than cash and cash equivalents	12	2,190.77	2,052.24
Loans	13	4.95	6.14
Other financial assets	14	52.76	72.38
Current tax assets (net)		31.11	26.87
Other current assets	15	52.86	56.80
Total Current Assets		3,518.52	3,204.65
TOTAL ASSETS		3,840.45	3,546.85
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	21.25	21.25
Other equity	17	2,580.91	2,410.45
Total Equity		2,602.16	2,431.70
Non-current Liabilities			
Financial liabilities			
Lease liabilities	5	117.68	139.20
Provisions	18	89.75	84.84
Total Non-current Liabilities		207.43	224.04
Current Liabilities			
Financial liabilities			
Lease liabilities	5	34.90	35.68
Trade payables	20		
Due to micro and small enterprises		34.26	18.32
Due to others		728.41	639.45
Other financial liabilities	21	56.86	50.78
Other current liabilities	22	45.00	31.79
Provisions	23	115.96	107.45
Current tax liabilities (net)		15.47	7.64
Total Current Liabilities		1,030.86	891.11
TOTAL EQUITY AND LIABILITIES		3,840.45	3,546.85
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**
Partner
Membership No. 49365

Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors

ANIL JOSEPH
Managing Director
DIN : 08753233

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178

Place : Mumbai
Date : May 18, 2021

SUDARSHAN JAIN
Director
DIN : 00927487

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536

Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	25	4,310.02	4,093.14
Other income	26	80.90	114.39
Total Income		4,390.92	4,207.53
EXPENSES			
Cost of materials consumed	27	454.32	451.76
Purchases of stock-in-trade	28	2,040.60	1,802.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(104.00)	61.24
Employee benefits expense	30	492.65	476.11
Finance costs	31	18.28	8.53
Depreciation and amortisation expense	32	58.13	59.61
Other expenses	33	504.99	544.95
Total Expenses		3,464.97	3,404.83
PROFIT BEFORE TAX		925.95	802.70
TAX EXPENSES			
Current tax expense	19	242.76	208.04
Tax adjustment for earlier years	19	(3.71)	0.25
Deferred tax - charge/(credit)	19	(3.79)	1.48
Total Tax Expenses		235.26	209.77
PROFIT FOR THE YEAR		690.69	592.93
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss :			
Remeasurement gains/(losses) of defined benefit plan	34	1.67	(5.41)
Income tax on above	19	(0.42)	0.45
Total Other Comprehensive Income, net of tax		1.25	(4.96)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		691.94	587.97
EARNINGS PER EQUITY SHARE	35		
Basic and Diluted - ₹ (Face value of ₹ 10 each)		325.04	279.04
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**
Partner
Membership No. 49365

Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors

ANIL JOSEPH
Managing Director
DIN : 08753233

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178

Place : Mumbai
Date : May 18, 2021

SUDARSHAN JAIN
Director
DIN : 00927487

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536



Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	925.95	802.70
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	58.13	59.61
Unrealised exchange (gain)/loss (net)	(3.64)	2.33
Loss on sale/write off of Property, plant and equipment (net)	0.25	0.56
Gain on early termination of leases	(0.03)	(0.04)
Interest income	(79.72)	(113.15)
Finance costs	18.28	8.53
Allowance for credit impaired debts	2.80	0.39
Allowance for credit impaired deposits	0.09	0.62
Provision for likely sales returns, date expiry and damaged products (net)	19.08	15.16
Share based compensation expense	9.75	8.77
Operating Profit before working capital changes	950.94	785.48
Working capital changes :		
(Increase)/ decrease in Trade receivables	64.78	(41.96)
(Increase)/ decrease in Inventories	(190.42)	79.62
(Increase)/ decrease in other current and non-current assets	11.93	46.36
Increase/ (decrease) in Trade payables	108.94	(8.51)
Increase/ (decrease) in current and non-current liabilities and Provisions	16.03	(5.69)
Cash generated from operations	962.20	855.30
Income tax paid (net of refunds)	(235.46)	(229.17)
Net cash flows from operating activities (A)	726.74	626.13
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(23.31)	(15.74)
Proceeds from sale of Property, plant and equipment	0.13	0.17
Investment in fixed deposits maturing beyond 3 months (net)	(135.12)	(505.97)
Interest received on deposits (interest income)	86.48	120.33
Net cash flows used in investing activities (B)	(71.82)	(401.21)

Statement of Cash Flows

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(531.23)	(138.12)
Dividend distribution tax paid	-	(28.39)
Payment of lease liabilities	(50.05)	(50.05)
Interest paid, other than on lease liabilities	(0.51)	(0.23)
Net cash flows used in financing activities (C)	(581.79)	(216.79)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	73.13	8.13
Cash and cash equivalents at the beginning of the year	145.14	137.01
Cash and cash equivalents at the end of the year (Refer Note 11)	218.27	145.14

Significant accounting policies (Refer Note 2)

The accompanying notes are an integral part of the financial statements.

Notes :

- Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.
- As per Ind AS 7 'Statement of Cash Flows' requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. There is no item for which any disclosure is required to be made.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**
Partner
Membership No. 49365

Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors

ANIL JOSEPH
Managing Director
DIN : 08753233

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178

Place : Mumbai
Date : May 18, 2021

SUDARSHAN JAIN
Director
DIN : 00927487

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536

Statement of Changes in Equity

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Number of shares	Amount
A. EQUITY SHARE CAPITAL:		
Equity shares of ₹ 10 each issued, subscribed and fully paid	2,12,49,302	21.25
As at April 1, 2019		
Increase/(decrease) during the year	-	-
As at March 31, 2020		
Increase/(decrease) during the year	2,12,49,302	21.25
As at March 31, 2021	2,12,49,302	21.25

B. OTHER EQUITY :

	Reserves and Surplus (Refer Note 17)					Items of Other Comprehensive Income (OCI) (Refer Note 17) Remeasurement of defined benefit plan	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share based Compensation Reserves	General Reserve		
Balances as at April 1, 2019	0.38	5.23	2.52	2775	383.97	1,573.53	1,987.34
Profit for the year ended March 31, 2020	-	-	-	-	-	592.93	592.93
Remeasurement of post employment benefits (net of tax)	-	-	-	-	-	(4.96)	(4.96)
Total Comprehensive Income for the year	-	-	-	-	-	592.93	587.97
Transfer from Profit and Loss to General Reserve	-	-	-	-	59.29	(59.29)	-
Dividend for the year ended March 31, 2019 (Refer Note 16)	-	-	-	-	-	(138.12)	(138.12)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(28.39)	(28.39)
Share based compensation to employees (Refer Note 30)	-	-	-	8.77	-	-	8.77
Transfer from Share based Compensation Reserve to General Reserve	-	-	-	(0.76)	0.76	-	-
Impact due to adoption of Ind AS 116 'Leases' under modified retrospective approach	-	-	-	-	-	(9.51)	(9.51)
Deferred tax impact due to adoption of Ind AS 116 'Leases' under modified retrospective approach	-	-	-	-	-	2.39	2.39
Balances as at March 31, 2020	0.38	5.23	2.52	3576	444.02	1,933.54	2,410.45
Profit for the year ended March 31, 2021	-	-	-	-	-	690.69	690.69
Remeasurement of post employment benefits (net of tax)	-	-	-	-	-	1.25	1.25
Total Comprehensive Income for the year	-	-	-	-	-	690.69	691.94
Transfer from Profit and loss to General Reserve	-	-	-	-	69.07	(69.07)	-
Dividend for the year ended March 31, 2020 (Refer Note 16)	-	-	-	-	-	(531.23)	(531.23)
Share based compensation to employees (Refer Note 30)	-	-	-	9.75	-	-	9.75
Transfer from Share based Compensation Reserve to General Reserve	-	-	-	(1.24)	1.24	-	-
Balances as at March 31, 2021	0.38	5.23	2.52	44.27	514.33	2,023.93	2,580.91

Significant accounting policies (Refer Note 2)
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E3000003
per **RAVI BANSAL**
Partner
Membership No. 49365
Place : Mumbai
Date : May 18, 2021

For and on behalf of the Board of Directors

ANIL JOSEPH
Managing Director
DIN : 08753233
RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178
Place : Mumbai
Date : May 18, 2021

SUDARSHAN JAIN
Director
DIN : 00927487
KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536



Notes to the Financial Statements

for the year ended March 31, 2021

1. COMPANY INFORMATION

Abbott India Limited ("The Company") is a public limited company domiciled and incorporated in India under the provisions of the then Companies Act, 1913. The Company is listed and traded on the Bombay Stock Exchange. It is traded on the National Stock Exchange under the "permitted category". The registered office of the Company is 3, Corporate park, Sion-Trombay road, Mumbai - 400 071, India.

The Company is one of the leading multinational pharmaceutical companies in India and operates with an owned manufacturing facility in Goa and various independent contract/third party manufacturers based across the country. The Company sells its products through independent distributors primarily within India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of division II of Schedule III of the Companies Act, 2013.

2.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The financial statements are presented in Indian Rupee (₹) and all values are rounded to the nearest Crores upto two decimals, except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on May 18, 2021.

2.3 Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities. An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in the Statement on Profit and loss in the period.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction.



Notes to the Financial Statements

for the year ended March 31, 2021

c) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

d) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment in value, if any. Cost for additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value, only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance and cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the Property, plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised on the cost of assets (other than Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and based on technical parameters/assessments. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of Property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter.

The estimated useful lives are as follows :

Type of assets	Useful life in years
Leasehold Land	Over lease period i.e. 95 years
Buildings	
Factory Building*	29 years 11 months
Residential Buildings	50 years
Plant and Equipment*	
Anaesthetic Equipment	5 years
Others	5 to 20 years
Furniture and Fixtures	10 years
Office Equipment	
Computers*	2 to 5 years
Others	5 to 10 years
Vehicles*	5 years

* In respect of these assets, the management estimate of useful lives, based on technical assessment is lower than the useful life prescribed under part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. 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. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised over the useful economic life and intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and

the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Type of assets	Useful life in years
Software	5 years
Trade Marks	5 years

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from derecognition of such intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as 'Financial assets measured at amortised cost'.

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at amortised cost
- Financial assets at fair value

A financial asset is measured at amortised cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.



Notes to the Financial Statements

for the year ended March 31, 2021

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognised in Statement of Profit and Loss if such gain or loss.

Financial liabilities

Recognition and measurement

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial liabilities. Financial liabilities are classified, at initial recognition, as either 'Financial liabilities at fair value through profit or loss' or 'Other financial liabilities'.

For purposes of subsequent measurement, financial liabilities are classified in following categories :

- Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in Statement of Profit and Loss.
- Other financial liabilities, are subsequently measured at amortised cost are determined based on the Effective Interest Rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

g) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Other financial assets which are measured at amortised cost

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.

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 impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows :

- Buildings : 2 to 9 years
- Furniture 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.

The Company's lease liabilities are included in Finance 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 an expense.



Notes to the Financial Statements

for the year ended March 31, 2021

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 consists of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In-First-Out basis.

Cost of raw materials and packing materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods further includes excise duty and other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

j) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

k) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provision for sales return and date expiry

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for.

Contingencies

A contingent liability is :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because :
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

l) Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risks.

Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of products

Revenue from sale of products (including sale of products under co-marketing agreement) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration (if any).

Revenue from sale of products is stated exclusive of Goods and Services Tax (GST). Revenues are net of sales returns, discounts, provision for anticipated returns on expiry, made on the basis of management expectations.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist.

Rendering of services

Service income is recognised as per the terms of the contracts/arrangements when related services are performed and is stated net of GST.

Contract balances :

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Also refer to the accounting policies Note 2.3 (f) financial instruments - financial assets - recognition and measurement.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received from customer or due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

Income from assignment of trademarks

Income from assignment of trademarks is recognised in the Statement of Profit and Loss on fulfilment of obligations as per the underlying agreement with the buyer.

m) Employee benefits

Short-term employment benefits :

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits, sick leave, casual leave etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligation within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave benefit is provided at undiscounted amount during the accounting period based on the service rendered by employees.



Notes to the Financial Statements

for the year ended March 31, 2021

Defined contribution plan :

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan :

The Company has defined benefit plan in the form of Gratuity, Long Service Benefits and Post Retirement Medical Benefits as per policies of the Company. The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The present value of the defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset/(liability), which need to be accounted for in the books of accounts of the Company.

As required by Ind AS 19 'Employee Benefits', the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the Balance Sheet date that have maturity date equivalent to the tenure of the obligation.

The current service cost of the defined benefit plan, recognised in the Statement of Profit and Loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are

recognised in Statement of Profit and Loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in Statement of Profit and Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

When the benefits of the plan are changed or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees or the gain or loss on curtailment or settlement, is recognised immediately in the Statement of Profit and Loss when the plan amendment or when a curtailment or settlement occurs.

Other employee benefits :

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

n) Income Tax

Current income tax

Income Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is expected to be recovered or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised, either in other comprehensive income or in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities.

o) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss, unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

p) Earnings per equity share

The Company presents basic and diluted Earnings Per Share ('EPS') data for its equity shares.

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.

q) Share based compensation

Abbott Laboratories, USA, being the Ultimate Holding Company, has given restricted stock option plan to the employees of the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

r) Dividend distribution to equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity in the year of approval.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Leasehold Improvements	Buildings (Refer Note (b) and (d))	Plant and Equipment (Refer Note (a))	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross carrying value								
As at April 1, 2019	0.38	0.62	50.92	81.62	4.91	19.39	0.17	158.01
Additions (Refer Note (c) below)	-	-	0.18	6.26	0.49	7.01	-	13.94
Disposals	-	-	(0.01)	(1.55)	(0.25)	(0.46)	-	(2.27)
As at March 31, 2020	0.38	0.62	51.09	86.33	5.15	25.94	0.17	169.68
Additions (Refer Note (c) below)	-	0.22	1.34	6.44	0.45	12.28	-	20.73
Disposals	-	-	(0.01)	(1.45)	(0.21)	(1.35)	-	(3.02)
As at March 31, 2021	0.38	0.84	52.42	91.32	5.39	36.87	0.17	187.39
Accumulated depreciation								
As at April 1, 2019	0.02	0.23	6.10	32.19	2.68	13.52	0.17	54.91
Depreciation charge for the year	0.01	0.08	1.59	9.39	0.38	4.65	-	16.10
Disposals	-	-	- *	(0.97)	(0.17)	(0.41)	-	(1.55)
As at March 31, 2020	0.03	0.31	7.69	40.61	2.89	17.76	0.17	69.46
Depreciation charge for the year	0.01	0.09	1.59	9.44	0.39	5.39	-	16.91
Disposals	-	-	- *	(1.10)	(0.20)	(1.33)	-	(2.63)
As at March 31, 2021	0.04	0.40	9.28	48.95	3.08	21.82	0.17	83.74
Net carrying value								
As at March 31, 2021	0.34	0.44	43.14	42.37	2.31	15.05	-	103.65
As at March 31, 2020	0.35	0.31	43.40	45.72	2.26	8.18	-	100.22

Details of Capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress	0.66	1.64

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, 2021	As at March 31, 2020
Plant and Equipment	2.18	3.58

- 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.
- c) Additions include capital expenditure of ₹ **0.24 Crores** (March 31, 2020 : ₹ 0.12 Crores) incurred at Company's in-house R&D facility at Goa.
- d) The title deed of building having net book value of ₹ **31.51 Crores** (March 31, 2020 : ₹ 32.41 Crores) are in erstwhile name of the Company or in the name of the entity that got merged with the Company.
- e) The amount of contractual commitments for the acquisition of Property, plant and equipment is disclosed in Note 39 (a).

* below ₹ 50,000/-

(All amounts in ₹ Crores, unless otherwise stated)

4. INTANGIBLE ASSETS

	Software	Trade Marks	Total
Gross carrying value			
As at April 1, 2019	5.64	0.86	6.50
Additions	-	-	-
Disposals	(0.05)	-	(0.05)
As at March 31, 2020	5.59	0.86	6.45
Additions	0.94	-	0.94
Disposals	(0.08)	-	(0.08)
As at March 31, 2021	6.45	0.86	7.31
Accumulated amortisation			
As at April 1, 2019	4.36	0.29	4.65
Amortisation for the year	0.78	0.17	0.95
Disposals	(0.05)	-	(0.05)
As at March 31, 2020	5.09	0.46	5.55
Amortisation for the year	0.49	0.17	0.66
Disposals	(0.07)	-	(0.07)
As at March 31, 2021	5.51	0.63	6.14
Net carrying value			
As at March 31, 2021	0.94	0.23	1.17
As at March 31, 2020	0.50	0.40	0.90

5. LEASES

A. Right-of-use assets :

The Company has lease contracts for various items of Buildings, Vehicles and Furniture & Fixtures used in its operations. Leases of Buildings generally have lease terms between 2 to 9 years, Vehicles have lease terms between 2 to 5 years and Furniture & Fixtures have lease terms between 3 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Changes in net carrying value of Right-of-use assets for the year ended March 31, 2021 and March 31, 2020 are as follows :

	Buildings	Vehicles	Furniture and Fixtures	Total
Balance as at April 1, 2019	59.57	2.37	2.57	64.51
Additions	132.78	0.91	13.33	147.02
Deletions	(0.19)	(0.07)	-	(0.26)
Depreciation	(38.51)	(1.29)	(2.76)	(42.56)
Balance as at March 31, 2020*	153.65	1.92	13.14	168.71
Additions	16.79	1.97	-	18.76
Deletions	(0.33)	(0.62)	-	(0.95)
Depreciation	(37.17)	(0.72)	(2.67)	(40.56)
Balance as at March 31, 2021*	132.94	2.55	10.47	145.96

* Includes ₹ **4.10 Crores** (March 31, 2020 : ₹ 0.39 Crores) towards deferred lease assets. Out of this deferred lease assets, ₹ **3.68 Crores** (March 31, 2020 : ₹ 0.20 Crores) is towards deposit given to related party (Refer Note 41 (D)).



Notes to the Financial Statements

for the year ended March 31, 2021

(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, 2021	As at March 31, 2020
Opening balance*	174.88	72.36
Additions	13.98	146.97
Accretion of interest	14.75	5.90
Termination	(0.98)	(0.30)
Payments	(50.05)	(50.05)
Closing balance*	152.58	174.88
Current	34.90	35.68
Non-current	117.68	139.20

* Includes ₹ 110.71 Crores (March 31, 2020 : ₹ 133.18 Crores) pertaining to lease liabilities towards related party (Refer Note 41 (D)).

The maturity analysis of lease liabilities are disclosed in Note 43.

C. Impact on Profit or Loss :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortisation of Right-of-use assets (Refer Note 32)	39.48	41.25
Deferred lease expense on security deposits (Refer Note 32)	1.08	1.31
Finance costs (Refer Note 31)	14.75	5.90
Expense relating to short-term leases (Refer Note 33)	0.24	0.18
Gain on early termination of leases (Refer Note 26)	(0.03)	(0.04)
Total amount recognised in profit or loss	55.52	48.60

D. Company as lessor :

The Company has recognised rent income from leasing of a property amounting to ₹ 1.15 Crores (March 31, 2020 : ₹ 1.15 Crores) in the Statement of Profit and Loss under 'Other Income' (Refer Note 26). The lease agreement is of cancellable nature.

Future minimum rentals receivable under non-cancellable operating leases are as follows :

	As at March 31, 2021	As at March 31, 2020
Within one year	1.15	0.86
After one year but not more than five years	4.29	-
More than five years	-	-
	5.44	0.86

(All amounts in ₹ Crores, unless otherwise stated)

6. NON-CURRENT FINANCIAL ASSETS - LOANS

	As at March 31, 2021	As at March 31, 2020
Deposits with body corporates and others :		
For premises with a related party (Unsecured, considered good) (Refer Note 41 (D))	11.16	14.57
For premises with others (Unsecured, considered good)	1.67	1.00
Against tenders (Refer (a) below)	1.52	1.21
	14.35	16.78
(a) Deposits against tenders :		
Secured, considered good	-	-
Unsecured, considered good	1.52	1.21
Credit impaired deposits	4.19	4.10
	5.71	5.31
Less : Allowance for credit impaired deposits	(4.19)	(4.10)
	1.52	1.21

7. NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
Margin deposit and deposit against guarantees and tenders	4.99	5.38
Expected reimbursement towards likely sales return - reimbursable (Refer Note 18)	27.28	30.88
	32.27	36.26

8. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
Capital advances	3.97	1.34
Balance with Government on account of VAT deposits	2.09	1.91
	6.06	3.25

9. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2021	As at March 31, 2020
Raw materials and packing materials [#]	164.14	77.72
Work-in-progress	17.85	20.53
Finished goods	96.07	97.52
Stock-in-trade [@]	439.53	331.40
	717.59	527.17

[#] Includes Goods in Transit ₹ 63.59 Crores (March 31, 2020 : ₹ 14.42 Crores)

[@] Includes Goods in Transit ₹ 21.70 Crores (March 31, 2020 : ₹ 15.35 Crores)

During the year ended March 31, 2021, ₹ 19.43 Crores (March 31, 2020 : ₹ 28.54 Crores) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

10. TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
Trade receivables	240.83	292.88
Receivables from related parties (Refer Note 41 (D))	9.38	25.03
	250.21	317.91

Break-up for Trade receivables :

Trade receivables	As at March 31, 2021	As at March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	250.21	317.91
Credit impaired	11.54	11.31
	261.75	329.22
Less : Allowance for credit impaired debts	(11.54)	(11.31)
	250.21	317.91

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 41.

For information on financial risk management objectives and policies, refer Note 43.

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	68.29	23.14
Deposits with original maturity of less than three months [@]	149.98	122.00
	218.27	145.14

[@] Represents time deposits at fixed rates maintained with various banks by the Company.

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Margin deposit and deposit against guarantees and tenders	2.17	2.15
Earmarked bank balance towards dividend [#]	6.44	3.41
Term deposits with original maturity of more than three months but less than twelve months [@]	2,182.16	2,046.68
	2,190.77	2,052.24

[#] These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

[@] Represents time deposits at fixed rates maintained with various banks by the Company.

(All amounts in ₹ Crores, unless otherwise stated)

13. CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
Deposits with body corporates and others :		
For Premises	4.95	6.14
	4.95	6.14

14. CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on bank deposits	10.80	18.55
Receivables from related parties (Refer Note 41 (D))	10.70	7.84
Expected reimbursement towards likely sales return - reimbursable (Refer Note 23)	23.52	26.69
Other receivables	7.74	19.30
	52.76	72.38

15. OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	5.78	5.64
Advances to employees and suppliers	14.17	18.81
Balance with customs and excise on current account	0.14	0.14
GST receivables	32.77	30.60
Others	-	1.61
	52.86	56.80

16. EQUITY SHARE CAPITAL

Authorised share capital :

Equity shares of ₹ 10 each

	Number of shares	Amount
As at April 1, 2019	2,75,00,000	27.50
Changes during the year	-	-
As at March 31, 2020	2,75,00,000	27.50
Changes during the year	-	-
As at March 31, 2021	2,75,00,000	27.50

Terms/rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Issued, Subscribed and Paid up Capital :

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
As at April 1, 2019	2,12,49,302	21.25
Changes during the year	-	-
As at March 31, 2020	2,12,49,302	21.25
Changes during the year	-	-
As at March 31, 2021	2,12,49,302	21.25

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, 2021	As at March 31, 2020
i) 1,07,19,097 (March 31, 2020 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	10.72	10.72
ii) 37,44,951 (March 31, 2020 : 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, 2020 : 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, 2021		As at March 31, 2020	
	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%

Dividend paid and proposed :

	For the year ended March 31, 2021	For the year ended March 31, 2020
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Dividend on equity shares declared and paid :

Final dividend for the year ended March 31, 2020 : ₹ 107 per share (March 31, 2019 : ₹ 50 per share)	227.37	106.25
Special dividend for the year ended March 31, 2020 : ₹ 143 per share (March 31, 2019 : ₹ 15 per share)	303.86	31.87
Dividend distribution tax on proposed dividend	-	28.39
Date of approval (date of Annual General Meeting)	September 7, 2020	August 22, 2019

Proposed dividend on equity shares :

Final dividend for the year ended March 31, 2021 : ₹ 120 per share (March 31, 2020 : ₹ 107 per share)	254.99	227.37
Special dividend for the year ended March 31, 2021 : ₹ 155 per share (March 31, 2020 : ₹ 143 per share)	329.36	303.86

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, 2020 and March 31, 2021.

Effective April 1, 2020, in view of the changes made under the Income tax Act, 1961, by the Finance Act, 2020, dividends distributed by the Company shall be taxable in the hands of the shareholders. Hence, there will be no liability on the Company towards the dividend distribution tax on proposed dividend.

(All amounts in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY

	Reserves and Surplus				Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share based Compensation Reserve	
As at April 1, 2019	0.38	5.23	2.52	277.5	1,987.34
Profit for the year	-	-	-	-	592.93
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	(4.96)
Transfer from Profit and Loss to General Reserve	-	-	-	59.29	-
Dividend for the year ended March 31, 2019 (Refer Note 16)	-	-	-	-	(138.12)
Dividend distribution tax (Refer Note 16)	-	-	-	-	(28.39)
Share based compensation to employees (Refer Note 30)	-	-	-	8.77	8.77
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(0.76)	-
Impact due to adoption of Ind AS 116 'Leases' under modified retrospective approach	-	-	-	-	(9.51)
Deferred tax impact due to adoption of Ind AS 116 'Leases' under modified retrospective approach	-	-	-	-	2.39
As at March 31, 2020	0.38	5.23	2.52	357.6	2,410.45
Profit for the year	-	-	-	-	690.69
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	1.25
Transfer from Profit and Loss to General Reserve	-	-	-	69.07	-
Dividend for the year ended March 31, 2020 (Refer Note 16)	-	-	-	-	(531.23)
Share based compensation to employees (Refer Note 30)	-	-	-	9.75	9.75
Transfer from Share based Compensation Reserve to General Reserve*	-	-	-	(1.24)	-
As at March 31, 2021	0.38	5.23	2.52	44.27	2,580.91

* On account of cancellation of share options awarded to employees



Notes to the Financial Statements

for the year ended March 31, 2021

(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.

2. Capital Reserve

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standards 14 issued by the Institute of Chartered Accountants of India.

3. Capital Redemption Reserve

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves.

4. Share based Compensation Reserve

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share based Compensation Reserve is used to recognise the fair value of the RSUs awarded to the employees. The award represents in substance equity contributions by the Ultimate Holding Company.

5. General Reserve

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6. Retained Earnings

Retained Earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

7. Remeasurement of defined benefit plan

Differences between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

18. NON-CURRENT PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
Post Retirement Medical Benefits	3.03	3.00
Long Service Benefits	2.03	1.87
Others :		
For likely sales returns and date expiry (Refer Note 24)	57.41	49.09
For likely sales returns - reimbursable (Refer Note 24)	27.28	30.88
	89.75	84.84

(All amounts in ₹ Crores, unless otherwise stated)

19. INCOME TAXES

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :

Extract of Statement of Profit and Loss :

Profit and Loss section :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax :		
Current tax expense	242.76	208.04
Tax adjustment for earlier years	(3.71)	0.25
Deferred tax :		
Relating to origination and reversal of temporary differences	(3.79)	1.48
Income tax expense reported in the Statement of Profit and Loss	235.26	209.77

Other Comprehensive Income (OCI) section - Deferred tax related to items recognised in OCI during the year :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net loss/(gain) on remeasurement of defined benefit plans	(0.42)	0.45
Income tax expense charged to OCI	(0.42)	0.45

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020 :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before income tax	925.95	802.70
	925.95	802.70
At India's statutory income tax rate of 25.168% (March 31, 2020 : 25.168%)	233.04	202.02
Adjustments in respect of current income tax of previous years	(3.71)	0.25
Impact of change in income tax rate on deferred tax	-	2.75
Non-deductible expenses for tax purposes	5.93	4.75
	235.26	209.77
At the effective income tax rate of 25.407% (March 31, 2020 : 26.132%)	235.26	209.77
Income tax expense reported in the Statement of Profit and Loss	235.26	209.77



Notes to the Financial Statements

for the year ended March 31, 2021

(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, 2021	As at March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax assets				
Provision for Compensated Absences	9.24	8.21	(1.03)	1.88
Gratuity and Other employee benefits	2.06	3.58	1.52	0.47
Allowance for credit impaired debts	2.90	2.85	(0.05)	1.06
Other items of disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	9.46	7.01	(2.45)	1.29
Other items giving rise to temporary differences	3.76	1.76	(2.00)	(1.13)
Deferred tax liabilities				
Depreciation	(6.85)	(7.48)	(0.63)	(4.26)
Other items giving rise to temporary differences	(2.76)	(1.49)	1.27	(0.67)
Net deferred tax assets/(liabilities)	17.81	14.44		
Deferred tax charge/(income)			(3.37)	(1.36)
Deferred tax charge/(income) recognised in Profit and Loss			(3.79)	1.48
Deferred tax charge/(income) recognised in OCI			0.42	(0.45)
Deferred tax charge/(income) taken to retained earnings			-	(2.39)
			(3.37)	(1.36)

Reflected in the Balance Sheet as follows :

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	27.42	23.41
Deferred tax liabilities	(9.61)	(8.97)
Deferred tax assets (net)	17.81	14.44

Reconciliation of deferred tax assets (net) :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance as of April 1	14.44	13.08
Tax income/(charge) during the period recognised in Profit and Loss	3.79	(1.48)
Tax income/(charge) during the period recognised in OCI	(0.42)	0.45
Tax income/(charge) taken to retained earnings	-	2.39
Closing balance as at March 31	17.81	14.44

20. TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
Due to micro and small enterprises (Refer (a) below)	34.26	18.32
Due to related parties (Refer Note 41 (D))	100.22	101.03
Due to others	628.19	538.42
	762.67	657.77

For terms and conditions relating to related party payables, refer Note 41.

For information on financial risk management objectives and policies, refer Note 43.

(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, 2021	As at March 31, 2020
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	34.26	18.32
(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.

21. CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2021	As at March 31, 2020
Deposits from customer	0.60	0.60
Unclaimed dividend [#]	6.44	3.41
Salaries, wages, incentives and bonus payable to employees	44.76	42.27
Deposit from a related party (Refer Note 41 (D))	0.45	0.45
Others	4.61	4.05
	56.86	50.78

[#] 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, 2021 and March 31, 2020.

22. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Statutory dues including provident fund and tax deducted at source	10.75	13.37
GST payable	1.72	1.90
Contract liabilities (Refer Note 25 (d))	6.04	5.01
Others (includes provision against disputed cases)	26.49	11.51
	45.00	31.79



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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

23. CURRENT PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
Compensated Absences	36.69	32.62
Post Retirement Medical Benefits	0.30	0.28
Long Service Benefits	0.39	0.28
Gratuity	2.42	8.79
Superannuation	1.31	1.23
Provision for likely sales returns and date expiry (Refer Note 24)	51.33	37.56
Provision for likely sales returns - reimbursable (Refer Note 24)	23.52	26.69
	115.96	107.45

24. 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
Carrying Amount as at April 1, 2019	69.08	60.10	129.18
Add : Net amount provided/(written back) during the year [@]	17.57	(2.53)	15.04
Carrying Amount as at March 31, 2020*	86.65	57.57	144.22
Add : Net amount provided/(written back) during the year [@]	22.09	(6.77)	15.32
Carrying Amount as at March 31, 2021*	108.74	50.80	159.54

[@] Includes unwinding of discount and effect of changes in discount rate on provision of ₹ 3.02 Crores (March 31, 2020 : ₹ 2.40 Crores) (Refer Note 31).

* Carrying Amount comprises of :

	As at March 31, 2021	As at March 31, 2020
Non-current provision :		
For likely sales returns and date expiry (Refer Note 18)	57.41	49.09
For likely sales returns - reimbursable (Refer Note 18)	27.28	30.88
Current provision :		
For likely sales returns and date expiry (Refer Note 23)	51.33	37.56
For likely sales returns - reimbursable (Refer Note 23)	23.52	26.69
	159.54	144.22

Nature of provision :

The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account historical experience and market conditions.

The expected timing of any resulting outflows of economic benefits ranges from 1 month to 39 months.

(All amounts in ₹ Crores, unless otherwise stated)

25. REVENUE FROM OPERATIONS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (Refer (a) below)	4,249.11	4,054.47
Rendering of services (Refer (b) below)	58.48	23.12
	4,307.59	4,077.59
Other operating revenue		
Sale of scrap	1.08	0.76
Insurance, customs and carriers claims	0.49	0.97
Miscellaneous Income		
Duty drawback	0.31	0.23
Others	0.55	13.59
Total other operating revenue	2.43	15.55
	4,310.02	4,093.14

(a) Sale of products :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Tablets	1,639.96	1,648.49
Injectables	1,771.38	1,617.18
Liquids	642.10	593.08
Capsules	130.91	133.31
Ointments	12.95	13.99
Granules	10.89	10.21
Powder	11.90	7.24
Others	29.02	30.97
	4,249.11	4,054.47

(b) Rendering of services includes : (Refer Note 41 (C))

	For the year ended March 31, 2021	For the year ended March 31, 2020
Shared and support services rendered to Abbott Healthcare Private Limited, India	51.72	16.26
Shared and support services rendered to Abbott Products Operations AG., Switzerland	2.98	3.71
Shared and support services rendered to Abbott Laboratories S.A., Dubai	1.18	1.27
Shared and support services rendered to Abbott Laboratories (Singapore) Pte Ltd., Singapore	1.18	1.27
Shared and support services rendered to St Jude Medical India Private Limited, India	1.24	0.61
Shared and support services rendered to Alere Medical Private Limited, India	0.18	-
	58.48	23.12



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(c) Revenue from contracts with customers :

	For the year ended March 31, 2021	For the year ended March 31, 2020
India (Goods)	4,170.08	3,998.12
Outside India (Goods)	79.03	56.35
India (Services)	53.14	16.87
Outside India (Services)	5.34	6.25
Total revenue from contracts with customers	4,307.59	4,077.59
Timing of revenue recognition		
Goods transferred at a point in time	4,249.11	4,054.47
Services transferred at a point in time	58.48	23.12
Total revenue from contracts with customers	4,307.59	4,077.59

(d) Contract Balances :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade receivables (Refer Note 10)	250.21	317.91
Contract assets	-	-
Contract liabilities (Refer Note 22)	(6.04)	(5.01)
Net contract balances	244.17	312.90

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, 2021	For the year ended March 31, 2020
Revenue as per contracted price	4,467.69	4,182.18
Add/(Less) : Adjustments		
- Sales Return	(139.59)	(83.65)
- Discounts	(20.51)	(20.94)
Net revenue from sale of products and rendering of services	4,307.59	4,077.59

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.

(All amounts in ₹ Crores, unless otherwise stated)

26. OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortised cost :		
Interest income on fixed deposits	78.47	111.16
Interest income on others (from employees and other receivables)	0.26	0.58
Other non-operating income :		
Rental income from a related party (Refer Note 41 (C))	1.15	1.15
Interest income on security deposits	0.99	1.41
Gain on early termination of leases (Refer Note 5)	0.03	0.04
Others (includes octroi refund)	-	0.05
	80.90	114.39

27. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	77.72	96.09
Add : Purchases during the year	540.74	433.39
Less : Inventory at the end of the year	(164.14)	(77.72)
	454.32	451.76

28. PURCHASES OF STOCK-IN-TRADE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Tablets	226.60	234.08
Injectables	1,652.79	1,363.95
Liquids	89.83	146.30
Capsules	9.44	11.63
Ointments	4.13	4.51
Granules	4.34	3.63
Powder	7.03	4.48
Others	46.44	34.05
	2,040.60	1,802.63

29. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock		
Finished goods	97.52	62.60
Stock-in-trade	331.40	407.54
Work-in-progress	20.53	40.55
Less : Closing Stock		
Finished goods	(96.07)	(97.52)
Stock-in-trade	(439.53)	(331.40)
Work-in-progress	(17.85)	(20.53)
	(104.00)	61.24

30. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	443.14	431.47
Contribution to provident and other funds	28.88	26.93
Share based compensation to employees	9.75	8.77
Staff welfare expenses	10.88	8.94
	492.65	476.11



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

31. FINANCE COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on lease liabilities (Refer Note 5)	14.75	5.90
Interest expense, other than on lease liabilities	0.51	0.23
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 24)	3.02	2.40
	18.28	8.53

32. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, plant and equipment (Refer Note 3)	16.91	16.10
Amortisation of intangible assets (Refer Note 4)	0.66	0.95
Deferred lease expense on security deposits (Refer Note 5)	1.08	1.31
Amortisation of Right-of-use assets (Refer Note 5)	39.48	41.25
	58.13	59.61

33. OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores	7.15	8.81
Power and fuel	12.74	13.73
Rent (Refer Note 5)	0.24	0.18
Repairs to buildings	0.44	1.11
Repairs to plant and machinery	4.74	4.38
Repairs (others)	4.18	4.03
Insurance	3.30	2.89
Rates and taxes	28.58	17.95
Advertising, publicity and sales promotion	119.71	146.36
Freight and forwarding charges	33.15	31.51
Travelling and business meetings	37.19	110.13
Commission to carrying and forwarding agents	47.04	44.20
Exchange loss (net)	3.76	8.08
Bad debts written off	2.57	0.27
Less : Adjusted against earlier year's provision	(2.57)	(0.27)
	-	-
Allowance for credit impaired debts	2.80	0.39
Professional fees and other services	129.34	77.03
Loss on sale/write off of Property, plant and equipment (net)	0.25	0.56
Payment to auditors (Refer (a) below)	1.58	1.53
CSR expenditure (Refer (b) below)	13.88	11.64
Miscellaneous expenses	54.92	60.44
	504.99	544.95

(All amounts in ₹ Crores, unless otherwise stated)

(a) Payment to auditors :

	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor :		
Audit fees	0.83	0.71
Tax audit fees	0.15	0.15
Limited review	0.31	0.28
In other capacity :		
Other services (including certification fees)	0.28	0.33
Reimbursement of expenses	0.01	0.06
	1.58	1.53

(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
- Malaria Elimination Program with Malaria No More
- 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, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	13.83	11.36
Amount approved by the Board to be spent during the year	13.83	11.36

Amount spent during the year ending on March 31, 2021 :	In cash	Yet to be paid in cash	Total
i) Construction/ acquisition of any asset	-	-	-
ii) Others :			
On various programmes to expand awareness and access to healthcare	1.73	0.69	2.42
On Building Healthcare Infrastructure	4.72	-	4.72
On STEM Education	0.84	-	0.84
On SEWA (Self Employed Women's Association)	4.77	-	4.77
On Malaria No More	0.45	-	0.45
Administrative expenses related to CSR activities	0.68	-	0.68
	13.19	0.69	13.88



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash	Total
i) Construction/ acquisition of any asset	-	-	-
ii) Others :			
On various programmes to expand awareness and access to healthcare	3.24	1.17	4.41
On SEWA (Self Employed Women's Association)	3.40	0.12	3.52
On Malaria No More	3.44	-	3.44
Administrative expenses related to CSR activities	0.27	-	0.27
	10.35	1.29	11.64

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements of defined benefit plan : (Refer Note 37)		
Gratuity	1.81	(4.70)
Post retirement medical benefit scheme	(0.14)	(0.71)
	1.67	(5.41)

The above has been aggregated in retained earnings of the respective periods.

35. 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, 2021	For the year ended March 31, 2020
Profit attributable to equity holders for Basic/Diluted earnings	690.69	592.93
Weighted average number of equity shares for Basic/Diluted EPS*	2,12,49,302	2,12,49,302
Basic/Diluted EPS ₹ (Face value of ₹ 10 per share)	325.04	279.04

* 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.

36. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements :

Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(All amounts in ₹ Crores, unless otherwise stated)

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.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for sales return and date expiry

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience and market conditions and are provided for accordingly. Also refer Note 24.

Useful lives of Property, plant and equipment

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (d) for management estimate of useful lives.

Defined benefit plans (Gratuity benefits)

The cost of the defined benefit gratuity plan and other post employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates in the country.

Further details about gratuity obligations are given in Note 37.

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 38.

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 42.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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 9.

Impairment of trade receivables

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 10.

Impairment of other financial assets

The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 7 and 14.

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 39).

37. 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

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Included in contribution to Provident and Other Funds (Refer Note 30)		
Employer's contribution to Provident Fund/Employees' Pension Fund	18.59	17.53
Employer's contribution to Superannuation Fund	3.01	2.99
Included in staff welfare expenses (Refer Note 30)		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	0.45	0.43
Premium paid in respect of Group Life Insurance Cover	0.64	0.61
Premium paid in respect of Employees' State Insurance Scheme	0.05	0.07

(b) Defined Benefit Plans

- i. **Gratuity** : (Included as part of contribution to provident and other funds in Note 30 - 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.

(All amounts in ₹ Crores, unless otherwise stated)

- ii. **Post Retirement Medical Benefits (PRMB)** : (Included as part of staff welfare expenses in Note 30 - 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 30 - 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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
I) Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	73.59	63.60	3.28	2.66
Interest cost	4.49	4.27	0.21	0.19
Current service cost	6.47	5.68	-	-
Benefits paid	(4.22)	(4.79)	(0.30)	(0.28)
Actuarial changes arising from changes in demographic assumptions	-	(0.57)	-	-
Actuarial changes arising from changes in financial assumptions	(0.97)	4.69	0.01	0.15
Actuarial changes arising from changes in experience adjustments	(0.48)	0.71	0.13	0.56
Present value of defined benefit obligation at the end of the year	78.88	73.59	3.33	3.28
II) Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	64.80	56.50	-	-
Interest income	4.13	3.86	-	-
Contributions paid by the employer	11.39	9.10	0.30	0.28
Benefits paid from the fund	(4.22)	(4.79)	(0.30)	(0.28)
Return on plan assets excluding interest income	0.36	0.13	-	-
Fair value of plan assets at the end of the year	76.46	64.80	-	-



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
III) Net (asset)/liability recognised in the Balance Sheet				
Present value of defined benefit obligation at the end of the year	78.88	73.59	3.33	3.28
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	(76.46)	(64.80)	-	-
Amount recognised in the Balance Sheet/Net funded obligation	2.42	8.79	3.33	3.28
Net liability-current (Refer Note 23)	2.42	8.79	0.30	0.28
Net liability-non-current (Refer Note 18)	-	-	3.03	3.00
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
IV) Expenses recognised in the Statement of Profit and Loss for the year				
Current service cost	6.47	5.68	-	-
Interest cost on benefit obligation (net)	0.36	0.41	0.21	0.19
One Year Renewable Term Assurance (OYRTA) Premium	0.49	0.38	-	-
Total expenses included in Employee benefits expense	7.32	6.47	0.21	0.19
V) Recognised in other comprehensive income for the year				
Actuarial changes arising from changes in demographic assumptions	-	(0.57)	-	-
Actuarial changes arising from changes in financial assumptions	(0.97)	4.69	0.01	0.15
Actuarial changes arising from changes in experience adjustments	(0.48)	0.71	0.13	0.56
Return on plan assets excluding interest income	(0.36)	(0.13)	-	-
Recognised in other comprehensive income for the year (Refer Note 34)	(1.81)	4.70	0.14	0.71
VI) Maturity profile of defined benefit obligation				
Within the next 12 months (next annual reporting period)	12.66	12.26	0.30	0.28
Between 2 and 5 years	30.84	28.53	1.19	1.14
Between 6 and 9 years	25.54	23.11	1.13	1.10
For 10 years and above	71.87	67.74	3.41	3.62

(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
VII) Sensitivity analysis for significant assumption is as below :				
1. Increase/(decrease) on present value of defined benefits obligation at the end of the year				
Impact of 50 bps increase in discount rate	(3.50%)	(3.46%)	(3.51%)	(3.65%)
Impact of 50 bps decrease in discount rate	3.73%	3.69%	3.76%	3.91%
Impact of 100 bps increase in healthcare cost	-	-	7.75%	8.08%
Impact of 100 bps decrease in healthcare cost	-	-	(6.90%)	(7.17%)
Impact of increase by 1 year in life expectancy	-	-	4.89%	4.77%
Impact of decrease by 1 year in life expectancy	-	-	(4.81%)	(4.70%)
Impact of 50 bps increase in rate of salary increase	3.27%	3.18%	-	-
Impact of 50 bps decrease in rate of salary increase	(3.18%)	(3.07%)	-	-

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
VIII) The major categories of plan assets as a percentage of total				
Insurer managed funds	100%	100%	-	-

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.



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(All amounts in ₹ Crores, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
IX) Actuarial assumptions				
Discount rate	6.60%	6.65%	6.60%	6.65%
Salary escalation	7.5% until year 2 inclusive, and 7% thereafter	10% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	-	-
Rate of leaving service	Age related	Age related	-	-
Mortality post retirement rate	-	-	SIPA (90) Mortality table	SIPA (90) Mortality table
Annual increase in healthcare costs	-	-	6%	6%
Expected retirement age of employees (years)	58 years	58/60 years, as applicable	58 years	60 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ 2.50 Crores (March 31, 2020 : ₹ 8.80 Crores).

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is 7.22 years (March 31, 2020 : 7.14 years) and for PRMB is 7.26 years (March 31, 2020 : 7.55 years).

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021. 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.

38. 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, 2021, 17,195 shares (March 31, 2020 : 16,151 shares) were purchased by employees at weighted average fair value of US \$ 79.89 (March 31, 2020 : US \$ 67.16) per share.

(All amounts in ₹ Crores, unless otherwise stated)

b) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA as part of the 'Long-term Incentive Program' has offered Restricted Stock Units (RSUs) to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a NIL Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third instalments over a three year period. Pursuant to Ind AS 102 'Share-based Payment', the fair value of the RSUs have been recorded by the Company. The fair value of the RSUs is estimated at the grant date using Black Scholes Option Pricing Model, taking into account the terms and conditions upon which such RSUs were granted.

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	32,873	NA	45,396	NA
Add : Granted during the year	13,465	NA	16,685	NA
Add : Transfers in during the year	4,548	NA	1,686	NA
Less : Exercised during the year	(15,070)	NA	(22,812)	NA
Less : Cancelled/Expired during the year	(1,831)	NA	(2,040)	NA
Less : Transfers out during the year	(5,135)	NA	(6,042)	NA
Outstanding at the end of the year	28,850	NA	32,873	NA

The weighted average share price at the date of exercise for stock options exercised during the year was US \$ 124.24 (March 31, 2020 : US \$ 88.64).

The following tables list the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2021 and March 31, 2020, respectively :

	As at March 31, 2021	As at March 31, 2020
Dividend yield (%)	0%	0%
Expected volatility (%)	32.88%	19.30%
Risk-free interest rate (%)	0.14%	1.33%
Expected life of Restricted Stock Units (years)	3 years	3 years
Weighted average share price (INR)	₹ 8,945.79	₹ 6,235.19
Model used	Black Scholes	Black Scholes

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year, ₹ 4.79 Crores (March 31, 2020 : ₹ 5.32 Crores) withholding taxes has been deposited with tax authorities against exercised options.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

39. COMMITMENTS AND CONTINGENCIES

a. Commitments :

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8.18	4.54

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 ₹ 1.23 Crores (March 31, 2020 : ₹ 1.20 Crores) including interest liability till date.

	As at March 31, 2021	As at March 31, 2020
(ii) Income Tax	78.74	73.44
(iii) Sales Tax	36.59	33.00

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (iv) There are various interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund especially retrospective application (before March 1, 2019). As per the Supreme Court judgement, effective March 1, 2019 on a prospective basis, the Company has made payments in accordance with the definition of contributory wages for Provident Fund (PF) for all eligible employees and is in compliance of the judgment. Since the amount pertaining to retrospective application (before March 1, 2019), if any, of Supreme Court Order is not ascertainable, the Company will update its provision for the past period on receiving further clarity on the subject.

40. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. 'Pharmaceuticals'.

(All amounts in ₹ Crores, unless otherwise stated)

41. 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 :

D) 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

Alere Medical Private Limited, India

Abbott Laboratories S.A., Switzerland

Abbott Laboratories S.A., Dubai

Abbott Laboratories Services LLC, Sri Lanka

St Jude Medical India Private Limited, India

II) Key Management personnel and Independent directors:

Mr. Anil Joseph, Managing Director (w.e.f. July 1, 2020)

Mr. Ambati Venu, Non-executive Director (ceased to be the Managing Director effective close of business hours on February 29, 2020)

Mr. Munir Shaikh, Chairman

Mr. Rajiv Sonalker, CFO and Whole-time Director

Mr. Krishna Mohan Sahni, Independent Director (ceased to be the Director effective close of business hours on October 28, 2019)

Ms. Anisha Motwani, Independent Director

Mr. Sudarshan Jain, Independent Director (w.e.f. April 1, 2019)

Ms. Shalini Kamath, Independent Director (w.e.f. October 29, 2019)

C) Transactions during the year :

D) Transactions with the Holding Company during the year

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Capital India Ltd., UK		
Remittance of dividend	267.98	69.67



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

II) Transactions with fellow Subsidiaries during the year

i) Remittance of dividend :

	For the year ended March 31, 2021	For the year ended March 31, 2020
British Colloids Ltd., U.K.		
Remittance of dividend	36.75	9.56
Abbott Healthcare Products Ltd., U.K.		
Remittance of dividend	93.62	24.34

ii) Sales to fellow subsidiaries :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
Sales of stock-in-trade	60.94	56.86
Sales of raw materials	0.74	47.12
Abbott Products Operations AG., Switzerland		
Sales of stock-in-trade	-	0.86
Abbott Laboratories Services LLC, Sri Lanka		
Sale of capital goods	0.02	-

iii) Purchases from fellow subsidiaries :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
Purchase of raw materials	0.07	4.92
Purchase of stock-in-trade	69.53	145.06
Abbott Products Operations AG., Switzerland		
Purchase of raw materials	316.48	297.28
Purchase of stock-in-trade	84.12	80.04
Alere Medical Private Limited, India		
Purchase of capital goods	0.01	-

iv) Other expenses to fellow subsidiaries :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
Shared and support services	53.07	10.14
Promotional expenses	0.88	0.63
Conversion charges	15.64	16.63
Payment of lease liabilities*	33.16	32.89
Finance costs*	10.69	1.98
Electricity and communication expenses	0.92	0.72
Alere Medical Private Limited, India		
Promotional expenses	0.06	0.06

* In the previous year, the Company adopted Ind AS 116 'Leases', with the date of initial application as April 1, 2019.

(All amounts in ₹ Crores, unless otherwise stated)

v) Deposit to fellow subsidiary :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India				
Market research and other expenses	0.03	-	0.26	0.15
Abbott International LLC, USA				
Employee benefits expense, travel and other expenses	0.11	0.28	-	-
Abbott Laboratories (Singapore) Pte Ltd., Singapore				
Employee benefits expense, travel and other expenses	0.01	0.40	0.14	0.27
Abbott Products Operations AG., Switzerland				
Employee benefits expense, travel and other expenses	-	-	-	1.60
Abbott Laboratories S.A., Switzerland				
Employee benefits expense, travel and other expenses	-	-	-	0.10
Abbott GmbH, Germany				
Employee benefits expense, travel and other expenses	-	-	0.04	0.10
Abbott Laboratories Services LLC, Sri Lanka				
Employee benefits expense, travel and other expenses	-	-	0.29	0.25

vii) Income from fellow subsidiaries :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
Shared and support services (Refer Note 25 (b))	51.72	16.26
Rent income (Refer Note 26)	1.15	1.15
Abbott Products Operations AG., Switzerland		
Shared and support services (Refer Note 25 (b))	2.98	3.71
Abbott Laboratories S.A., Dubai		
Shared and support services (Refer Note 25 (b))	1.18	1.27
Abbott Laboratories (Singapore) Pte Ltd., Singapore		
Shared and support services (Refer Note 25 (b))	1.18	1.27
St Jude Medical India Private Limited, India		
Shared and support services (Refer Note 25 (b))	1.24	0.61
Alere Medical Private Limited, India		
Shared and support services (Refer Note 25 (b))	0.18	-



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

viii) Lease liabilities from fellow subsidiary :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Abbott Healthcare Private Ltd., India		
Recognition of lease liabilities*	-	134.55

* In the previous year, the Company adopted Ind AS 116 'Leases', with the date of initial application as April 1, 2019.

ix) Key management personnel remuneration* :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Anil Joseph, Managing Director (w.e.f. July 1, 2020)	3.80	-
Mr. Ambati Venu, Non-executive Director (ceased to be the Managing Director effective close of business hours on February 29, 2020)	-	7.15
Mr. Rajiv Sonalker, CFO and Whole-time Director	3.86	3.30

* During the year, as a part of the 'Long-term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ 2.96 Crores (March 31, 2020 : ₹ 3.64 Crores) have been granted to the above employees. Also refer Note 38 (b).

Also, provision for post employment benefits as contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

x) Non-Executive, Other Directors' sitting fees :

	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Munir Shaikh, Chairman	0.15	0.11
Mr. Krishna Mohan Sahni, Independent Director (ceased to be the Director effective close of business hours on October 28, 2019)	-	0.09
Ms. Anisha Motwani, Independent Director	0.17	0.14
Mr. Sudarshan Jain, Independent Director (w.e.f. April 1, 2019)	0.15	0.12
Ms. Shalini Kamath, Independent Director (w.e.f. October 29, 2019)	0.15	0.06

D) Outstanding :

	As at March 31, 2021	As at March 31, 2020
Trade payable to fellow subsidiaries (Refer Note 20)		
Abbott Products Operations AG., Switzerland	91.21	86.31
Abbott Healthcare Private Ltd., India	8.93	14.69
Abbott Laboratories (Singapore) Pte Ltd., Singapore	-*	0.03
Abbott International LLC, USA	0.08	-
	100.22	101.03
Lease Liabilities to fellow subsidiary (Refer Note 5)		
Abbott Healthcare Private Ltd., India	110.71	133.18
	110.71	133.18
Other payable to fellow subsidiary (Refer Note 21)		
Abbott Healthcare Private Ltd., India	0.45	0.45
	0.45	0.45

* below ₹ 50,000/-

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Trade receivables from fellow subsidiaries (Refer Note 10)		
Abbott Healthcare Private Ltd., India	9.38	24.77
Abbott Products Operations AG., Switzerland	-	0.26
	9.38	25.03
Other receivables from fellow subsidiaries (Refer Note 14)		
Abbott Products Operations AG., Switzerland	0.53	0.59
Abbott Healthcare Private Ltd., India	4.65	0.66
Abbott Laboratories Services LLC, Sri Lanka	-	0.02
Abbott International LLC, USA	4.70	5.36
Abbott Laboratories S.A., Dubai	0.20	0.20
Abbott Laboratories (Singapore) Pte Ltd., Singapore	0.20	0.23
Abbott GmbH, Germany	-	0.11
St Jude Medical India Private Limited, India	0.23	0.67
Alere Medical Private Limited, India	0.19	-
	10.70	7.84
Loan and deposit to fellow subsidiary (Refer Note 5 and 6)		
Abbott Healthcare Private Ltd., India	14.84	14.77

Terms and conditions of transactions with related parties :

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

42. 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets/liabilities at amortised cost				
Financial assets at amortised cost (non-current) :				
Loans (Refer Note 6)	14.35	16.78	14.35	16.78
Other financial assets (Refer Note 7)	32.27	36.26	32.27	36.26
Financial assets at amortised cost (current) :				
Trade and other receivables (Refer Note 10)	250.21	317.91	250.21	317.91
Cash and cash equivalents (Refer Note 11)	218.27	145.14	218.27	145.14
Bank balances other than cash and cash equivalents (Refer Note 12)	2,190.77	2,052.24	2,190.77	2,052.24
Loans (Refer Note 13)	4.95	6.14	4.95	6.14
Other financial assets	51.94	67.96	51.94	67.96



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortised cost (non-current) :				
Lease liabilities (Refer Note 5)	117.68	139.20	117.68	139.20
Financial liabilities at amortised cost (current) :				
Lease liabilities (Refer Note 5)	34.90	35.68	34.90	35.68
Trade payables (Refer Note 20)	762.67	657.77	762.67	657.77
Other financial liabilities	56.86	50.78	56.86	50.78
Financial assets at fair value through Profit or Loss (current) :				
Forward contract receivable	0.82	4.42	0.82	4.42

B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :

Particulars	Carrying amount	Fair value	Fair value hierarchy		
			Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets at amortised cost					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 6)	11.16	11.16	-	-	11.16
Deposits for premises (Refer Note 6)	1.67	1.67	-	-	1.67
Against tenders (Refer Note 6)	1.52	1.52	-	-	1.52
Other financial assets (Refer Note 7)	32.27	32.27	-	-	32.27
	46.62	46.62	-	-	46.62
Financial liabilities at fair value through Profit or Loss					
Lease liabilities (Refer Note 5)	152.58	152.58	-	-	152.58
	152.58	152.58	-	-	152.58
Total	199.20	199.20	-	-	199.20
Financial assets at fair value through Profit or Loss					
Forward contract receivable	0.82	0.82	-	0.82	-
Total	0.82	0.82	-	0.82	-

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Carrying amount	Fair value	Fair value hierarchy		
			Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets at amortised cost					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 6)	14.57	14.57	-	-	14.57
Deposits for premises (Refer Note 6)	1.00	1.00	-	-	1.00
Against tenders (Refer Note 6)	1.21	1.21	-	-	1.21
Other financial assets (Refer Note 7)	36.26	36.26	-	-	36.26
	53.04	53.04	-	-	53.04
Financial liabilities at fair value through Profit or Loss					
Lease liabilities (Refer Note 5)	174.88	174.88	-	-	174.88
	174.88	174.88	-	-	174.88
Total	227.92	227.92	-	-	227.92
Financial assets at fair value through Profit or Loss					
Forward contract receivable	4.42	4.42	-	4.42	-
Total	4.42	4.42	-	4.42	-

The following methods and assumptions were used to estimate the fair values :

Fair value of cash and bank balances, short-term loans, trade and other short-term receivables, trade payables, other financial current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

During the reporting period ending March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(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, 2021	As at March 31, 2020
a) Deposits for premises	Discounted cashflow method using interest rate for similar financial instrument	Discounted cashflow method using interest rate for similar financial instrument
b) Lease liabilities	Discounted cashflow method using incremental borrowing rate	Discounted cashflow method using incremental borrowing rate
c) Financial assets/liabilities other than above	Expected cashflows for the financial instruments	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

43. 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, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets	2,332.15	2,168.68

Fair value sensitivity analysis for fixed rate instruments :

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

The Company's exposure to foreign currency risk is as follows :

Particulars	As at March 31, 2021			As at March 31, 2020		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	7.09	-	-	1.82	-	-
Other financial assets	15.81	0.35	-	18.45	-	-
Trade payables	119.16	0.43	-	120.36	0.12	(0.01)

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, 2021		As at March 31, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(0.96)	0.96	(1.00)	1.00
EURO	-*	-*	-*	-*
GBP	-	-	-*	-*
Increase/(Decrease) in Profit or Loss	(0.96)	0.96	(1.00)	1.00

* 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 ₹ 2,763.57 Crores as at March 31, 2021 (March 31, 2020 : ₹ 2,646.85 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.



Notes to the Financial Statements

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The ageing of trade receivables and allowance for credit loss is as follows :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gross	Allowances for credit losses	Gross	Allowances for credit losses
Not yet due	228.28	1.14	214.59	0.19
Past due 1 - 30 days	14.18	-	68.85	-
Past due 31 - 60 days	4.32	-	10.51	0.93
Past due 61 - 90 days	1.43	-	2.24	-
Over 90 days	13.54	10.40	33.03	10.19
Total	261.75	11.54	329.22	11.31

Movement in allowance for credit loss :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	15.41	14.67
Allowance for credit impaired debts	2.80	0.39
Allowance for credit impaired deposits	0.09	0.62
Bad debts written off	(2.57)	(0.27)
Balance at the end of the year	15.73	15.41

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, 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 20)	762.67	762.67	-	-	-	762.67
Other current financial liabilities (Refer Note 21)	56.86	56.86	-	-	-	56.86
Lease Liabilities (Refer Note 5)	152.58	46.21	89.06	42.99	4.28	182.54
	972.11	865.74	89.06	42.99	4.28	1,002.07

(All amounts in ₹ Crores, unless otherwise stated)

The details of the contractual maturities of significant liabilities as at March 31, 2020 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer Note 20)	657.77	657.77	-	-	-	657.77
Other current financial liabilities (Refer Note 21)	50.78	50.78	-	-	-	50.78
Lease Liabilities (Refer Note 5)	174.88	48.75	85.01	76.31	5.55	215.62
	883.43	757.30	85.01	76.31	5.55	924.17

44. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

45. 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.

46. The Company has bank overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.

47. Previous year's figures have been regrouped/reclassified to conform to the current year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

ANIL JOSEPH
Managing Director
DIN : 08753233

SUDARSHAN JAIN
Director
DIN : 00927487

per **RAVI BANSAL**
Partner
Membership No. 49365

RAJIV SONALKER
CFO and Whole-time Director
DIN : 07900178

KRUPA ANANDPARA
Company Secretary
Membership No. ACS 16536

Place : Mumbai
Date : May 18, 2021

Place : Mumbai
Date : May 18, 2021



Notice

Notice is hereby given that the Seventy-seventh Annual General Meeting of Abbott India Limited will be held through Video-Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) on Tuesday, July 27, 2021 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, 2021 together with the Reports of Directors and Auditors thereon.
- To declare a final dividend of ₹ 120/- and special dividend of ₹ 155/- per Equity Share for the financial year ended March 31, 2021.
- To appoint a Director in place of Mr Kaiyomarz Marfatia (DIN : 03449627), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr Ambati Venu (DIN : 07614849), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

- Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, for the financial year 2021-22**

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 Crores 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 2021-22, be and is hereby ratified.

- Re-appointment of Ms Anisha Motwani (DIN : 06943493) as Independent Director**

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 Sections 149, 150, 152 and other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 and the Rules framed thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, Ms Anisha Motwani (DIN : 06943493), in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company for a term of 5 (five) years effective April 25, 2021, not liable to retire by rotation.

RESOLVED Further That the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

- Re-appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

RESOLVED That pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V 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), Mr Rajiv Sonalker (DIN : 07900178), in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as Whole-time Director for a period of 2 (two) years effective July 1, 2021 upto June 30, 2023, at a remuneration and upon such terms and conditions as set out in explanatory statement annexed hereto.

RESOLVED Further That the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deem to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the said appointment and/or remuneration, from time to time, as it may deem fit and to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

- Appointment of Ms Sabina Ewing (DIN : 09201770) as Director, liable to retire by rotation**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

RESOLVED That pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Article 113 of the Articles of Association of the Company, Ms Sabina Ewing (DIN : 09201770), who was appointed as an Additional Director of the Company with effect from June 15, 2021 and who holds office till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED Further That the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

By Order of the Board

Krupa Anandpara

Company Secretary
Membership No. : ACS 16536

Mumbai
June 15, 2021

Registered Office :

Abbott India Limited
CIN : L24239MH1944PLC007330
3, Corporate Park, Sion-Trombay Road, Mumbai-400 071
Telephone No. : +91-22-6797 8888/+91-22-5046 1000/2000
Fax : +91-22-5016 9400
Email : investorrelations.india@abbott.com
Website : www.abbott.co.in

NOTES :

- In view of the COVID-19 pandemic and pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs (“the MCA Circulars”) read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (the SEBI Circulars), relaxation has been granted for physical attendance of the Members to the EGM/AGM and allowed companies to hold General Meetings through Video-Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”). In terms of the same, The 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.

ii. Pursuant to the provisions of the Companies Act, 2013 (“the Act”), a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Meeting will be held through VC/OAVM, in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

iii. Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.

iv. A statement pursuant to Section 102(1) of the Act, relating to the Business to be transacted from Item Nos. 5 to 8 is annexed hereto.

v. The additional details of Directors retiring by rotation/seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.

vi. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 21, 2021 to Tuesday, July 27, 2021 (both days inclusive).

vii. Final dividend of ₹ 120/- and special dividend of ₹ 155/- 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 3, 2021 to the Members whose names appear on the Register of Members as on July 27, 2021 and to the Beneficial Owners of the Shares as on July 20, 2021, as per the details furnished by the Depositories for this purpose.

viii. 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 through electronic mode to the Members whose email addresses

Notice (Contd.)

are available with the Company/Depositories/Depository Participants describing the detailed process to submit the documents/declarations along with the formats, in respect of deduction of Tax at Source on the dividend payout. The intimation is also available on the website of the Company at www.abbott.co.in

ix. 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.

x. In view of the prevailing COVID-19 pandemic, the Dividend will be paid electronically in the bank accounts of the Members whose bank details are available with the Company/Registrar and Share Transfer Agent/Depositories.

Members holding shares in electronic form are requested to intimate change, if any, in their 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 to the Company/Registrar and Share Transfer Agent.

xi. Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination.

Members holding shares in physical form are advised to register Nomination in respect of their Shareholding in the Company. Nomination Form (SH-13) is available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>

xii. Members who have not encashed their dividend warrants from the year 2013-14 or thereafter, are requested to write to the Company/Registrar and Transfer Agent for issue of new demand drafts. Members are requested to note that the unclaimed dividends will be transferred to the Investor Education and Protection Fund (IEPF) after the below mentioned due dates :

Dividend and Year	Dividend per Share	Due Date for Transfer to IEPF
56 th Dividend 2013-14	23	30/08/2021
57 th Dividend 2014-15	31	27/08/2022
58 th Dividend 2015-16	35	16/08/2023
59 th Dividend 2016-17	40	16/08/2024
60 th Dividend 2017-18	55	16/08/2025
61 st Dividend 2018-19	65	20/09/2026
62 nd Dividend 2019-20	250	05/10/2027

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/unclaimed (as on date of the last Annual General Meeting held on September 7, 2020) on the Company’s website under the Investor Section at <https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

xiii. In terms of requirements of Regulation 39(4) and Schedule VI of the 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
Aggregate Number as at April 1, 2020	38	4,711
Number of Shares claimed and transferred from the Unclaimed Suspense Accounts during the year	-	-
Number of Shares transferred to IEPF	-	-
Aggregate Number as at March 31, 2021	38	4,711

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. As per Regulation 40 of the SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/Registrar and Share Transfer Agent, for any assistance in this regard.

xv. In terms of requirements of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the IEPF Authority.

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/other-information/unclaimed-dividend.html>

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

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, 2020	630	96,925
No. of Shares transferred to IEPF Account during the year 2020-21	35	4,666
No. of Shares claimed and transferred to the Shareholders from IEPF Account during the year 2020-21	(6)	(1,195)
No. of Shares in IEPF Account as on March 31, 2021	659	1,00,396

xvi. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on investorrelations.india@abbott.com at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.

xvii. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.

xviii. In line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2020-21 along with the Notice of Seventy-seventh Annual General Meeting *inter alia* indicating the process and manner of e-voting, will be sent through electronic mode to the Members whose email addresses are available with the Company/Depositories/Depository Participants.

The aforesaid documents shall also be available on the Company’ website at <https://www.abbott.co.in/investor-relations/financials.html> and on the websites of the BSE Limited at www.bseindia.com and NSDL at www.evoting.nsdl.com

The Members whose email addresses are not registered with the Company are requested to do so by following the instructions given under Part E of Annexure II.

xix. The relevant documents referred to in the accompanying Notice and Explanatory Statement will be provided upon request, in electronic mode upto the date of the Meeting. The Members are required to write to investorrelations.india@abbott.com with a subject “Inspection of Documents”.

xx. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of 1,000 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 77th AGM without any restriction on account of first-come-first-served principle.

xxi. Speaker Registration/Questions for the Meeting

Members, who would like to express their views/have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorrelations.india@abbott.com from Tuesday, July 13, 2021 to Tuesday, July 20, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.

xxii. 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.



Notice (Contd.)

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 Saturday, July 24, 2021
End of remote e-voting	Upto 5 p.m. (IST) on Monday, July 26, 2021

- 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. July 20, 2021 ("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. Any person holding shares in physical form and non-individual shareholders, 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, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and 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 may follow the steps given in Part A of Annexure II of this Notice.

- f. The facility of voting will be provided at the Meeting for the Members attending the Meeting and who have not cast their vote earlier by remote e-voting.
- g. 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 favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 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 and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai and also be displayed on the Notice Boards of the Registered and Corporate Offices of the Company.

xxiii. Instructions for e-voting and attending the Annual General Meeting is annexed as Annexure II and forms part of this Notice.

xxiv. 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. 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 2021-22 at a remuneration of ₹ 0.08 Crores plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, as stated above, requires ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

Item No. 6

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Shareholders of the Company, at their Seventy-fourth Annual General Meeting held on July 18, 2018, appointed Ms Anisha Motwani (DIN : 06943493) as Independent Director of the Company, for a period of 3 (three) years upto April 24, 2021, not liable to retire by rotation.

The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Ms Motwani during the first term and based on her performance evaluation, approved her re-appointment as Independent Director for a period of 5 (five) years effective April 25, 2021, subject to the approval of Shareholders at this Annual General Meeting.

Ms Motwani has granted the consent for her re-appointment as an Independent Director. Further, the Company has received declarations from Ms Motwani that she continues to meet the criteria of Independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended. Also, as per confirmation received from her, she is not disqualified from being re-appointed as Director in terms of Section 164 of the Companies Act, 2013. Ms Motwani has confirmed that she has registered herself in the database for Independent Directors. In the opinion of the Nomination and Remuneration Committee and the Board, Ms Motwani is independent of the Management.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Ms Motwani for the office of Director of the Company, not liable to retire by rotation.

Ms Motwani is the Chairperson of Audit and Member of Stakeholders Relationship, Nomination and Remuneration and Corporate Social Responsibility Committees of the Company.

Ms Motwani is a Brand and Innovation expert with over 30 years' of 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. In her last executive role, she was the Chief Marketing & Digital Officer of Max Life Insurance. She is the Founder and Partner at 'Storm The Norm' an innovation company. 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.

She has immense knowledge and expertise on digital marketing and brand building, corporate communications, consumer research & analytics and creative excellence.

She holds Master's in Business Administration from University of Rajasthan and Bachelor of Science from Sophia College.

Ms Motwani is an Independent Director on the Boards of Welspun India Limited; Prataap Snacks Limited; Somany Home Innovation Limited and Angel Broking Limited and a Director on the Boards of L&T Investment Management Limited; Star Health and Allied Insurance Company Limited, Edelweiss Finance & Investments Limited and Dvara Kshetriya Gramin Financial Services Private Limited.

She is a Member of Audit Committee in Prataap Snacks Limited, Somany Home Innovation Limited, Welspun India Limited and Star Health and Allied Insurance Company Limited; Member of Stakeholders Relationship Committee in Prataap Snacks Limited and Angel Broking Limited; Member of Nomination and Remuneration Committee in Angel Broking Limited and Welspun India Limited and Chairperson of Corporate Social Responsibility Committee in Prataap Snacks Limited and Star Health and Allied Insurance Company Limited and Member of Corporate Social Responsibility Committee in Welspun India Limited.

The additional details of Ms Motwani as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure I forming part of this Notice. She does not hold any shares in the Company. The letter of appointment of Ms Motwani containing terms of her appointment, is available for inspection by Members on the website of the Company at www.abbott.co.in

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Ms Motwani, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board considers that Ms Motwani's continued association would immensely benefit the Company and accordingly, recommends the resolution set forth in Item No. 6 for the approval of Members as a Special Resolution.



Notice (Contd.)

Item No. 7

The Shareholders of the Company, at their Seventy-fifth Annual General Meeting held on August 22, 2019 appointed Mr Rajiv Sonalker (DIN: 07900178) as Whole-time Director of the Company for a term of two years upto June 30, 2021, not liable to retire by rotation.

The Board of Directors and the Nomination and Remuneration Committee, approved re-appointment of Mr Rajiv Sonalker as Whole-time Director, not liable to retire by rotation, for a further period of 2 (two) years from July 1, 2021 upto June 30, 2023, subject to approval of Shareholders at this Annual General Meeting.

Mr Sonalker has been the Chief Financial Officer of the Company since 2006. 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. Prior to joining the Company, he had worked with Bristol-Myers Squibb as Director-Finance and in positions of varying responsibility in Voltas, Johnson & Johnson, Sanofi-Aventis in India and Germany. Mr Sonalker was awarded the Best CFO in MNC, Mid Enterprise Category, by Business World in the year 2016 and 2020.

He holds B.Sc. from Elphinstone College, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.

Mr Sonalker is the Key Managerial Personnel of the Company. He is a Member of the Corporate Social Responsibility and Risk Management Committees of the Company.

Mr Sonalker has granted the consent for his re-appointment as a whole-time director. Further, as per confirmation received from him, he is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Broad particulars of the terms of re-appointment and remuneration payable to Mr Sonalker are as under –

Remuneration :

In consideration of the performance of his duties to the Company, Mr Sonalker shall be entitled to the following remuneration subject to applicable taxes:

- i. Salary and perquisites : upto a ceiling of ₹ 3 Crore per annum; to be paid monthly and/or annually, as may be approved by the Board. Increments in the annual salary shall be as per the Company's policy and as may be determined by Board of Directors, from time to time;

- ii. Performance Linked Incentive : He shall be entitled Performance Linked Incentive in addition to the Salary as stated above according to the Company policy and as may be determined by the Board of Directors but shall not exceed an amount equal to 30% of the Salary for the relevant period;

- iii. Other perquisites and Benefits (The same shall not be considered as a part of perquisites under (i) above)

- He shall be entitled to telephone and such other perquisites/benefits in accordance with the Company's Rules.
- Abbott Laboratories stock options-He shall be entitled for Abbott Laboratories, USA stocks under its "Long term Incentive Plan in the form of Restricted Stock Unit, as per his eligibility. He is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan".
- The Company's contribution to provident fund, group insurance and gratuity shall not be included in the computation of the above ceiling on remuneration and allowances/perquisites/benefits.

General terms and conditions :

- During his employment pursuant to this Agreement, Mr Sonalker shall devote sufficient time to enable him to discharge his duties to the Company diligently and to the best of his abilities and shall in all respects comply with the Abbott Code of Business Conduct and other Abbott India Policies and Procedures.
- The office of Mr Sonalker as Whole-time Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.
- The Board or any Committee of the Board shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the remuneration, from time to time, as it may deem fit.

The Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr Sonalker for the office of Director of the Company.

The additional details of Mr Sonalker as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure I forming part of this Notice. Mr Sonalker does not hold any shares in the Company.

A copy of the agreement between Mr Sonalker and the Company containing terms of his appointment referred in this Notice will be available for inspection without any fees by the Members up to the date of this Annual General Meeting. The Members may write an email to investorrelations.india@abbott.com by mentioning "Request for Inspection" in the subject of the email.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Sonalker, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Considering Mr Sonalker's in-depth knowledge, extensive financial expertise and long association with the Company, the Board is of the opinion that continuation of Mr Sonalker on the Board will be in the interest of the Company and recommends the resolution set forth in Item No. 7 for the approval of Members as an Ordinary Resolution.

Item No. 8

The Board, based on recommendation of the Nomination and Remuneration Committee, appointed Ms Sabina Ewing (DIN : 09201770) as Additional Director of the Company effective June 15, 2021, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. She holds office upto the date of this Annual General Meeting.

Ms Ewing has given her consent to act as a Director of the Company. Also, as per confirmation received from her, she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Ms Ewing for the office of Director of the Company.

Ms Ewing is a passionate, transformational global technology leader with over 20 years' of experience. She is a champion for delivering 21st 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 the Global CIO, Vice President Business & Technology Services for Abbott Laboratories, US. 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 & 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.

Ms Ewing completed her Bachelor of Science in Commerce (with concentrations in Management Information Systems & Finance) from the University of Virginia and a Master of Science in Systems and Management from New York University.

The additional details of Ms Ewing as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure I forming part of this Notice. She does not hold any shares in the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Ms Ewing, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board recommends the resolution set forth in Item No. 8 for the approval of Members as an Ordinary Resolution.

By Order of the Board**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai
June 15, 2021**Registered Office :**

Abbott India Limited
CIN : L24239MH1944PLC007330
3, Corporate Park, Sion-Trombay Road, Mumbai-400 071
Telephone No. : +91-22-6797 8888/+91-22-5046 1000/2000
Fax : +91-22-5016 9400
Email : investorrelations.india@abbott.com
Website : www.abbott.co.in

Details of Directors seeking appointment/re-appointment at the Seventy-seventh 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	Mr. Kaiyomarz Marfatia	Mr. Ambati Venu	Ms Anisha Motwani	Mr. Rajiv Sonalker	Ms Subina Ewing
Date of Birth	November 22, 1956	May 26, 1969	June 21, 1963	June 19, 1959	December 31, 1974
Age	64	52	57	61	46
Date of first Appointment	February 29, 2016 [#]	March 1, 2020 [#]	April 25, 2018	August 8, 2017	June 15, 2021
Expertise in Specific Functional Area	Mr Marfatia has over 40 years of diverse experience in the Legal and Secretarial streams, of which about 25 years have been with Abbott.	Mr Ambati has over 28 years of diversified experience in handling international business operations with an excellent track record of success in building and leading high performing teams.	Ms Motwani has over 30 years of experience in Marketing across diverse industries.	Mr Sonalker has over 30 years of strong financial and management experience, having worked in Pharmaceutical, FMCG and Engineering industries in Indian and International environments.	Ms Ewing is a passionate, transformational global technology leader with over 20 years of experience.
Qualifications	B.Com. from Lala Lajpat Rai College and Law degree from Government Law College, Mumbai.	Alumnus of the Indian Institute of Management, Ahmedabad and Bachelor's degree in Engineering (Mechanical) from the University of Bhopal.	Bachelor of Science from Sophia College, New Delhi and Masters of Business Administration from University of Rajasthan.	B.Sc. from Elphinstone College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India.	Bachelor of Science in Commerce (with concentrations in Management Information Systems & Finance) from the University of Virginia and a Master of Science in Systems and Management from New York University.
No. of shares held in the Company	NIL	NIL	NIL	NIL	NIL
Directorships in other Indian Companies**	1	None	8	None	None
Chairmanship/Membership of Committees in other Indian Companies**	3	None	11	None	None
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None	None	None

*For other details such as number of Meetings of the Board attended during the year/remuneration last drawn i.e. as on March 31, 2021, please refer to the Corporate Governance Report, which forms part of this Annual Report.

[#]Date of appointment as Non-Executive Director.

**As on the date of this Notice i.e. June 15, 2021.



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)

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1) Through NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 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. 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. 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. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>2) Through e-voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 2. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. 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. 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.



Notice (Contd.)

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1) Through CDSL Easi/Easiest</p> <ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <p>2) Through e-voting website of CDSL</p> <ol style="list-style-type: none"> Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. on the home page of www.cdslindia.com. 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. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 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. 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.

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 evoting@nsdl.co.in 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 helpdesk evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example if Folio Number is 001*** and EVEN is 101456 then 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. Open the .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 below in **process for those shareholders whose email ids are not registered.**
- 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
 - If you are holding shares in physical mode, click on “**Physical User Reset Password?**” option available on 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 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 casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General 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 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 cstaizonkhumri@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. : 1800 1020 990/1800 224 430 or write to Ms Sarita Mote-Assistant Manager at evoting@nsdl.co.in.
4. Members may send a request to 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 Shareholders 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 for any grievances/concerns relating to e-voting during the Meeting.

Part E : Instructions for registration of Email Address :

The Members whose email addresses are not registered with the Company are requested to do so by following the process given below :

- In case shares are held in physical mode, please provide Folio No., Name of the Shareholder, scanned copies of the Share Certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to einward.ris@kfintech.com
- In case shares are held in demat mode, the Shareholders are requested to get in touch with their respective Depository Participants for updating their email address. If you are an individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e. **Login method for e-voting and joining virtual Meeting for Individual Shareholders holding securities in demat mode.**
- Alternatively, Shareholders/Members may send a request to evoting@nsdl.co.in 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 General Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General 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
Anil Joseph – Managing Director
Anisha Motwani – Independent Director
Sudarshan Jain – Independent Director
Shalini Kamath – Independent Director
Ambati Venu – Non-Executive Director
Kaiyomarz Marfatia – Non-Executive Director
Rajiv Sonalker – CFO and Whole-time Director
Sabina Ewing – Non-Executive Director

KEY MANAGEMENT TEAM

Anil Joseph – Managing Director
Milind Tendulkar – Commercial Director
T. Ramakrishna Prasad – Commercial Director
Kunal Chowdhury – Commercial Director
Prateek Gupta – Director – Commercial Excellence
Sandeep Reddy – Associate Director
Mandar Keskar – Associate Director
Sridhar Kadangode – Director – Finance
Keya Phatnani – Director - Human Resources
Dr Srirupa Das – Director - Medical Affairs
Dr Vijay Patil – Associate Director - NPI and TAS

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

Ms Neena Bhatia,
Practicing Company Secretary

REGISTERED OFFICE

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Fax: +91-22-5016 9400

FACTORY

L-18/19, Verna Industrial Estate, Goa

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