

**MINUTES of the 68<sup>th</sup> Annual General Meeting of Abbott India Limited held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021 on Monday, May 14, 2012 at 10.30 a.m.**

**Present :**

Mr Munir Shaikh	- Chairman
Mr Vivek Mohan	- Managing Director
Mr R A Shah	- Director
Mr Ranjan Kapur	- Director
Mr Ashok Dayal	- Director
Mr Laurent Van Lerberghe	- Director
Mr Ramon F Neira Hoyos	- Director
Mr Rehan Khan	- Director
Mr Kaiyomarz Marfatia	- Whole-time Director
 Ms Krupa Anandpara	 - Company Secretary

- a) Mr Munir Shaikh, representative of Abbott Capital India Limited under Section 187 of the Companies Act, 1956
- b) 120 members in person.

The Directors' and Auditors' Report, the audited Balance Sheet as at December 31, 2011 and the Profit & Loss Account for the year ended December 31, 2011, the Proxy Register, Register of Directors' Shareholding and certified copy of the resolution of the Board of Directors of Abbott Capital India Limited pursuant to Section 187 of the Companies Act, 1956, were tabled.

The requisite quorum being present, the Chairman welcomed the members present at the meeting and called the meeting to order. He then introduced the persons sitting on the dais and conveyed apologies on behalf of Mr Thomas Dee, Director who was unable to attend the meeting.

The Chairman announced that the Company has received 17 proxy forms.

With the consent of the shareholders, the Notice convening the meeting was taken as read.

The Chairman thereafter requested Ms Krupa Anandpara, Company Secretary to read the Auditors Report.

Ms Krupa Anandpara then read the Auditors' Report.

With the permission of the shareholders, the Annexure to the Auditors' Report was taken as read.

The Chairman, while extending a warm welcome to all the shareholders, informed that the Annual Report contains his message to the shareholders. He then stated that Sales during last year grew over 20% to Rs 1445.57 Lakhs, Profit before Tax was Rs 180.15 Lakhs, which is higher compared to the previous year and the dividend is maintained at Rs 17.

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The Chairman informed the shareholders that the year 2011 was a landmark year as two sterling companies - Solvay Pharma India and Abbott India - completed the legal merger process as well as operational integration and became a single entity with leadership in several therapy areas. He then welcomed shareholders of legacy Solvay Pharma India to their first Annual General Meeting of Abbott India.

The Chairman informed the shareholders that Mr Vivek Mohan, Managing Director is moving on to a new role in global Abbott. He briefed the shareholders about the significant contributions made by Mr Vivek Mohan to the growth and success of the Company. He also mentioned about various landmarks achieved by the Company under his leadership.

At this juncture, he thanked Mr Vivek Mohan on behalf of all the shareholders for his significant contributions to the growth and prosperity of the Company and wished him good luck for his future growth.

Mr Vivek Mohan, Managing Director, with the permission of the Chairman, presented a few slides on the performance of the Company over last few years and particularly of the last year.

Mr Vivek Mohan, during his presentation, stated that the Organisation has transformed considerably over the last few years and efforts have been taken to revitalize the growth momentum of the Company. He stated that in the year 2009, the Organisation has been scaled up, sales representatives were hired and organisation abilities were significantly expanded. He further stated that in the year 2010, a significant acceleration process was undertaken to take the Company forward and role transformation and capability transformation initiatives were begun in the year 2011 to enable the Company to meet its mission for 2015.

Mr Mohan, while briefing the shareholders about the performance of the Company, stated that the Company's growth of 24% is 1.5 times the Indian Pharmaceutical Market and considerably outweighs that of many other MNCs and local Indian Company competitors.

Mr Mohan further stated that the Company has number one position in areas like thyroid preparations, antacids, antiemetic and laxatives and will be looking at leadership in growing areas such as hepatoprotective.

He then briefed the shareholders about the significant milestones achieved by the Company as well as the best practices adopted by the Company. He was pleased to announce that the Company was recognised as MNC Pharma Company of the Year 2011 by Frost & Sullivan. He informed the shareholders about the brand performance during the year and various initiatives like Project Triveni, SAP and Single Point of Contact, Project Lakshya Connect, Sales Force Automation and other cross functional initiatives undertaken during the year.

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He also mentioned about the four values of the Organisation: Pioneering, Achieving, Caring and Enduring and stated that every employee of the Company demonstrates these values through their actions.

At the end of the presentation, while recapping the achievements during the year 2011, Mr Mohan informed the shareholders that during the year 2011, the Company, received recognition of "MNC Pharma Company of the year", achieved Sales growth of 20%, 1.5 times the Market, launched few strong new products like Heptral and Digecaine, undertook Sales Force Transformation, made significant investment in people and existing products and improved material cost: 58.7% (2010: 59.6%).

Thereafter, the Chairman proposed the following resolution regarding adoption of accounts as an Ordinary Resolution:

**Resolution No. 1**

**RESOLVED THAT** the Balance Sheet as at December 31, 2011 and the Profit and Loss Account of the Company for the year ended on that date together with the Report of the Directors' and Auditors' thereon be and are hereby received, approved and adopted.

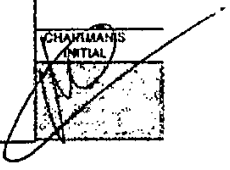
Mr Jayesh Manek seconded the above resolution.

Before putting the resolution to vote, the Chairman invited questions from the Members and stated that only members can speak and proxies are not allowed to speak at the meeting.

Mrs Ashalata Maheshwari, Mr Zahur Maniar, Mr Seshan Krishnamoorthy, Mr Prakash Arvind Vijaykar, Mrs Homayun Beruz Pouredehi, Ms Gulshan Chinwala, Mr Jayesh Manek, Mr Beruz Pouredehi, Mrs Shobhna Mehta, Mr Pramod Kumar Agnihotri, Mr Dinesh Kotecha, Mr Vineet Kumar Parikh and Mr Kirti Shah shareholders spoke at the meeting.

**Mrs Ashalata Maheshwari**

Mrs Ashalata Maheshwari welcomed all the Directors on the dais. She complimented the colourful, transparent and informative Annual Report of the Company. She expressed satisfaction over the results, growth in Sales at the rate of 20%, Profit After Tax at Rs 180,15 lacs and thanked the Board for maintaining dividend at 170 percent. She stated that dividend is low compared to Earning Per Share of Rs 56.66. She expected hike in dividend in coming years. She then requested the Board to consider her demand of declaring liberal bonus in future in view of comfortable position of reserves and surplus. She raised queries about the future growth in turnover and profits, expected increase in foreign exchange for the current year. She was proud that the Company received MNC Pharma Company of the year and other accreditations. She asked about number of brands in top 50 and 100, new products to be launched in the current year, products in DPCO, market share of the Company in each therapeutic segment, capex target for organic and inorganic growth and whether the number of employees mentioned in the Annual Report includes sales force.

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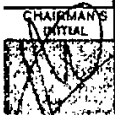
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**Mr S A Khanolkar**

Mr Khanolkar expressed satisfaction on the results and best wishes to the Chairman. He welcomed Mr Rehan Khan on the Board. He complimented the excellent and detailed Annual Report. Mr Khanolkar suggested including the number of employees in the ten year highlights. He asked for the basis on which the Company was recognized as "Most Admired Anesthesia Company". He appreciated the HR team for the lowest attrition rates. He suggested that the Company should focus on fund flow management for better working capital position. He expressed dissatisfaction over low dividend and also requested for a Goa plant visit.

**Ms Gulshan Chinwala**

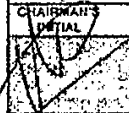
Ms Gulshan Chinwala expressed satisfaction over the results of the Company. She was unhappy that the dividend was not enhanced in spite of having good reserves and expected better returns in future. She then welcomed Mr Rehan Khan and all new Directors and wished the Company good luck for the coming year. She also congratulated the Management for all the awards received by the Company.

**Mr Jayesh Manek**

Mr Manek complimented the Management for the good working and results. He welcomed new Directors on the Board. He stated that the venue for the Annual General Meeting is inconvenient to the shareholders and the Management should consider keeping the location close to the railway station. He wished Mr Vivek Mohan good luck for his new role. He welcomed Mr Rehan Khan as new Managing Director of the Company. He raised queries relating to next three years capex plan, new products in pipeline, nature of investments made by the Company, returns on such investment and reasons for increase in Company's legal expenses. He complimented the finance team for zero debt position. Mr Manek at the end supported all the resolutions.

**Mr Beruz Pouredehi**

Mr Beruz asked the reasons for increase in Audit fees, reasons for amount outstanding from affiliate companies, liabilities inherited from Solvay Pharma and present position of the same, reasons for making provision towards DPEA liabilities, number of medical representatives from Solvay Pharma, products covered under DPCO, reasons for increase in sitting fees of directors, dividend payout policy followed by the Company, amount to be remitted to Abbott USA, details of last buyback implemented by the Company and products manufactured at Verna plant. He thanked Mr Vivek Mohan for his contributions. Finally, he requested a plant visit.



**Mrs Shobhna Mehta**

Mrs Mehta appreciated the receipt of Annual Report on time. She complimented the secretarial team for the transparent, informative, colourful and one of the best presented Annual Reports in the pharmaceutical industry. She complimented Mr Vivek Mohan and wished him good luck. She expressed dissatisfaction over the dividend of Rs 17 per share. She raised queries relating to EVA position of the Company, Internal Auditors of the Company, expected turnover for the current year and planned capital expenditure for next three years. She raised demand for bonus shares in next year. She appreciated product display and Thyroid camp organized by the Company. She supported all resolutions.

**Mr Pramod Kumar Agnihotri**

Mr Agnihotri stated that this was his first Abbott India Annual General Meeting after merger of Solvay Pharma India with the Company. He stated that the dividend declared is very low compared to earning per share and they expect higher dividend and bonus. He expressed satisfaction with the working of the Company and the information provided in the Annual Report. He supported all resolutions.

**Mr Dinesh Kotecha**

Mr Kotecha expressed disappointment that the Company did nothing special for the shareholders even when Abbott completed 100 years in India. He sought changes in the time and venue of the Annual General Meeting. He commented on the increase in stock by 193% in the last quarter of the year and asked reasons for the same. He further asked whether the Company is working as per scheduled plans and reasons for not having better results. He also asked about any plans to increase stockists, retailers and distribution points. He suggested that details of buyback and price for buyback should be included in the ten years highlights. He asked about total number of Company brands including Solvay brands and number of brand extensions launched during the year and number brands in top 100. He also asked how many clinical studies will be completed in the year 2012 and cost benefit analysis of the same. He then raised queries regarding arrangement with Novo Nordisk, expected increase in turnover and margins on insulin. He also asked about which Abbott affiliate in India has announced its deal with Biocon for setting up R&D and plans for utilizing huge reserves available with the Company.

**Mr Vineet Kumar Parikh**

Mr Parikh complimented the Annual Report of the Company. He mentioned that dividend is very low inspite of increase in EPS from Rs 45 to Rs 57. He asked whether the Company has any products for diabetes and heart problems. He expressed inconvenience regarding the time and venue of Annual General Meeting. He suggested mentioning the highest and lowest share prices in the ten year highlights. He appreciated the services of Sharepro, the Company's R & T Agents.



**Mr Kirti Shah**

Mr Shah suggested that the Company should publish its quarterly results in some widely circulated news papers like Economic Times and not in Free Press Journal and Navshakti. He further stated that the Company's expenditure on R & D is very low. He also asked reasons for delay in holding Annual General Meeting. He suggested that Notice of Annual General Meeting should be kept separate, also address and telephone numbers to be included in the corporate information pages. He asked for the total area of Company's plant at Goa and its capacity for expansion, why the Company has only one plant, why exports have not increased and R&D investments are low.

Before replying to shareholders questions, the Chairman announced that a short video film on Goa factory would be shown to the shareholders. A short video containing the clips of Goa factory was then shown at the meeting.

The Chairman, while replying to the shareholders, expressed appreciation for their comments and suggestions and thanked all shareholders for their time and kind words especially Mrs Maheshwari.

Replying to the query relating to dividend, the Chairman stated that the Company follows a conservative dividend policy in view of uncertainty of future. He stated that the industry is facing many challenges and funds will be required for future expansion. He also clarified that the dividend for 2011 was paid on a larger capital base and to higher number of shareholders.

With regard to query on third party outsourcing, the Chairman stated that the Company continues to evaluate the best option whether to manufacture in-house or outsource manufacturing to third party and adopts whichever is beneficial.

In relation to the query on exchange loss, he stated there is very small exchange loss due to devaluation of the rupee. With regard to Insulin, he stated that Insulin is only distributed by the Company and there is no promotion done by the Company.

The Chairman, while answering query on increase in the audit fees stated that fees in the Annual Report for the year 2011 are combined fees of both Abbott and Solvay. With respect to query on sitting fees to Directors, he stated that the fees are relatively less compared to fees paid by majority of other Indian companies. On the question related to remittance of dividend to Abbott, USA, he stated that 75% of the total dividend is remitted to Abbott Laboratories, USA.

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With respect to query on market share, he stated that focus continues to remain on increasing market share and introducing products in therapy areas where the Company has strength. He stated that the expectation is to drive double digit growth in the coming year as well. On the query relating to increase in exports, he stated that the Company exports to the countries like Nepal and Sri Lanka; however, the focus remains on the domestic market. While addressing a question on increase in number of stockists, he stated that the increase was on account of merger of Solvay. Responding to questions about the top brands, he named Digene, Brufen, Cremaffin, Vertin, Duphaston and Duphalac. He also provided the current rankings of each of these products as per IMS data.

With regard to questions about legal expenses on the DPEA matter, he stated that the same is a very old matter and no legal expenses were incurred on the same during the current year. With regard to the query on Cost Auditors, he replied that the name of Cost Auditor is already mentioned in the Annual Report. Responding to a question on contributions to political parties, he stated that no contributions were made to any political party during the year.

The Chairman thereafter appreciated suggestions made by the shareholders with regard to the time and venue of the Annual General Meeting and stated that the same will be considered next year based on convenience of all the shareholders.

With regard to increase in stock in trade, he stated that the stock for the year 2011 includes stock of Solvay upon merger and therefore not comparable with the year 2010. On questions relating to increase in legal fees, he stated that the legal expenses for 2011 include the merger related expenses and also legal expenses of Solvay Pharma. He stated that the nutrition R&D venture announced in the newspapers is with regard to Abbott Healthcare Private Limited and not Abbott India Limited.

The Chairman then requested Mr Vivek Mohan, Managing Director to respond to certain other queries of the shareholders relating to the Company's strategies and business.

Mr Vivek Mohan, while answering the question relating to new products and its performance, stated that page 26 of the Annual Report contains the details of new products launched in the year 2011 and new products like Digecaine, Heptral, ICUpen and Xamdex demonstrated strong performance. He further stated that Heptral, which was launched a year prior to last year was one of the best launches amongst the multinational pharma companies. In respect of plans for coming year, he stated that the Company will be entering segments like Cardiovascular and also additional products will be launched in the areas of Gastroenterology, PPI and other therapeutic areas where the Company focuses.

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With regard to attrition rates, he stated that the Company had attrition of only 15% compared to the industry average of about 23%. On the question relating to competition on Thyroid franchise, he stated that some of the key differentiators of our Thyroid franchise from other competitors are availability in wide range of strengths, high quality of products and other services offered alongwith the products such as detection, awareness building, education and screening by organizing camps.

He stated that the Company also has presence in Diabetes segment through Obimet range of products. He clarified that the Company has no products for Hypertension.

While answering questions relating to products under DPCO, he stated that 40% of the overall portfolio, including insulin and the Company's heritage brand Brufen, is under DPCO.

Mr Mohan, while updating shareholders on Pricing Policy, stated that the Company continues to face pricing pressures. He stated that Group of Ministers would hear about the Pricing policy recommendations from the Department of Pharmaceuticals and other stakeholders, including the industry, before making a decision.

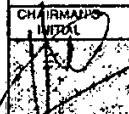
He further stated that the Company has a number of products in top 50 and 100 with Udiliv and Vertin in top 100, Zolfresh in top 300 and Thyronorm in top 50. During the year a number of products moved up the ranks in their respective therapy areas. The focus will continue to remain on brand building efforts. He stated that Sevorane enabled the Company to be recognized as the "Most Admired Anesthesia Company" in that segment, view of the training programs arranged for Anesthesiologists and lot of other work that the Company does for creating and spreading awareness. He stated that the Company also received many other awards, which are mentioned in the Annual Report.

While answering questions related to Capex, Mr Mohan stated that large part of the same is for the maintenance requirements at Goa, various computers used for testing devices used for therapies and tools required for operations.

With regards to number of sales representatives, he stated that the Company has 1800 sales representatives. He stated that Company manufactures its heritage brands like Brufen, Digene, Cremaffin and Ganaton at its plant at Goa. With regard to clinical studies he mentioned that the expectation is to complete the majority of them in this year. He stated that the Company has undertaken various measures on cost control and Project Triveni is one such project. As regards exports, he stated that the focus of the Company remains on serving the needs and healthcare requirements of the country.

Thereafter, the Chairman put the Resolution No 1 to vote on a show of hands.

The Resolution was carried Nem con.



**Resolution No.2**

The following resolution was proposed as an Ordinary Resolution by Mr Vijaykar and seconded by Mrs Shobhna Mehta.

RESOLVED that a dividend at the rate of Rs 17.00 per share on 2,12,49,302 fully paid up equity shares of Rs 10 each, be and is hereby declared for the period ended December 31, 2011.

RESOLVED further that the said dividend be paid on or before June 13, 2012 to those shareholders whose names appear on the Register of Members as on May 14, 2012 and to the Beneficial Owners of the shares as on May 7, 2012, as per the details furnished by the Depositories for this purpose.

The resolution was then put to vote on a show of hands and carried Nem Con.

**Resolution No. 3**

The following resolution was proposed as an Ordinary Resolution by Mrs Ashalata Maheshwari and seconded by Mr Surendra Kumar Jain

RESOLVED that Mr Laurent Van Lerberghe, who retires by rotation and is eligible for re-election, be and is hereby re-appointed as a Director of the Company.

The resolution was then put to vote on a show of hands and carried Nem Con.

**Resolution No. 4**

The following resolution was proposed as an Ordinary Resolution by Mr Vijaykar and seconded by Mr P K Parekh:

RESOLVED that Mr Ranjan Kapur, who retires by rotation and is eligible for re-election, be and is hereby re-appointed as a Director of the Company.

The resolution was then put to vote on a show of hands and carried Nem Con.

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**Resolution No. 5**

The following resolution was proposed as an Ordinary Resolution by Mr Sudhir Parekh and seconded by Mrs Homayun Beruz Pouredahi

RESOLVED that Messrs Deloitte Haskins & Sells, Chartered Accountants, Mumbai holding ICAI Registration Number 117366W be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration to be decided by the Board/Audit Committee.

The resolution was then put to vote on a show of hands and carried Nem Con:

**Resolution No. 6**

The following resolution was proposed as an Ordinary Resolution by Mr Zahur Maniar and seconded by Mr Jayesh Manek,

RESOLVED that Mr Rehan Khan , who was appointed as Additional Director of the Company under Article 113 of the Articles of Association, be and is hereby appointed as Director of the Company, not liable to retire by rotation.

The resolution was then put to vote on a show of hands and carried Nem Con.

**Resolution No. 7**

The following resolution was proposed as an Ordinary Resolution by Mrs Shobhna Mehta and seconded by Mrs Ashalata Maheshwari:

RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, the consent of the Company be and is hereby accorded to the appointment of Mr Rehan Khan as Managing Director of the Company for a period of five (5) years from May 15, 2012 at a remuneration and upon the terms and conditions as set out in the Explanatory Statement annexed hereto and in the draft Agreement, approved by the Board and initialed by the Chairman for the purpose of identification and which the Directors of the Company be and are hereby authorized to enter on behalf of the Company;

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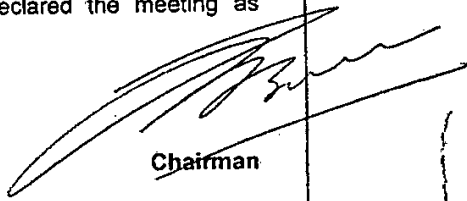


RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/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

The resolution was then put to vote on a show of hands and carried Nem Con.

There being no other business, the Chairman once again thanked the shareholders for attending the meeting and declared the meeting as closed.

Date: 11 JUNE 2012



Chairman

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