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BOARD OF DIRECTORS

MUNIR SHAIKH
Chairman

VIVEK MOHAN
Managing Director

R A SHAH

ASHOK DAYAL

THOMAS CHEN

DAVID WARDELL

Company Secretary

G S KURMI

Bankers

Standard Chartered Bank
BNP Paribas
ICICI Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Crawford Bayley & Co

Registered Office

3-4 Corporate Park
Sion Trombay Road
Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate, Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited
Satam Industrial Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road, Chakala
Andheri (East), Mumbai 400 099

CORPORATE MANAGEMENT

VIVEK MOHAN
Managing Director

S JAIN
Director – Marketing

N Y KATRE
Director – Supply Chain

U D CHINIWALA
Vice President – Finance

A V CHANDORKAR
Vice President – Human Resources & Administration

DR A RODRIGUES
Regional Medical Director

K M MARFATIA
Vice President – Legal

DR S J ACHARYA
General Manager – Quality Control & Development

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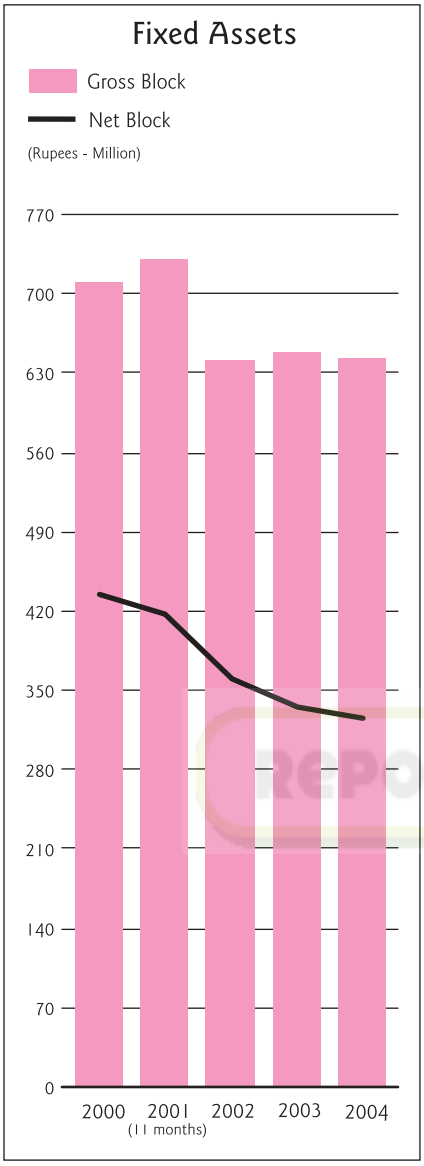
Highlights

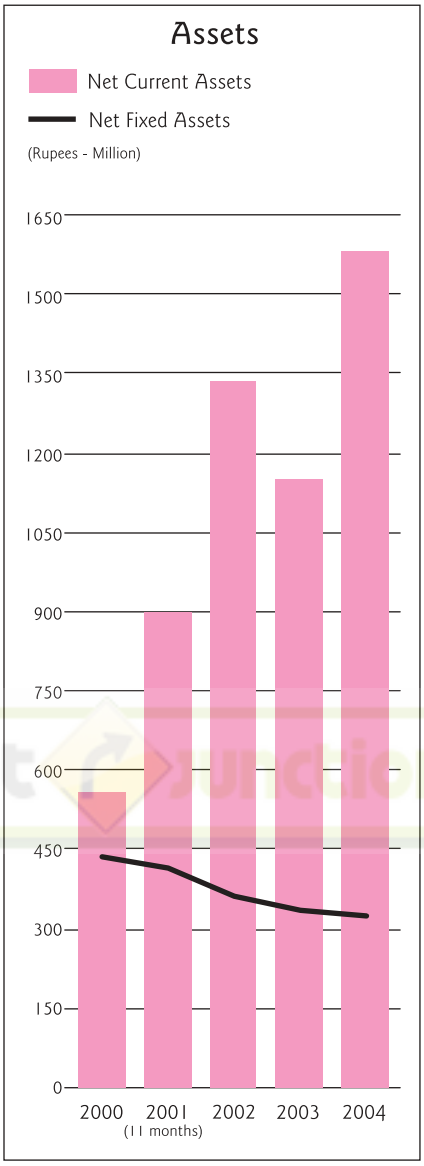
(Rupees in Millions)

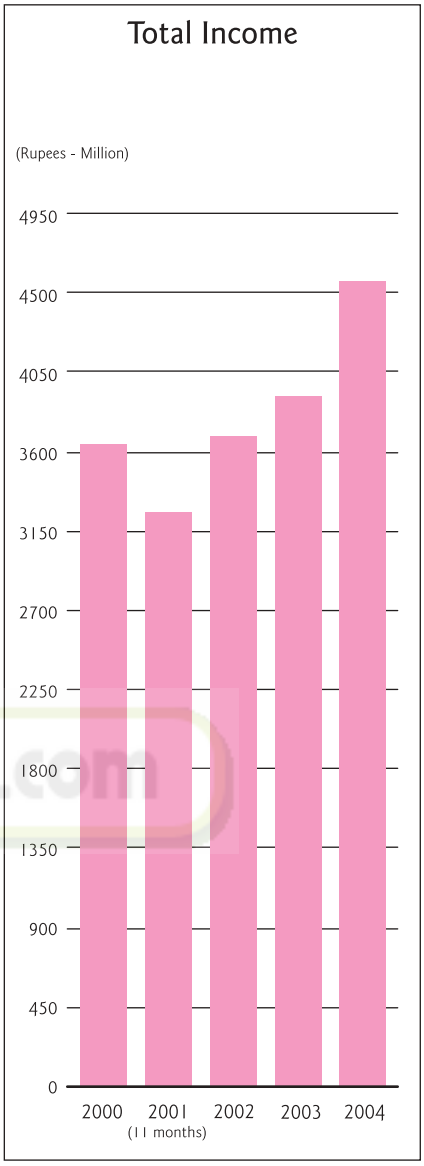
	1995 (9 months)	1996	1997	1998	1999	2000	2001 (11 months)	2002	2003	2004
OPERATING RESULTS										
SALES AND OTHER INCOME	1886	2484	2560	2734	3020	3643	3260	3694	3906	**4571**
MATERIALS	975	1379	1331	1468	1642	1921	1914	2110	2218	**2490**
SALARIES, BONUS AND STAFF WELFARE	104	128	152	171	161	199	186	204	228	**244**
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	506	531	568	573	699	740	468	478	464	**419**
DEPRECIATION	14	38	60	53	51	53	45	53	44	**42**
INTEREST	25	35	5	6	3	15	1	1	1	**1**
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	262	373	444	463	464	715	646	848	951	**1375**
EXTRAORDINARY ITEM — EXPENDITURE/(INCOME)	113	73	(245)	134	(298)	(132)	–	31	–	**–**
PROVISION FOR TAXATION	47	95	190	59	76	125	159	259	271	**352**
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	102	205	499	270	686	722	487	558	680	**1023**
RETAINED EARNINGS	73	152	423	155	(44)	(115)	308	362	53	**418**
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	12.5	25.3	61.7	16.7	42.3	44.6	30.06	33.88	43.39	**66.92**
DIVIDEND PER SHARE (Rs)	3.5	6.5	8.0	6.5	40.5	45.0	10.0	12.0	35.0	**35.0**
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	494	630	661	675	700	710	730	642	649	**642**
FIXED ASSETS (Net)	362	546	518	485	462	434	417	360	335	**325**
ASSETS HELD FOR DISPOSAL (Net)	17	7	7	6	–	–	–	–	–	**–**
CURRENT ASSETS (Net)	175	139	527	759	744	560	899	1334	1152	**1580**
TOTAL ASSETS	554	692	1052	1250	1206	994	1316	1694	1487	**1905**
FINANCED BY										
SHARE CAPITAL	81	81	81	162	162	162	162	162	153	**153**
RESERVES AND SURPLUS	313	517	940	1066	1021	791	1130	1509	1312	**1730**
TOTAL SHAREHOLDERS' FUNDS	394	598	1021	1228	1183	953	1292	1671	1465	**1883**
BORROWINGS	160	94	31	22	23	41	24	23	22	**22**
DEBT : EQUITY	0.4	0.2	–	–	–	–	–	–	–	**–**
NUMBER OF SHAREHOLDERS	14594	13341	11263	11607	13223	16156	14699	14356	13747	**14792**

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How our Income was spent

	2004 (Rupees in Millions)	%	*2003 (Rupees in Millions)*	*%*
1. Materials	2490	54.5	*2218*	*56.8*
2. Salaries	244	5.3	*228*	*5.8*
3. Depreciation	42	0.9	*44*	*1.1*
4. Other Expenses	420	9.2	*465*	*11.9*
5. Tax	352	7.7	*271*	*6.9*
6. Dividend (Includes Corporate Dividend Tax)	605	13.2	*627*	*16.1*
7. Retained Earnings	418	9.2	*53*	*1.4*

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Notice

Notice is hereby given that the Sixty-First Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, 26 April 2005 at 3.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 30 November 2004 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr Ashok Dayal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr David Wardell, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

   RESOLVED that subject to the approval of the Central Government under Section 269 and pursuant to Sections 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby accords its approval to the appointment of Mr Vivek Mohan as Managing Director for a period of five (5) years from 1 November 2004 on the terms and conditions, including remuneration, as are set out in the draft Agreement approved by the Board and initialled by the Chairman for the purpose of identification and which the Directors of the Company be and are hereby authorised to enter on behalf of the Company.

   RESOLVED Further that the Board of Directors of the Company be and is hereby authorized to make any modifications in respect of the foregoing terms and conditions, including remuneration, as may be required by the Central Government or as may be considered appropriate at any time by the Board of Directors in the best interest of the Company and its shareholders.

By Order of the Board

G S Kurmi

Company Secretary

Mumbai : 22 March 2005

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

NOTES:

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

ii. An explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business to be transacted at the meeting is appended hereto.

iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20 April 2005 to Tuesday, 26 April 2005 (both days inclusive).

iv. Dividend recommended by the Directors and approved by the members at the Annual General Meeting will be paid on or before 25 May 2005. In respect of shares held in physical form, the dividend will be payable to those members whose names appear on the Register of Members on 26 April 2005. In respect of shares held in electronic form the dividend will be payable to the beneficial owners of the shares as on 20 April 2005 as per details furnished by the Depositories for this purpose.

v. To ensure against misappropriation of dividend warrants to be mailed to them, members holding shares in physical form who have not sent in their bank details are requested to provide their bank account numbers, names and addresses of the bank branches to the Company/Registrars & Share Transfer Agents for incorporating the same on the dividend warrants.

vi. Members holding shares in physical form are requested to immediately intimate to the Company/Registrars & Share Transfer Agents, changes, if any, in their registered addresses alongwith the pin code number. Members holding shares in dematerialised mode are requested to forward intimation for change of address, if any, to their respective depository participants.

vii. Reserve Bank of India has introduced Electronic Clearing Service (ECS) for payment of dividend electronically to your Bank. The Company proposes to offer this facility to members located at Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Trivandrum.

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viii. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. Further, the bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as directed by the Stock Exchanges. The Company/Registrars & Share Transfer Agents will not act on any direct request from members holding shares in dematerialised form for change/deletion of such bank details.

ix. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly unclaimed dividend for the year ended 31 December 1996 has been transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants for the year ended 31 December 1997 or thereafter are requested to write to the Company/ Registrars & Share Transfer Agents.

x. As per the Companies Act, 1956, facility for nominations is available for shareholders in respect of the shares held by them. Shareholders who wish to obtain Nomination forms may write to the Company/Registrars & Share Transfer Agents.

xi. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrars & Share Transfer Agents of the Company to enable them to consolidate their shareholding into one folio.

xii. Trading in the Company's shares through stock exchanges is permitted only in dematerialised/electronic form. The equity shares of the Company have been inducted in both National Securities Depository Limited as well as Central Depositories Services (India) Ltd to enable shareholders to hold and trade the securities in dematerialised/electronic form. In view of the numerous advantages offered by the Depository System, members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.

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

Item No. 6

At the Board of Directors meeting held on 1 November 2004, Mr Vivek Mohan was, subject to the approval of the Central Government and shareholders, appointed as Managing Director of the Company for a period of 5 years commencing from 1 November 2004. An application has been made to the Central Government for its approval and the same is awaited.

Mr Vivek Mohan has earned his Bachelors Degree in Microbiology from the University of Michigan and is an M.B.A. in International Business from the University of Illinois. He joined Abbott in 1992 as Product Specialist for Abbott Diagnostics Division. In 1995 he joined Abbott International. Mr Mohan has 12 years experience with Abbott Laboratories at various affiliates and has held positions such as Pediatric Nutritional Product Manager, Saudi Arabia, PPD Regional Sales Manager, England and Commercial Director, Abbott Indonesia. In 2002, Mr Mohan was named Country Manager, Abbott Indonesia and in 2003 was promoted to General Manager, his most recent position.

The main terms and conditions of Mr Vivek Mohan's appointment are as under :

1. Mr Mohan to perform such duties and exercise such powers as are entrusted to him by the Board.

2. Mr Mohan to devote sufficient time to enable him to discharge his duties to the Company diligently.

3. Mr Mohan to undertake travel in India and elsewhere as directed by the Board during his period of employment.

4. In consideration of the performance of his duties, Mr Mohan to be entitled to the following remuneration :

   (a) *Salary and allowances* : Rs 96,00,000/- per annum with such increments as may be decided by the Board from time to time, subject to a ceiling of Rs 1,74,00,000/- per annum; the above salary and allowances to be paid monthly/annually/one time at the discretion of the Board.

   (b) *Performance Linked Incentive or Bonus* : Such sums as may be approved by the Board.

5. In addition to the above, Mr Mohan to be entitled to furnished/non-furnished residential accommodation, gas, electricity, company maintained car, medical reimbursement, leave travel assistance, club fees, telephone and such other perquisites/benefits in accordance with the Company's Rules, such as group insurance and gratuity.

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6. The use of a car while on business of the Company and telephone at residence will not be considered as perquisite. However, personal long distance telephone calls and use of car for private purposes shall be treated as perquisites and valued in accordance with Income-tax Rules, 1962.

7. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 1956, the Board shall be entitled to add to, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Mohan may be entitled as aforesaid.

8. Where in any financial year during the tenure of Mr Mohan, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Mohan shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.

9. Mr Mohan shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever without the approval of the Board. PROVIDED HOWEVER that it shall be permissible to Mr Mohan to hold share or shares of any other company or companies.

10. So long as he functions as Managing Director, Mr Mohan shall not become interested or otherwise concerned directly or through his wife, sons or unmarried daughters, if any, in any selling agency of the Company, without the prior approval of the Board.

11. Mr Mohan shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr Mohan shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be a contravention of this Clause.

12. The employment of Mr Mohan shall forthwith determine if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of misconduct or otherwise violates the Abbott Laboratories Code of Business Conduct.

13. In case of the demise of Mr Mohan during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine.

14. Either party shall be entitled to determine the Agreement by giving not less than six months' notice in writing in that behalf to the other party without the necessity of showing any cause. However, the Company shall have the option to terminate the employment by giving six months remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such event, the appointment of Mr Mohan as director shall cease as provided in Section 283(1)(l) of the Companies Act, 1956 and simultaneously his employment with the Company shall also come to an end.

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

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

Mr Mohan is concerned or interested in the resolution since it relates to his own appointment and remuneration.

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

By Order of the Board

G S Kurmi
Company Secretary

Mumbai : 22 March 2005

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

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Report of the Directors

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-First Annual Report and Audited Accounts of the Company for the year ended 30 November 2004.

Financial Results

(Rupees in Millions)

	Year ended 30.11.2004	*Year ended 30.11.2003*
Sales	**4050.7**	*3731.2*
Profit before tax	**1374.5**	*950.6*
Profit after tax	**1022.5**	*679.8*
Balance brought forward	**1120.2**	*1124.2*
Write back of Dividend in respect of previous year	**–**	*11.0*
Profit available for appropriation	**2142.7**	*1815.0*
Appropriations:		
Dividend (Proposed)	**534.8**	*534.8*
Corporate Dividend Tax	**69.9**	**92.0*
Transfer to Reserves	**102.3**	*68.0*
Balance carried forward	**1435.7**	*1120.2*

*includes Rs 23.5 million for the year ended 30 November 2002

Dividend

Your Directors recommend a dividend of Rs 35 per share on 15,280,100 fully paid-up equity shares of Rs 10 each of the Company. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 534.8 million (Previous year: Rs 534.8 million). In addition, the Company will pay Corporate Dividend Tax of Rs 69.9 million for the year ended 30 November 2004. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on 30 November 2004 amounted to Rs 1730.0 million comprising of Amalgamation Reserve Rs 3.8 million, Capital Reserve Rs 52.3 million, Capital Redemption Reserve Rs 9.2 million, Revenue Reserve Rs 229.0 million and Surplus as per Profit & Loss Account Rs 1435.7 million.

Operations

Sales (including other income) for the year ended 30 November 2004 amounted to Rs 4570.7 million as compared to Rs 3905.6 million for the year ended 30 November 2003.

The Company is continuing its efforts to improve productivity and contain costs. The profit before tax amounted to Rs 1374.5 million as compared to Rs 950.6 million for the year ended 30 November 2003.

The Company's Plant at Verna, Goa continues to be eligible for tax holiday pursuant to Section 80-IB of the Income-tax Act, 1961.

Registered Office

The Company's Registered Office premises at Ballard Estate was on tenancy basis. In order to save progressive increase in rent and also to save the recurring expenses for maintaining the office at Ballard Estate, the Company's Registered Office was shifted to its owned office premises at Corporate Park, Chembur. This change was effective 1 October 2004. The shifting of the Registered Office has resulted in cost savings to the company and also enabled all its Mumbai based employees to operate under one roof, resulting in improved synergies, productivity and co-ordination.

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Directors' Responsibility Statement

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

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

2. Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 30 November 2004 and of the profit of the Company for that period, except for the following –

   The depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80% (See Schedule 17 – Significant Accounting Policies 4).

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

4. Your Directors have prepared the accompanying Annual Accounts for the year ended 30 November 2004 on a going concern basis.

Fixed Deposits

No fixed deposits were accepted during the year.

Information pursuant to Section 217 of the Companies Act, 1956

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

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

Directors

Mr D M Gavaskar retired as Managing Director & President of the Company with effect from 1 November 2004. The Board placed on record its deep and sincere appreciation for the services rendered by Mr Gavaskar during his tenure as Managing Director & President of the Company.

At a meeting of the Board of Directors held on 1 November 2004, Mr Vivek Mohan was appointed as Managing Director of the Company for a period of 5 years commencing from 1 November 2004. After his appointment an application was made to the Central Government under the applicable provisions of the Companies Act, 1956, for its approval. The Government's approval is awaited.

Under Article 124 of the Articles of Association of the Company, Mr Ashok Dayal and Mr David Wardell retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors have pleasure in recommending their appointment.

Auditors

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

Health, Safety and Environment

The Company continues to accord utmost priority to the areas of health, safety and environment. Compliance with safety norms and regular monitoring of effluents are an integral part of the Company's operating systems.

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Technology Absorption and Development

Development of new formulations and dosage forms and modification of existing ones for cost containment and improved productivity is an ongoing process and the Company is constantly engaged in activities of development and clinical research. The R&D Centre of the Company located at Goa has made significant contributions towards its assigned goals of product and process development.

Employees

Relations between the employees and the management remained generally cordial during the year.

Reports on Corporate Governance and Management Discussion & Analysis

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

For and on behalf of the Board

Vivek Mohan — Managing Director

R A Shah — Director

Mumbai : 22 March 2005

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Annexure I

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

1. Conservation of Energy

(I) Energy conservation measures taken:

Fully automatic packaged type boilers having fuel efficiency in excess of 80% have been installed. Steam condensate is being recovered for re-use in boilers.

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

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

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

Nil.

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

The installation of capacitors and maximum demand controller has resulted in lower KVA maximum demand.

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

A. **Power & Fuel Consumption**

		2004	*2003*
(a)	Electricity		
(i)	Purchased (Unit Millions)	**1.8**	*2.3*
	Total amount (Rs Millions)	**9.1**	*10.5*
	Rate/Unit (Rs)	**5.18**	*4.53*
(ii)	Own Generation Through diesel generator		
	Units (Millions)	*****	*
	Units per ltr of diesel oil	**0.31**	*0.47*
	Cost/Unit (Rs)	**8.03**	*10.02*
	Through Steam turbine/Generator	**N.A.**	*N.A.*
(b)	Coal	**N.A.**	*N.A.*
(c)	Furnace Oil		
	Quantity (kilo ltrs)	**58.31**	*110.00*
	Total amount (Rs Millions)	**0.8**	*1.4*
	Average rate (Rs)	**13.09**	*12.97*
(d)	Others/Internal Generation	**N.A.**	*N.A.*

** Less than 0.1 Million*

B. **Consumption per Unit of Products**

Unit of Products ('000 packs)

	Standard	**2004**	*2003*
Electricity (Units)	There is no specific standard as the consumption per Unit depends on the production mix which consists of tablets and Oral liquids	**166.86**	*29.64*
Furnace Oil (ltrs)		**5.50**	*1.40*
Coal		**N.A.**	*N.A.*
Others		**N.A.**	*N.A.*

2. Technology Absorption

Efforts made in technology absorption.

A. Specific areas in which R&D carried out by the Company.

Pharmaceutical development is an ongoing process and is involved in developing formulations and dosage forms of new and existing drugs. Clinical research work is carried out on the formulations of new and existing drugs.

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

The R&D activities of the Company have resulted in new product introductions, manufacturing process upgradation, improved packaging and cost containment.

C. Future plan of action.

The research activity will continue to concentrate on product development, process development and cost containment.

D. Expenditure on R&D.

		Rs in Million
(a)	Capital	0.1
(b)	Recurring	14.4
(c)	Total	14.5
(d)	Total R&D expenditure as a percentage of total turnover	0.4 %

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