

BOARD OF DIRECTORS

MUNIR SHAIKH

Chairman

VIVEK MOHAN

Managing Director

R A SHAH

ASHOK DAYAL

MARK MASTERSON

RANJAN KAPUR

MARIO DURANTE

GREGORY ORLESKI

SUDARSHAN JAIN

Whole Time Director

Company Secretary

KRUPA ANANDPARA

Bankers

Standard Chartered Bank

BNP Paribas

ICICI Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Crawford Bayley & Co.

Wadia Ghandy & 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

R SONALKER

Director – Finance

L NETI

Director – Supply Chain

A BHATT

Director – Human Resources

DR A RODRIGUES

Regional Medical Director

U D CHINIWALA

Head – Finance

K M MARFATIA

Head – Legal & Secretarial

DR S J ACHARYA

Head – Quality

R VOHRA

Head – Strategy & Business Development

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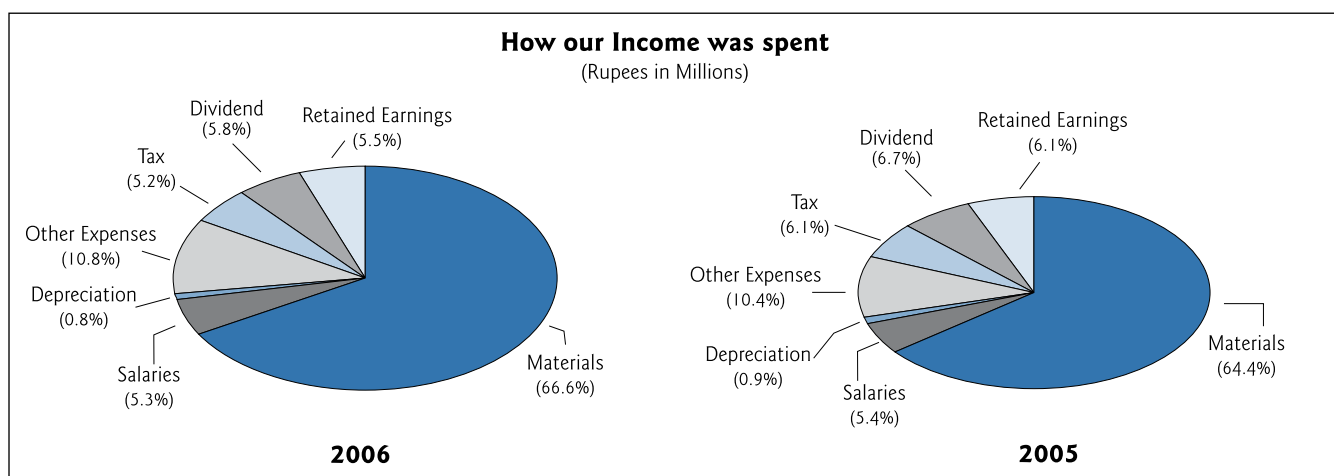
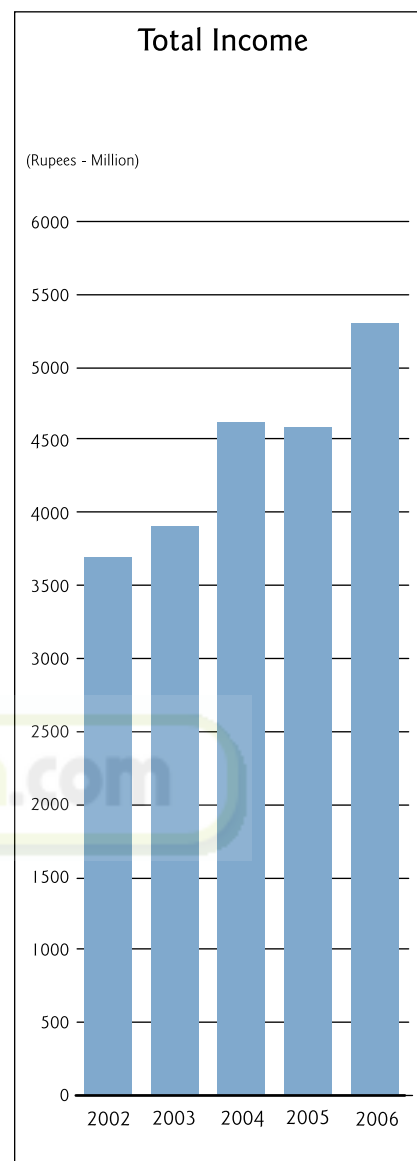
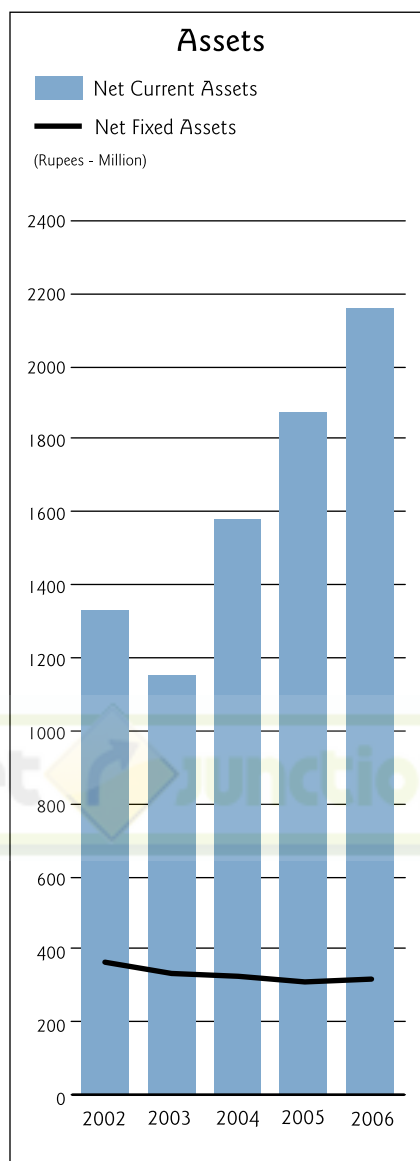
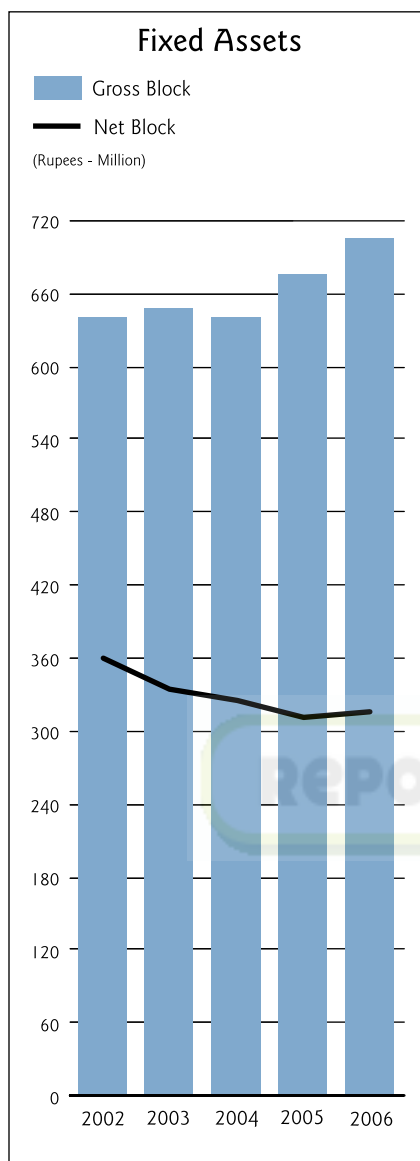
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Highlights

(Rupees in Millions)

	1997	1998	1999	2000	2001 (11 months)	2002	2003	2004	2005	2006
OPERATING RESULTS										
SALES AND OTHER INCOME	2560	2734	3020	3643	3260	3694	3906	4626	4595	5308
MATERIALS	1331	1468	1642	1921	1914	2110	2218	2490	2958	3534
SALARIES, BONUS AND STAFF WELFARE	152	171	161	199	186	204	228	244	250	282
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	568	573	699	740	468	478	464	474	476	573
DEPRECIATION	60	53	51	53	45	53	44	42	40	44
INTEREST	5	6	3	15	1	1	1	1	—	1
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	444	463	464	715	646	848	951	1375	871	874
EXTRAORDINARY ITEM — EXPENDITURE/(INCOME)	(245)	134	(298)	(132)	—	31	—	—	—	—
PROVISION FOR TAXATION	190	59	76	125	159	259	271	352	280	276
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	499	270	686	722	487	558	680	1023	591	598
RETAINED EARNINGS	423	155	(44)	(115)	308	362	53	418	281	294
EARNINGS PER SHARE — BASIC & DILUTED (Rs)	61.66	16.69	42.29	44.57	30.06	33.88	43.39	66.92	38.72	39.18
DIVIDEND PER SHARE (Rs)	8.0	6.5	40.5	45.0	10.0	12.0	35.0	35.0	17.5	17.5
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	661	675	700	710	730	642	649	642	676	706
FIXED ASSETS (Net)	518	485	462	434	417	360	335	325	312	315
ASSETS HELD FOR DISPOSAL (Net)	7	6	—	—	—	—	—	—	—	—
CURRENT ASSETS (Net)	527	759	744	560	899	1334	1152	1580	1871	2157
TOTAL ASSETS	1052	1250	1206	994	1316	1694	1487	1905	2183	2472
FINANCED BY										
SHARE CAPITAL	81	162	162	162	162	162	153	153	153	153
RESERVES AND SURPLUS	940	1066	1021	791	1130	1509	1312	1730	2012	2305
TOTAL SHAREHOLDERS' FUNDS	1021	1228	1183	953	1292	1671	1465	1883	2165	2458
BORROWINGS	31	22	23	41	24	23	22	22	18	14
DEBT : EQUITY	—	—	—	—	—	—	—	—	—	—
NUMBER OF SHAREHOLDERS	11263	11607	13223	16156	14699	14356	13747	14792	14029	14905

Abbott India Limited



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Notice

Notice is hereby given that the Sixty-Third Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, April 17, 2007 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at November 30, 2006 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr Ashok Dayal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business:

5. To appoint a Director in place of Mr Ranjan Kapur, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
6. To appoint a Director in place of Mr Mario Durante, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
7. To appoint a Director in place of Mr Gregory Orleski, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
8. To appoint a Director in place of Mr Sudarshan Jain, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
9. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, the consent of the Company be and is hereby accorded to the appointment of Mr Sudarshan Jain as a Whole-time Director of the Company for a period of five (5) years from September 18, 2006 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;

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 Sudarshan Jain.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 8, 2007

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

NOTES :

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- ii. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business set out at Item Nos. 5 to 9 above and the details of Directors in respect of Item Nos. 5 to 8 pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.
- iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, April 10, 2007 to Tuesday, April 17, 2007 (both days inclusive).
- iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before May 16, 2007 to the Members whose names appear on the Register of Members as on April 17, 2007 and to the Beneficial Owners of the shares as on April 9, 2007 as per details furnished by the Depositories for this purpose.
- v. Members are requested to immediately intimate changes, if any, in their registered addresses along with the pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective Depository Participants.
- vi. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request

received from Members holding shares in dematerialised form for change/deletion of such bank details.

- vii. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed/unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly unclaimed dividend for the year ended December 31, 1998 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended December 31, 1999 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of fresh warrants/demand drafts.

- viii. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
- ix. Members are requested to bring their copy of the Annual Report to the meeting, as the same will not be distributed at the meeting.

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

Item No 5

Mr Ranjan Kapur was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Kapur holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Kapur as a Director of the Company liable to retire by rotation.

Mr Ranjan Kapur is currently Country Manager – India of WPP, one of the world's largest communication groups and is a veteran of the advertising industry. Mr Kapur was associated with Ogilvy & Mather for around 40 years and has undertaken various assignments with Ogilvy's operations in several countries including as Chairman of its Indian operations. He was inducted to the Worldwide Board of Ogilvy in the year 1998 and was elected as Vice Chairman for Asia Pacific operations.

Mr Kapur's rich and varied experience will be of immense help to the Board and bear a good influence on the growth prospects of the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr Ranjan Kapur is concerned or interested in the resolution at Item No 5 of the accompanying Notice.

Item No 6

Mr Mario Durante was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"),

Mr Durante holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Durante as a Director of the Company liable to retire by rotation.

Mr Durante is presently the Divisional Vice President – Manufacturing of Abbott US and is responsible for manufacturing operations of Abbott in Pacific Asia Africa Region, Europe and Latin America. He has been associated with Abbott since 1991 and has held various senior management positions and has been incharge of various operations worldwide.

Mr Durante's extensive and in depth knowledge in manufacturing areas will provide strategic direction to the Company. Your Board recommends his appointment as a Director of the Company.

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

Item No 7

Mr Gregory Orleski was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Orleski holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Orleski as a Director of the Company liable to retire by rotation.

Mr Orleski joined Abbott in the year 2001 as Senior Counsel Canada, International – Legal Operations and is presently the Divisional Counsel International, Pharmaceutical Products Group, Legal Operations. He has 17 years of rich experience in senior management environment including 12 years in Pharmaceutical sector. He is on the Board of various Abbott Group companies overseas.

Mr Orleski's varied experience and strong leadership skills will immensely benefit the Company. Your Board recommends his appointment as a Director of the Company.

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

Item Nos 8 & 9

Mr Sudarshan Jain was appointed as an Additional Director and Whole time Director of the Company with effect from September 18, 2006. A notice pursuant to Section 257 of the Companies Act, 1956 ("the Act"), has been received from a member signifying his intention to propose the appointment of Mr Jain as a Director of the Company not liable to retire by rotation.

Mr Jain has been associated with the Company for the past 23 years and undertaken multiple assignments in marketing and distribution areas and has been leading the Marketing team as Director – Marketing since 1998. He has held several marketing positions with sales and profit responsibility spanning a wide range of businesses comprising Pharmaceuticals, OTC Products, Nutritional, Hospitals and Diagnostics. He has set up new businesses, launched more than 20 brands and nurtured and built mega brands. Prior to joining the Company, he has worked with Johnson & Johnson Limited and Lupin India Limited.

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

1. The appointment shall be for a period of five (5) years commencing from September 18, 2006 as Director – Marketing.
2. As Whole time Director, Mr Jain shall perform such duties and exercise such powers as are entrusted to him from time to time by the Managing Director and/or the Board of Directors (hereinafter called “the Board”).
3. Mr Jain 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 Laboratories Code of Business Conduct.
4. Mr Jain shall, whenever required to by the Managing Director and/or Board, undertake to travel in India and elsewhere as the Managing Director and/or Board may direct.
5. In consideration of the performance of his duties to the Company, Mr Jain shall be entitled to the following remuneration:
 - (a) Salary and allowances: Rs 28 lacs per annum with such increments as may be decided by the Board from time to time, subject to a ceiling of Rs 60 lacs 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.
6. In addition to the above, Mr Jain shall 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.
7. The Company's contribution to provident fund, superannuation/ pension scheme(s), annuity fund and gratuity as per the Rules of the Funds/Schemes and encashment of leave at the end of Mr Jain's tenure shall not be included in the computation of the ceiling on remuneration and allowances/perquisites/benefits.
8. The use of a car while on the business of the Company and telephone at residence shall not be considered as perquisites. However, personal long distance telephone calls and use of car for private purposes shall be treated as perquisites and valued in accordance with Income-tax Rules, 1962.
9. 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 Jain may be entitled as aforesaid.
10. Where in any financial year during the tenure of Mr Jain, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Jain 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 in force.
11. During the continuance of the employment, Mr Jain 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 Jain to hold share or shares of any other company or companies.
12. So long as Mr Jain functions as Whole time Director, he shall not become interested or otherwise concerned directly or through his wife, sons or unmarried daughters, if any, in any selling agency of the Company, without the prior approval of the Board/Central Government as the case may be.
13. Mr Jain shall not, during the continuance of his employment 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 Jain shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be a contravention of this Clause.
14. The employment of Mr Jain 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.
15. In case of demise of Mr Jain during the course of his employment, 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 discretion may determine.
16. 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 6 months' remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such an event, the appointment of Mr Jain as Director shall also cease as provided in Section 283(1)(l) of the Companies Act, 1956.

Pursuant to Section 302 of the Companies Act, 1956, an Abstract of Terms and Memorandum of Interest dated September 27, 2006 has been sent to the Members.

Draft Agreement to be entered into with Mr Jain will be available for inspection by Members on any working day (except Saturday) between 2.00 p.m. to 5.00 p.m. at the Registered Office of the Company.

The Board recommends appointment of Mr Jain as the Whole time Director of the Company.

None of the Directors, except Mr Sudarshan Jain is concerned or interested in the resolutions at Item Nos 8 & 9 of the accompanying Notice.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 8, 2007

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

Abbott India Limited

Details of the Directors seeking Appointment/Re-appointment at the Annual General Meeting

(Pursuant to Clause 49 IV(G) of the Listing Agreement)

Name of the Director	Mr Ashok Dayal	Mr Ranjan Kapur	Mr Mario Durante	Mr Gregory Orleski	Mr Sudarshan Jain
Date of Birth	June 2, 1937	November 25, 1942	June 5, 1954	September 19, 1956	June 6, 1955
Date of Appointment	September 18, 2006	September 18, 2006	September 18, 2006	September 18, 2006	September 18, 2006
Expertise in specific Functional Area	Mr Dayal is a fellow of the Indian Institute of Bankers. He has held various senior Management positions in Grindlays Bank, Deutsche Bank AG, RHO and Roland Berger International Management Consultants Pvt. Ltd.	Mr Kapur is an ex-citi banker. He is a veteran of the advertising business having spent 40 years with Ogilvy and credited with its turnaround and accelerated growth. He is also involved in his personal capacity in the development of technology based on line and mobile services companies.	Mr Durante has extensive knowledge in the areas of manufacturing. He joined Abbott in the year 1991 and has held various senior management positions and has been incharge of various manufacturing operations worldwide. Prior to joining Abbott, he was with Saputo Cheeses and Allergan, heading manufacturing operations.	Mr Orleski is a lawyer by profession and has strong legal background with strong planning and organizing skills. He has assisted and counseled Abbott in various projects. Prior to joining Abbott, he has worked with Valeant Pharmaceuticals (formerly ICN Canada Limited) and Merck Frosst Canada Limited.	Mr Jain leads Abbott's marketing team since 1998. He has rich and varied experience in the areas of managing strategic alliances, brand acquisitions, sales force restructuring and deployment, distribution restructuring, product portfolio rationalisation, etc. Prior to joining the Company, he has worked with Johnson & Johnson Limited and Lupin India Limited.
Qualifications	B.A. (Hons.) AIB (Part I) Fellow of the Indian Institute of Bankers. Fellow of the Royal Geographical Society (London).	Masters Degree in English from St. Stephens College, Delhi.	Bachelors Degree in Science from McGill University, with specialization in Microbiology & Immunology.	B.A., B.C.L., LL.B with specialization in Business Law/ Contracts/ Financing from McGill University. He is Registered Industrial Accountant (R.I.A., Level III) from Northern Alberta Institute of Technology and also undergone training for Strategic Planning, Mergers and Acquisitions, Competition Law, Interpretation of Financial Statements.	Basic degree in Physics from St. Stephens College, Delhi and Post Graduate in Business Administration from Indian Institute of Management, Ahmedabad
No. of shares held in the Company	Nil	Nil	Nil	Nil	Nil
Other directorships	Glaxo Smithkline Consumer Healthcare Limited Delhi Safe Deposit ING Vysya Mutual Fund Akzo-Nobel Coatings India Ltd.	Pidilite Industries Ltd. GroupM Media India Private Ltd. Bates India Pvt. Ltd. Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd. MIRC Electronics Ltd. Tagit (India) Private Limited Annik Technology Services Pvt. Ltd. Eon Premedia Pvt. Ltd. Hitech Plast Ltd. MIC Electronics Ltd.	—	Abbott Diagnostics International, Ltd. Abbott Pharmaceuticals PR Ltd.	—
Chairman/Member of the Board Committees of other companies	Glaxo Smithkline Consumer Healthcare Limited	MIRC Electronics Ltd. Pidilite Industries Ltd.	—	—	—

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Report of the Directors

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-Third Annual Report and Audited Accounts of the Company for the year ended November 30, 2006.

Financial Results

(Rupees in Millions)

	Year ended Nov. 30, 2006	Year ended Nov. 30, 2005
Sales	5,102.4	4,446.7
Profit Before Tax	874.4	871.1
Profit After Tax	598.6	591.6
Balance brought forward	1,658.1	1,435.7
Profit available for appropriation	2,256.7	2,027.3
Appropriations:		
Dividend (Proposed)	267.4	267.4
Corporate Dividend Tax	37.5	*42.6
Transfer to Reserves	59.9	59.2
Balance carried forward	1,891.9	1,658.1

* Includes Rs 5.1 million for the year ended November 30, 2004

Dividend

Your Directors recommend a dividend of Rs 17.50 per share on 15,280,100 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2006. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 267.4 million (Previous year: Rs 267.4 million) and Corporate Dividend Tax of Rs 37.5 million. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on November 30, 2006 amounted to Rs 2,305.3 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 348.1 million and Surplus as per Profit & Loss Account amounting to Rs 1,891.9 million.

Buyback of shares

In terms of consent given by the shareholders through Postal Ballot, the Company announced buyback of 807,360 Equity Shares at a price of Rs 650 per share through a tender offer route. The same was kept on hold as the Company had sought an exemption from making open offer under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended. The Company has been granted the exemption from making open offer and is taking necessary action for proceeding with the buyback. The same is expected to be completed by first week of April 2007.

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. They have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended November 30, 2006, 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 16 – Significant Accounting Policies 4).

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3. They 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. They have prepared the accompanying Annual Accounts for the year ended November 30, 2006, 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 David Wardell resigned as Director of the Company effective July 28, 2006. The Board placed on record its sincere appreciation for his guidance and services rendered by him.

Mr Ranjan Kapur, Mr Mario Durante, Mr Gregory Orleski and Mr Sudarshan Jain have been appointed as Additional Directors effective September 18, 2006. In terms of Section 260 of the Companies Act, 1956, they hold office upto the date of the forthcoming Annual General Meeting and being eligible, offer themselves for appointment.

Mr Ashok Dayal retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself 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 relevant regulation on these issues is an integral part of the Company's operating philosophy.

i. Environment

A modern effluent treatment plant is operational at the Goa Plant, treating and discharging wastewater within parameters of treated effluent well below the limits set by the local Pollution Control Board. The treated effluent is recycled for horticulture within the site. Water recycling activities have been encouraged and implemented. The emissions from boiler and generator stacks are monitored regularly and are well below the limits set by the State Pollution Control Board.

ii. Health and Safety

As part of its social responsibility towards promoting health and safety, the Company has formed a Safety Committee, which includes representation from workmen and meets regularly to review issues impacting plant

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safety and employee health. Training programmes are conducted regularly on various health and safety issues including dealing with epidemics, work safety, road safety, first-aid, etc. An Automatic External Defibrillator is installed at the Plant and Headquarter Offices and employees have been trained in its use. Detailed first-aid training has already been imparted to about 25% of employees.

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

Technology Absorption and Development

Development of new formulations and dosage forms and modification of existing ones for lifecycle management, 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, which is approved by the Department of Scientific and Industrial Research, has made significant contributions towards its assigned goals of product and process development and cost reduction through import substitution and vendor development. The Company has been able to accelerate the pace of new products introduction in 2006 in its core therapy areas, namely Pain Management (an ibuprofen soft gelatine capsule formulation

under the brand name Brufen Softra and a pediatric syrup formulation as Brufen Junior), Gastroentology (Ganaton OD, once daily formulation of itopride), Metabolics (Obimet Gx, a metformin and glimepiride formulation) .

Employees

Relations with the employees remained cordial throughout the year. Your Board would like to place on record its appreciation for the dedication and commitment shown by them.

Reports on Corporate Governance and Management Discussion & Analysis

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

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai, February 8, 2007