



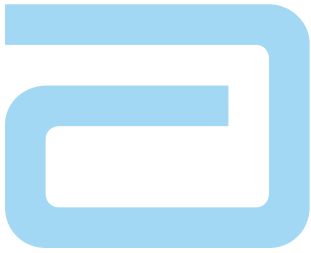
Abbott India Limited  
Annual Report 2011

---

# Transforming lives through a Continuum of Care

---





# A Promise for life

## Turning Science into Caring

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century - passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics through medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.

We value our diversity-that of our products, technologies, markets and people-and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.

We focus on exceptional performance-a hallmark of Abbott people worldwide-demanding of ourselves and each other because our work impacts people's lives.

We strive to earn the trust of those we serve by committing to the highest standards of quality, excellence in personal relationships, and behavior characterized by honesty, fairness and integrity.

We sustain success-for our business and the people we serve-by staying true to key tenets upon which our company was founded over a century ago: innovative care and a desire to make a meaningful difference in all that we do.

The promise of our company is in the promise that our work holds for health and life.

---

# CONTENTS

---

## CORPORATE OVERVIEW

03 Corporate Identity	06 Chairman's Message
08 Message from Managing Director	
10 Business Snapshot	12 Ten Year Financial Highlights
14 Key Products	18 Driving Growth through Synergy
20 'Think Thyroid Think Life'	
22 Transformation: People, Products and Processes	
26 New Product Strategy	27 Therapy Leadership
28 Adding Value	
29 Widening the Circle of Wellness	30 People are our Strength
31 Awards and Recognition	32 Pledge

## STATUTORY AND FINANCIALS

33 Notice	38 Directors' Report	44 Report on Corporate Governance
52 Report on Management Discussion and Analysis		
60 Auditors' Report	64 Balance Sheet	65 Profit and Loss Account
66 Cash Flow Statement	68 Schedules	74 Notes to the Accounts
94 Balance Sheet Abstract		

## Forward-looking statements

---

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

---

Abbott India is committed to provide quality healthcare.

We continue to meet the needs of our customers with products and services driven by innovation, and in a manner that is responsible and respectful of our philosophy of a 'Continuum of Care.'

At Abbott India, we have evolved a holistic business framework to impact the lives of those in need. It encompasses increasing awareness and facilitating detection and diagnosis, treatment and patient compliance.

Our values drive everything we do with the primary objective to help improve the lives of the patients we serve. We have transformed our organisation over the past few years to serve this objective, and have deployed our resources to drive this transformation.

Leveraging the strength of our diverse backgrounds, we unite as a team to fulfil our Promise for Life.

# Corporate Identity



## VISION

To be the world's premier healthcare company.



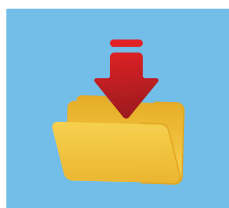
## MISSION

To be an admired organisation and a leader in our core therapy areas by shaping the continuum of care and be amongst the 3 fastest growing companies through 2015.



## DEDICATION

Our primary dedication is to the patients we serve through the healthcare professionals whom we support and to our stellar team of employees, our partners, shareholders, suppliers and other key stakeholders.



**BSE**  
500488

**ISIN**  
INE358A01014

## Abbott Worldwide

### A diversified healthcare company

Founded in 1888, by a young Chicago based physician, Dr. Wallace Calvin Abbott, the organisation has been devoted to discovering new medicines, new technologies and new ways to manage health.

- Abbott, a global broad-based healthcare giant, enjoys a diversified presence in the discovery, development, manufacturing and marketing of innovative pharmaceutical, diagnostic, nutritional and hospital products.
- Abbott has its presence in more than 130 countries and is recognised for its global reach and ability to serve customers around the world.
- Abbott focuses on Turning Science into Caring.

# Corporate Identity

## FASTEST GROWING MNC

growing 1.5 times the market\*



- Received the Best Practices award in 2011: **'Multinational Pharmaceutical Company of the Year'** by Frost & Sullivan.
- Received numerous other accolades including Best Packaging Award and also recognised as 'Most Admired Anaesthesia Company' by Indian Society of Anaesthesiologists at ISACON 2011.

(\* IMS Dec, 2011)

## EXTENSIVE PRESENCE



- Headquartered in Mumbai, Abbott India enjoys strong brand equity and commands esteem in the market place.
- Wide network of 35 distribution points, catering to over 4,500 stockists and no less than 1,50,000 retailers.



## TEAM

- Abbott India's success is largely driven by a highly competent and motivated team, backed by principles of value-based management, aided by strong alliances and partnerships.
- Abbott India employs over 2,400 people.



## MANUFACTURING FACILITY

- State-of-the-art formulation plant at Verna, Goa.
- Facility is designed to produce high-quality, high-volume formulations using cost-efficient methods and processes.
- Well-equipped laboratory and trained personnel ensure international standards of quality at each step of the manufacturing process.



## RESEARCH AND DEVELOPMENT

At Abbott India, our in-house development and medical teams undertake product and clinical development tailored to the needs of the Indian markets.



## 'GO GO GO' JOURNEY

Abbott India epitomised the new organisational philosophy of making things happen. We continued the transformational journey, positively impacting our people, products, programs and processes.



2009

Initiating the acceleration initiatives with the launch of 'GO GO GO'.



2010

Accelerating pace, increasing market presence with expansion.



2011

Transforming field force and integrating Solvay and Abbott. Developing capability and capacity of the organisation.



2012

Leveraging transformation to achieve leadership through superior performance.

Munir Shaikh, *Chairman*

Our leadership is backed by best in class practices of partnering with Health Care Professionals to help deliver value for patients and customers through a focus on building awareness, simplifying diagnosis and providing high quality innovative medicines. This 'Continuum of Care' that we provide creates distinctiveness in the market place, creating a unique differentiation with the competition.



## Chairman's Message

### Dear Shareholders,

2011 was another landmark year for our Company. It was a year in which the Company embarked on its journey of Transformation and implemented a number of new initiatives to strengthen our products, people and processes. These initiatives have started yielding results and provide a strong base for the future, ensuring Abbott's sustainability and success in the years to come.

Abbott India Limited was the fastest growing MNC, growing ahead of the market and registering significant successes along the way. Your Company received the 'MNC Pharmaceutical Company of the Year' Award for the year 2011 from Frost & Sullivan India. This award acknowledges the best practices in the healthcare industry and Abbott was recognised for its outstanding performance in the year 2010-11. Your Company was also recognised as the "Most Admired Anaesthesia Company in India" by Indian Society of Anaesthesia.

We achieved significant progress on our 'Go Go Go' journey – accelerating our business growth, adopting best practices to transform our sales force into cutting-edge industry experts and ensuring a successful integration of erstwhile Solvay Pharma India Limited with the Company, post the legal merger.

According to external pharmaceutical market audit (ORG IMS) (MAT Dec 2011), your Company has grown by 25% versus 16% growth of the market in which your Company participates. This performance was achieved through significant contribution from most of the business units,



“Your Company evolved as one of the fastest growing Pharma companies in India, and highly respected and recognised in the industry. Mr Vivek Mohan, your Company's Managing Director, moves on to assume another exciting new role within the global Abbott group. While wishing good luck to Vivek for his future endeavours, I would also like to welcome Mr Rehan Khan on the Board as the new Managing Director.”



namely Women's Health, Gastroenterology, Metabolics, CNS, Proprietary Pharma business and Hospital Care.

Many of our brands enjoy leadership positions in their respective segments. Our leadership is backed by best in class practices of partnering with Health Care Professionals to help deliver value for patients and customers through a focus on building awareness, simplifying diagnosis and providing high quality innovative medicines. This 'Continuum of Care' that we provide creates distinctiveness in the market place, creating a unique differentiation with the competition.

Your Board has recommended a dividend of ₹ 17.00 per share for the year 2011.

I take this opportunity to record our appreciation for Mr Vivek Mohan, your Company's Managing Director, who moves on to assume another exciting new role within the global Abbott group. During his tenure, Mr Mohan led the organisation through major Transformation including: Integration of Solvay, Sales Force Transformation, Portfolio Revitalisation and Business Acceleration. Your Company evolved as one of the fastest growing Pharma companies in India, and highly respected and recognised in the industry. While wishing good luck to Vivek for his future endeavours, I would also like to welcome Mr Rehan Khan on the Board as the new Managing Director. I am confident that Rehan with his rich experience, strong background and leadership skills will continue driving growth and take your Company to new heights.

I thank all our employees, customers, suppliers, stockists, bankers and other business associates for their consistent support over the years. I acknowledge the dedication and commitment shown by the Abbott team in realisation of your Company's objectives.

My sincere gratitude to all our valued shareholders for your continued trust in your Company over the years. We look forward to your continued support to Abbott India's transformational journey, which will take us all to a brighter and more prosperous future.

Munir Shaikh  
Chairman

# Message from Managing Director



Your Company has made vigorous efforts to strengthen therapy leadership in its quest to gain market leadership, through innovation and differentiation in our marketing initiatives.



## Dear Shareholders,

2011 has been an exciting year. It will always be remembered as a year of 'Transformation'; a year of growth and aspiration.

We can feel proud and happy of significant accomplishments that we have achieved as an organisation, including the recognition as 'MNC Pharma Company of the Year for 2011' by Frost & Sullivan.

We achieved a major milestone of merging two sterling companies, Abbott India Limited and Solvay Pharma India Limited, into one cohesive and integrated business.

We grew 50% faster than the market, one of the fastest growing companies in the Indian Pharmaceutical Market.

Your Company has made vigorous efforts to strengthen therapy leadership in its quest to gain market leadership, through innovation and differentiation in our marketing initiatives. Abbott India ranks as one of the top 5 companies in the participated markets of Gastroenterology, CNS, Women's Health and Metabolics. 11 products are in the top 300 products of the industry; many of these products moved up the ranks in 2011. Thyronorm, the No. 1 product in its therapy area with about 50% market share, has entered in the Top 50 brands. Heptral is amongst the best product launches amongst MNCs and the best ever launch for Abbott India. Udiliv and Zolfresh entered the ranks of Top 100 brands and Top 300 brands, respectively.

Key Opinion Leaders and Healthcare Professional relationships are a key focus in each core area with several educational initiatives like Gastro Conclave, Hepatology Live, FOGSI programs and Thyroid Society.

Continuing our efforts towards Life Cycle Management of all our large brands, we identified line extensions, indication expansions and therapy development for the future, which we will execute in 2012.

Vivek Mohan, *Managing Director*