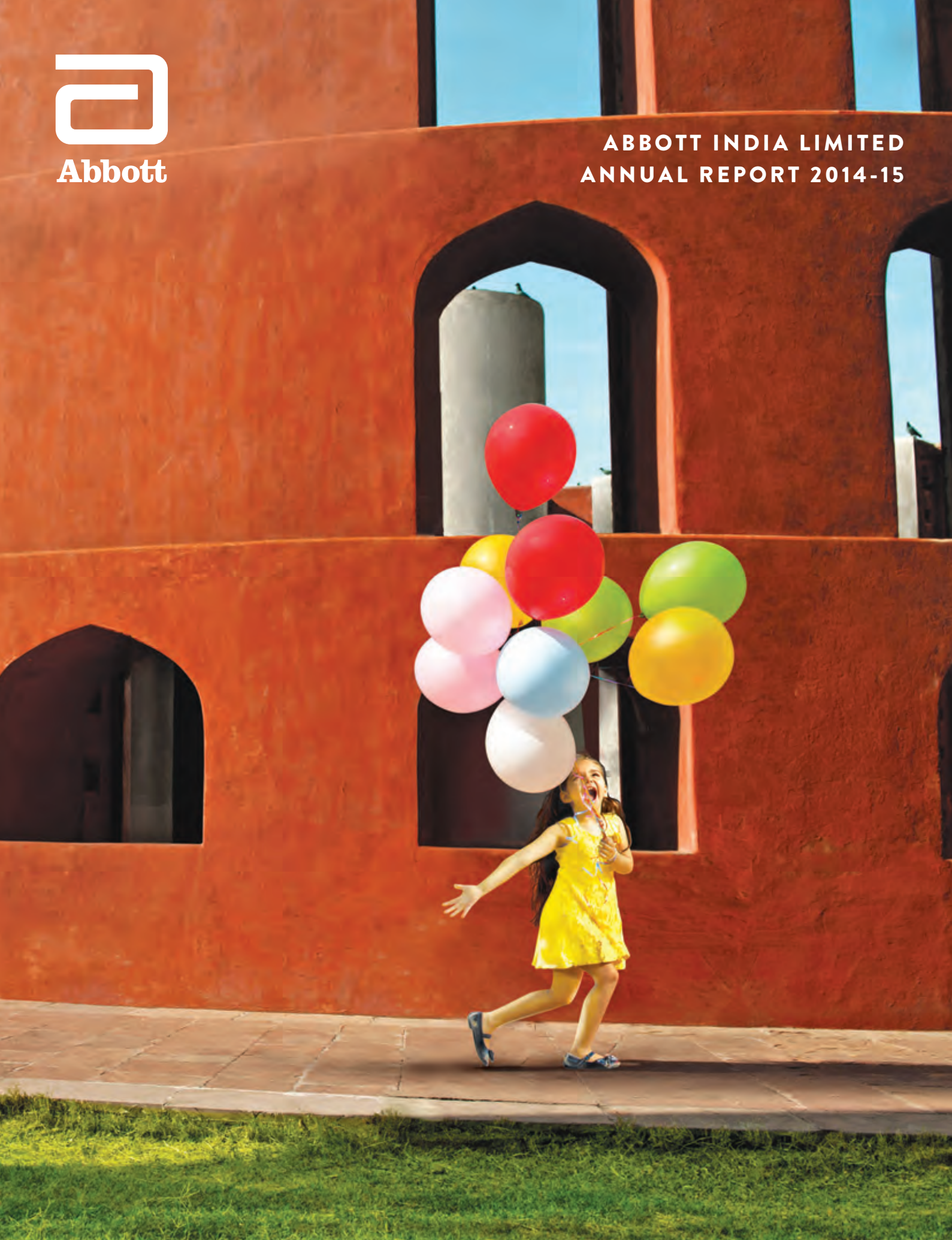




**ABBOTT INDIA LIMITED**  
**ANNUAL REPORT 2014-15**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Munir Shaikh, Chairman  
Rehan A. Khan, Managing Director  
Rajendra Shah, Independent Director  
Ranjan Kapur, Independent Director  
Krishna Mohan Sahni, Independent Director  
Bhasker Iyer, Non-Executive Director  
Kaiyomarz Marfatia, Whole-time Director  
Sachin Dharap, Non-Executive Director  
Nancy Berce, Non-Executive Director

### AUDIT COMMITTEE

Ranjan Kapur, Chairman  
Rajendra Shah, Member  
Krishna Mohan Sahni, Member  
Munir Shaikh, Member

### CORPORATE MANAGEMENT TEAM

Rehan A. Khan, Managing Director  
Rajiv Sonalker, Group Finance Director  
Purnajit Gupta, Director - Human Resources  
Sandeep Khandelwal, Commercial Director  
Ramanathan V, Commercial Director  
Ashok Nair, Commercial Director  
Rumy Kanga, Commercial Director  
Vishwanath Swarup, Director - Commercial, Sales Excellence and Operations  
Mahadeo Karnik, Director - Financial Planning and Analysis  
Dr Rashmi Hegde, Director - Medical  
Nagesh Voleti, Director - QA/QC  
Kaiyomarz Marfatia, Director - Legal & Secretarial

### COMPANY SECRETARY

Krupa Anandpara

### BANKERS

Standard Chartered Bank  
BNP Paribas  
HSBC Bank  
HDFC Bank  
ICICI Bank

### STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants

### INTERNAL AUDITORS

M/s KPMG, Chartered Accountants

### COST AUDITORS

M/s N I Mehta & Co., Cost Accountants

### 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  
13 AB, 2<sup>nd</sup> Floor, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange lane,  
Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 072

### SEVENTY-FIRST ANNUAL GENERAL MEETING

Wednesday, July 29, 2015 at 3.30 p.m.

Venue: Rama and Sundri Watumull Auditorium, K C College, 123, Dinshaw Vacha Road,  
Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020

## KEY SECTIONS



### LEADERSHIP MESSAGE



### BOARD OF DIRECTORS AND LEADERSHIP TEAM



### ABOUT ABBOTT INDIA AND OUR BUSINESS



### FINANCIAL RATIOS AND HIGHLIGHTS



### ABBOTT INDIA: ACCELERATING FORWARD



### CORPORATE SOCIAL RESPONSIBILITY

## CONTENTS

Chairman's Message .....	2	- Brands	
Message from the Managing Director .....	4	- Insights	
Board of Directors .....	6	- Talent	
Leadership Team .....	8	- Performance	
About Abbott India .....	12	- Awareness & Diagnosis	
Our Business .....	14	Corporate Social Responsibility .....	34
- Women's Health, Gastroenterology and Hepatic Care		2014 Awards .....	36
- Specialty Care		Statutory and Financials	
- General Care		- Notice .....	37
- Consumer Care		- Directors' Report and Management Discussion & Analysis Report .....	43
Financial Ratios .....	16	- Report on Corporate Governance .....	75
Financial Highlights .....	18	- Independent Auditors' Report .....	88
Abbott India: Accelerating Forward .....	20	- Balance Sheet .....	92
- Leadership		- Statement of Profit and Loss .....	93
		- Cash Flow Statement .....	94
		- Notes to the Financial Statements .....	96

## 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', 'promises' 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 our 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.



**MUNIR SHAIKH** | CHAIRMAN

“Our success, in large measure, has resulted from our focus and effective implementation of a three-pronged strategy - innovation in brand building; strong talent acquisition and people development; and flawless execution”

## DEAR SHAREHOLDERS,

I am happy to share with you another exceptional year - a year that saw your Company continue its relentless pursuit and enduring promise to deliver better healthcare, and enable people to live healthy lives. We have once again outperformed the Indian Pharmaceutical Market (IPM), with our core business growing at 26.5%\* when the market grew by 12.1%# over the previous year.

2014-15 was a positive year with the economy growing at 7.4% with a stable government determined to bring in key structural reforms. However, it was challenging for the Indian

Pharmaceutical industry with the Drugs Prices Control Order (DPCO) 2013 and the National Pharmaceutical Pricing Authority (NPPA) continuing to bring more drugs under price control.

Despite these challenges, your Company continued its upward trajectory in both Sales and Profits. In light of this achievement, your Board has recommended a dividend of ₹ 31 per share.

During the year, the Company launched 9 new products, of which Arachitol Nano and Duphalac Fiber performed well at the market place in their

\*Annualised #Source: IMS

respective therapy segments, namely, vitamin D3 deficiency and constipation.

Our success, in large measure, has resulted from our focus and effective implementation of a three-pronged strategy - innovation in brand building; strong talent acquisition and people development; and flawless execution.

Amongst various differentiated marketing initiatives, your Company set up a centralised marketing team which supported our brand teams in revamping in-clinic brand communication, launching digital and social media initiatives and adopting best practices from other sectors. These initiatives helped further strengthen our key brands and maintain our leadership in the IPM with 11 of our brands appearing among the top 300 brands in the IPM and 7 brands registering monthly revenues of more than ₹ 5 Crores each. Driving patient awareness in all therapy areas we are present in remains a key priority for your Company.

In the areas of talent acquisition and development, we have designed and begun implementation of our India Talent Strategy. This Strategy includes setting up and communicating a structured, transparent career path for all our employees and hiring both freshers and experienced candidates from leading institutes in India and abroad.

Our continuous endeavor remains on streamlining processes and increasing its

effectiveness. All reporting, both for field and head office employees, are automated. Also, new technology-enabled dashboards have been introduced. These, coupled with other analytical tools, helped our sales force improve their productivity.

At a macro level, we expect both the IPM and the broader Indian economy to maintain their strong growth. Also, the new Government is taking efforts to provide an enabling environment and improving the ease of doing business in India, which will have cascading benefits for all sectors of the economy. We believe that these positive undertones and our continuous efforts will enable us to strengthen our leadership position and drive strong growth year after year.

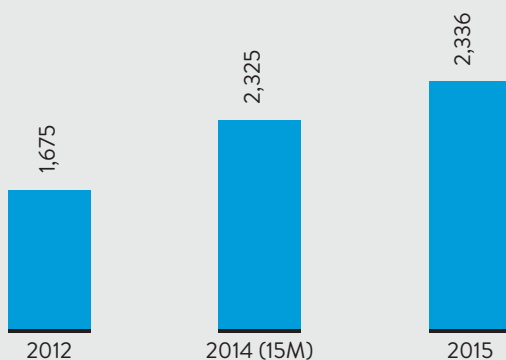
I would like to thank all our customers for their confidence in our products and our employees who make us proud with their commitment, determination and dedication. I also express my gratitude to all our shareholders for their trust in the Company, and to the Board of Directors for their invaluable guidance.

Thank you and looking forward to another exciting and successful year!



Munir Shaikh  
Chairman

### TOTAL REVENUE (₹ in Crores)



Total Revenue  
**₹ 2,336**  
Crores

PAT  
**₹ 229**  
Crores

EPS  
**₹ 107.75**  
/ Share

Dividend  
**₹ 31.0**  
/ Share



REHAN A. KHAN | MANAGING DIRECTOR

“We have once again outperformed the Indian Pharmaceutical Market, with our core business growing at 26.5%\* when the market grew by 12.1%# over the prior year.”

## DEAR SHAREHOLDERS,

It gives me tremendous pleasure to share with you the highlights of our strong performance in the year 2014-15 and our outlook and strategy going forward.

At Abbott India, we had another year of strong performance. During the year, we built on our strengths from the previous year and continued to grow faster than the market. We firmly believe that while the operating environment will have its set of challenges, successful companies are capable of overcoming these challenges and enjoying strong growth.

Success is always a team effort and, at Abbott India, our teams have worked tirelessly to deliver this performance. Our Commercial Marketing

teams work closely with the Field Force, and other support functions such as R&D, Medical, Finance and Manufacturing have also made a substantial difference to the business.

Abbott India's market beating performance is a result of many initiatives across the organization. Specifically, in the last year we developed innovative marketing campaigns and sales execution strategies. We have actively partnered with leading healthcare professionals to develop cutting-edge patient solutions. We have continued to launch new products and focussed on operational efficiencies in our systems and processes. Our transparent culture has allowed us to grow and retain the best talent in the industry.

Some of the key achievements in our 4 business divisions are as follows:

### 1. Women's Health, Gastroenterology and Hepatic Care:

- This is the biggest division of the Company and grew by 22.0%\* during the year
- Duphalac Fibre, an innovative product, was launched in the Women's Health division
- Cremaffin continues to drive the Gastroenterology division with a growth of 26.1%\*
- Heptral grew at 15.2%\* and continues to drive growth of Hepatic Care

### 2. Specialty Care

- Thyronorm, the market leader with 52.6%# market share, continued its strong growth, growing at 41.2%\* during the year
- In the Central Nervous System (CNS) division, Zolfresh remained at the No.1 position in the Extended Sleep Market.
- Vertin remains the No.1 brand for Vertigo treatment, while Prothiaden is a leader in the anti-depression therapy area

### 3. General Care

- General Care continued its remarkable turnaround since 2012. During the past year, this division grew by 19.7%\*
- Brufen, Digecaine and Surbex - the key brands in the division - all registered strong growth during the year

- Arachitol Nano, launched during the year, achieved sales of ₹ 2.8 crores within 11 months of launch

### 4. Consumer Care

- Consumer Care division is a new focus area for the Company. This division grew by 19.4%\* during the year.
- Digene, the flagship brand of the division, was repositioned during the year as a more consumer focused brand.

While we have enjoyed remarkable achievement in the last one year, our focus remains on maintaining and accelerating this impressive growth. We aim to continue our market beating growth going forward and to streamline processes to make us more agile, more innovative and more efficient. We remain committed to building the capability of our talent to enable the best possible engagement with all our stakeholders.

At Abbott India, enabling people to live fuller lives through better health remains a key focus and driver of all our efforts and activities. As we embark on another financial year, we reaffirm our commitment to deliver exceptional value to both, our shareholders and our consumers.

With warm regards,

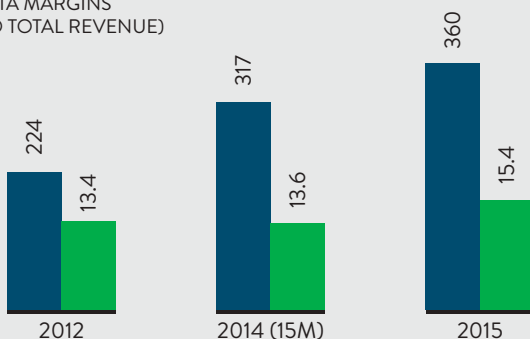
*Rehan A. Khan*

Rehan A. Khan  
Managing Director

\*Annualised #Source: IMS

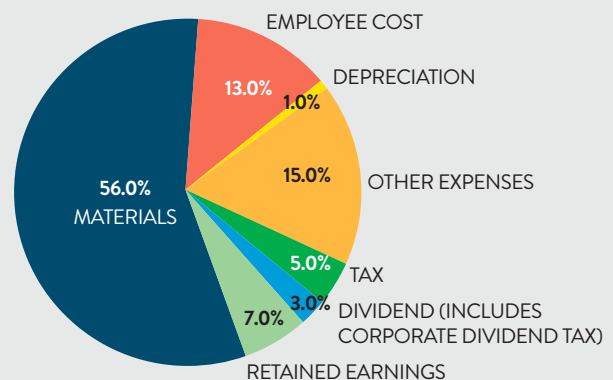
## EBITDA

■ EBITDA (₹ IN CRORES)  
■ EBITDA MARGINS (% TO TOTAL REVENUE)



## REVENUE DISTRIBUTION

Total Revenue: ₹ 2,336 Crores



# BOARD OF DIRECTORS



**MUNIR SHAIKH**

Chairman



**REHAN A. KHAN**

Managing Director



**RAJENDRA SHAH**

Independent Director



**RANJAN KAPUR**

Independent Director



**KRISHNA MOHAN SAHNI**

Independent Director



**BHASKER IYER**

Non-Executive Director



**KAIYOMARZ MARFATIA**

Whole-Time Director



**SACHIN DHARAP**

Non-Executive Director



**NANCY BERCE**

Non-Executive Director

# LEADERSHIP TEAM

## REHAN A. KHAN

Managing Director



Rehan joined Abbott India in May 2012 as Managing Director. Prior to the current role, he was General Manager and Country Head of Abbott Nutrition's business in India. Rehan has 19 years of commercial experience in India, US, UK and Continental Europe (Switzerland, Germany, Holland, Sweden) in general management, marketing & sales, strategic planning and private equity/operations. Prior to joining Abbott Nutrition India, Rehan was with AstraZeneca India as VP Sales & Marketing, Specialty Care.

Rehan is an alumnus of the Harvard Business School, he has an MSc in Biomedical Sciences from Harvard/MIT (Harvard MIT Division of Health Sciences), an MBA from Drexel University and a BS from the University of Wisconsin - Madison.

## RAJIV SONALKER

Group Finance Director



Rajiv joined Abbott India as Director - Finance in November 2006 and has 28 years of experience in the Pharmaceutical, FMCG and Engineering sectors. Prior to joining Abbott India, he worked with Bristol-Myers Squibb as Director - Finance. Rajiv has also worked with Voltas Ltd, Johnson & Johnson, Sanofi - Aventis in India and Germany. Rajiv has a Bachelor's Degree in Science from the University of Bombay and is a Fellow of the Institute of Chartered Accountants of India.