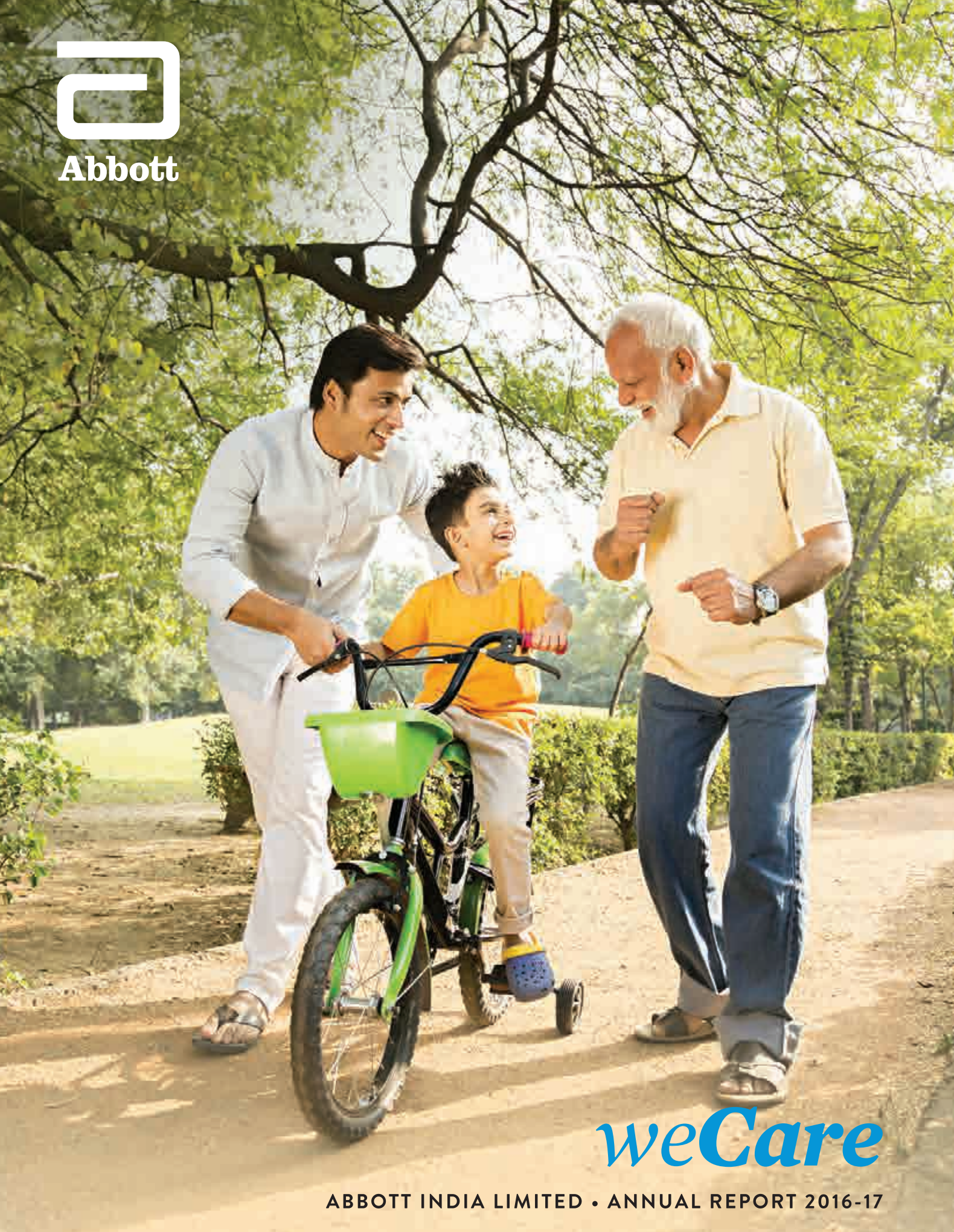




Abbott



weCare

ABBOTT INDIA LIMITED • ANNUAL REPORT 2016-17

At Abbott, we’re all about helping
you live the best life you can through good
health. We keep your heart healthy, nourish
your body at every stage of life, help you feel
and move better, and bring you information,
medicines and breakthroughs to manage your
health. Every day and around the world, we’re
discovering new ways to make life better.

life. to the fullest.



FORWARD-LOOKING STATEMENT

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management’s plans and assumptions. 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



CONTENTS

CORPORATE OVERVIEW

- 02 Abbott Global
- 04 Abbott India
- 06 Highlights of the Year
- 08 Chairman’s Message
- 10 Product Portfolio

STRATEGIC OVERVIEW

- 12 Managing Director’s Message
- 14 10 Year Financial Highlights
- 16 Key Performance Indicators
- 18 Driving Performance
- 20 Enriching Lives by Knowledge Sharing

LEADERSHIP TEAM

- 22 Board of Directors
- 24 Key Management Team

ABBOTT CARES

- 26 Patient Stories
- 30 Talent and Teamwork
- 34 Giving back to Society

38 RECOGNISED FOR EXCELLENCE

STATUTORY REPORTS

- 40 Notice
- 46 Board of Directors Report and Management Discussion and Analysis
- 74 Business Responsibility Report
- 84 Corporate Governance Report

FINANCIAL REPORTS

- 94 Independent Auditor’s Report
- 98 Balance Sheet
- 99 Statement of Profit & Loss
- 100 Statement of Changes in Equity
- 101 Statement of Cash Flows
- 103 Notes to the Financial Statements

ANNUAL GENERAL MEETING

DATE : July 18, 2017, Tuesday
TIME : 3:30 P.M.

VENUE : Rama and Sundri Watumull Auditorium, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020

ABBOTT GLOBAL

Our strategies and execution are grounded in the belief that all people across the world deserve to live a healthy and fulfilling life. This conviction drives our desire to provide access to medicines that are safe, effective and affordable.

Abbott Laboratories is a globally diversified healthcare company with a central purpose to help people live their best possible lives through better health.

Abbott offers a broad portfolio of market-leading products that align with long-term healthcare trends around the world. Built on a strong foundation of nearly 130 years of success, Abbott is poised to deliver continuing growth, expanding margins, strong cash flow, and increasing returns to shareholders.

VISION

Abbott's vision is to become the world's leading healthcare company in the markets it serves — the company that sets the standard in innovation, impact, and performance.

BUSINESSES

Abbott continually shapes its business for sustained growth and maintains a well-balanced and diversified approach. Abbott has a strong presence globally in:

- Diagnostics
- Medical Devices
- Nutrition
- Pharmaceuticals

LEADERSHIP

Abbott is the market leader in:

- Blood Screening
- Drug-Eluting Stents
- Adult Nutrition Worldwide
- Pediatric Nutrition
(in many global markets)

PRESENCE IN

150+
COUNTRIES

TOTAL NO. OF EMPLOYEES

94,000
GLOBALLY

TOTAL SALES

\$20.85 bn
IN FY 2016

Abbott has been in the Fortune's list of Most Admired Companies since 1984. From the past three years (2013-2016), Abbott has also been included among the Top 100 Global Innovators by Clarivate.

St. Jude is now Abbott

Abbott recently completed the acquisition of St. Jude Medical, Inc. The combination of Abbott and St. Jude Medical creates a medical device leader offering more breakthrough inventions and expertise across the areas of cardiovascular, diabetes and neuromodulation.

ABBOTT INDIA

Our healthcare solutions are tailored to the Indian market. We are committed to bring affordable healthcare to millions of Indians in line with our global mission of helping people live their best lives.

Abbott India Ltd. is a publicly listed company and a subsidiary of Abbott Laboratories, USA. At Abbott India, we offer high-quality trusted medicines across multiple therapeutic categories including Women’s Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management, General Care, Vitamins and Vaccines.

Headquartered in Mumbai, Abbott India has a strong portfolio of over 110 brands for healthcare professionals that promote health and well-being for people in all stages of life.

At Abbott India, products are developed by our qualified in-house development and medical teams, to offer superior healthcare solutions to patients.

Our state-of-the-art manufacturing plant at Goa produces high volume and high quality formulations. We also have over 30 third party manufacturers and a strong distribution network of over 3,000 stockists and more than 1,75,000 retailers that help us reach millions of patients.

The key to our business is the creation of high-volume formulations, using cost-efficient mechanisms. Our team of dedicated employees ensure that high quality is maintained in all our products and processes to achieve best standards.

IMPRESSIVE PORTFOLIO
110+ brands

PEOPLE STRENGTH
3,000+

BUSINESS DIVISIONS*

WOMEN’S HEALTH & GASTROINTESTINE (WH&GI), GASTROENTEROLOGY AND GI PROSPERA



SPECIALTY CARE (Metabolics and Central Nervous System)



GENNEXT AND VACCINES



CONSUMER CARE



KEY BRANDS

Duphaston
Udiliv
Cremaffin
Duphalac
Creon

Thyronorm
Vertin
Prothiaden
Epilex
Obimet

Zolfresh
Influvac
Enteroshield
Brufen
Arachitol Nano

Digene
Citrosoda
Rashfree

* The Company operates in a single reportable segment i.e. Pharmaceuticals



weCare for Health

weCare for Performance

FY 2016 - 17 HIGHLIGHTS

Our operational efficiency, robust distribution network and cutting-edge marketing efforts have helped us outperform.

SALES

₹2,902cr

PAT

₹277cr

EBITDA

₹455cr

RETURN ON AVG
CAPITAL EMPLOYED

21.4%

DIVIDEND
PER SHARE

₹40

NEW PRODUCTS
LAUNCHED

10

NO. OF BRANDS
IN TOP POSITION

16*

in their Respective Participated Market

NO. OF BRANDS
IN TOP 100

3*

in Indian Pharmaceuticals Market

NO. OF BRANDS
IN TOP 300

10*

in Indian Pharmaceuticals Market

*Source: IMS

MUNIR SHAIKH
CHAIRMAN, ABBOTT INDIA LIMITED

DELIVERING ON PROMISES

Dear Shareholders,

We have had another year of excellent performance with Sales growth of 11.1% and Profit after Tax of 8.4% over the prior year. We have witnessed encouraging growth in most of our business units, in spite of external headwinds.

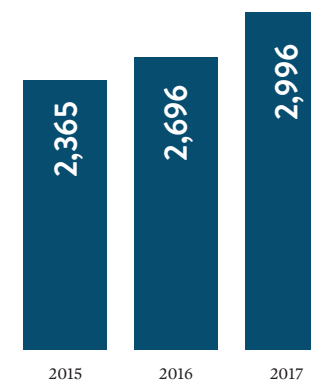
Our purpose has been to help people live healthier, fuller lives and enhance the promise of the human potential in all aspects and stages of life. This purpose has inspired us to outperform consistently despite a challenging market environment.

During the year, India continued to be one of the fastest growing major economies in the world with GDP growth of 6.8% in 2016-17. The country's economic fundamentals remain strong and we expect this growth trajectory to continue. The year 2016-17 was marked by various institutional reforms but two that deserve mention are the passage of

the GST Bill, and the policy thrust towards a less-cash, formal economy. While demonetisation caused temporary hardships in the second half of the year, it was an important economic reform with long-term positive ramifications for all sectors of the economy.

Even though there have been challenges such as drug price controls and enhanced regulations, India's pharmaceutical sector, which is worth ₹1,179 billion, shows encouraging trends. Your Company has remained steadfast in its commitment to value creation. This has been possible owing to our consistent innovation,

TOTAL REVENUE (₹ IN CRORES)



EPS

₹130.19
PER SHARE

DIVIDEND

₹40
PER SHARE

PAT

₹277cr

PAT (% OF REVENUE)

9.2%

diversified product portfolio, brand excellence and able management of a dynamic talent pool.

Considering the consistent performance by your Company, the Board is pleased to recommend a dividend of ₹40 per share against ₹35 per share for the previous year.

We deliver superior solutions for patients across markets. We focus on innovation and maintaining quality standards as a way of life. Our impressive portfolio of more than 110 brands across different therapeutic areas continue to lead the industry. 6* of our top 10 brands are at number 1 position in their respective markets and these top 10 brands contribute 66% of our core business. We also launched 10 new products this year.

We are committed to building a future-ready organization with sustained growth over the long term. Our talent pool of over 3,000 highly committed employees remain our biggest advantage in a highly competitive industry. We have developed specific programmes to encompass the employee lifecycle, from attracting the best talent, both internally and externally, to retaining

them via career management, rewards and development programs across all cadres.

We have always been recognised for our efforts. I am delighted to share that your Company's Annual Report for the year ended March 31, 2016 has been awarded the most prestigious Gold Shield Award by The Institute of Chartered Accountants of India for Excellence in Financial Reporting. There are several other accolades and recognitions received by the Company during the year, in categories like digital marketing, mobile application, excellence in training, etc.

I am pleased to inform you that your new Managing Director, Ambati Venu, who joined in September, 2016, comes with extensive management experience and I am confident that the Company will continue to progress under his leadership.

In the coming years, India's pharmaceutical industry is expected to witness double-digit growth and with the Government's commitment to drive reforms in the sector, the opportunity landscape will further expand. Higher insurance coverage, enhanced disposable income and

greater health awareness are expected to act as growth catalysts for the industry and your Company, going forward. With our diverse solutions, we will continue to help people achieve great health.

On behalf of the entire Board, I take this opportunity to thank all our partners, especially the doctors, pharmacists, vendors and bankers for their sustained faith and ongoing support. I would like to thank all our employees for their commitment, dedication and determination.

I also express my gratitude to all our shareholders for their continued trust in the Company and the Board of Directors for their invaluable guidance.

Yours sincerely,

Munir Shaikh
Chairman

PRODUCT PORTFOLIO



KEY BRANDS

At Abbott India, our range of products focuses on a wide spectrum of therapeutic segments, from Neurology to Gastroenterology to Thyroid to Pain Management and many more.

Our market insight and consistent innovation are the key drivers behind our next-gen products. These products help millions of people in India, who need our science and circle of care to recover quickly and safely. Our R&D centre in India develops breakthrough solutions and our robust network of distributors enable us to reach both urban and rural areas.

PERFORMANCE OF TOP 10 BRANDS*

NAME OF THE BRAND	MARKET SHARE (%)#	RANK#
DUPHASTON	21.5	1
THYRONORM	52.9	1
UDILIV	12.6	2
VERTIN	29.7	1
DUPHALAC	13.5	1
CREMAFFIN	9.9	2
DIGENE RANGE	13.9	2
ZOLFRESH	23.0	1
CREON	34.6	1
PROTHIADEN	7.0	2

In Respective Participated Market
*Source : IMS

DISCLAIMER: All products displayed/mentioned in this Annual Report are for illustration purpose only. Consult your doctor for professional medical advice

NEW HEALTHCARE PRODUCTS

WH & GI



Colospa X
Pro - 9

CNS



Snapit

GASTRO



Actnew
Cremalax Liquid
Pankreoflat Liquid

VACCINES



Influvac Junior

CONSUMER CARE



Rashfree
CitroSoda
Digene Fizz (Regular and
Kaccha Aam flavours)

AMBATI VENU
MANAGING DIRECTOR, ABBOTT INDIA LIMITED

GOING THE EXTRA MILE

Dear Shareholders,

I am privileged to be leading a high performing team, committed to strengthening the legacy of Abbott and enhancing our promise to help millions of people live a healthier, happier and a more fulfilling life.

There is a simple goal at the heart of our business – add value. We continuously strive to provide better offerings that help people live healthier lives and doctors find better treatments. This constant improvement gives people and doctors a reason to choose our products and will sustain our business for years to come.

Today, millions of Indians use our products every day because we thoughtfully continue to translate our deep scientific insight into enduring contributions to enrich human health and happiness. We focus on industry-leading innovations in brand-building and proactive execution to drive sustainable growth year on year.

SURGE IN GROWTH

I am happy to report that during FY 2016-17, our Sales stood at ₹2,902 Crores with a growth rate of 11.1% over the previous year. Your Company is seamlessly sustaining the trend of outperforming the industry despite challenges which come on its way. Volumes also witnessed an increase at 10.9%.

The key driver of our consistent growth over the years is our strong brands. All brands continued showing consistent growth. 16* of our brands are at number one position in their respective participated markets. 3* brands are in the top 100 and 10* brands are in the top 300 brands of Indian Pharmaceutical Market. During the year, we also introduced 10 new products in different therapeutic areas, which are expected to drive growth by tapping into new opportunities in the years to come.

In spite of 2016 being a difficult year for the Indian Pharmaceutical Industry, your Company maintained

double-digit topline growth. More drugs were placed in the ambit of price control, impacting the business significantly. The sudden withdrawal of high denomination currencies in November, 2016 also led to the demand slowdown.

Amongst other initiatives this year, we also upgraded our manufacturing facility at Goa, which is expected to enhance our efficiency.

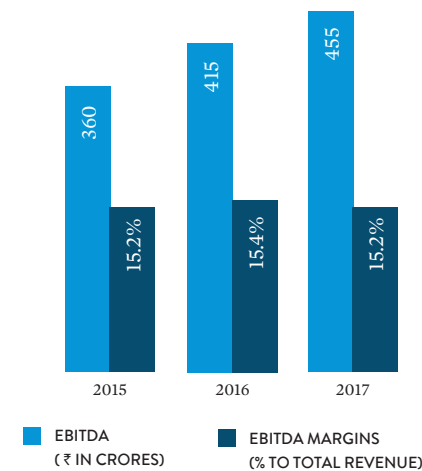
CATALYSTS FOR GROWTH

We use local insights to anticipate the needs of people, doctors and pharmacists. We link these insights with available technology to deliver meaningful innovation – from new medicines to new ways to deliver and package them to services that improve health.

Over the years, we have built a differentiated franchise through specific interventions, which have enabled us to grow with speed.

*Source: IMS

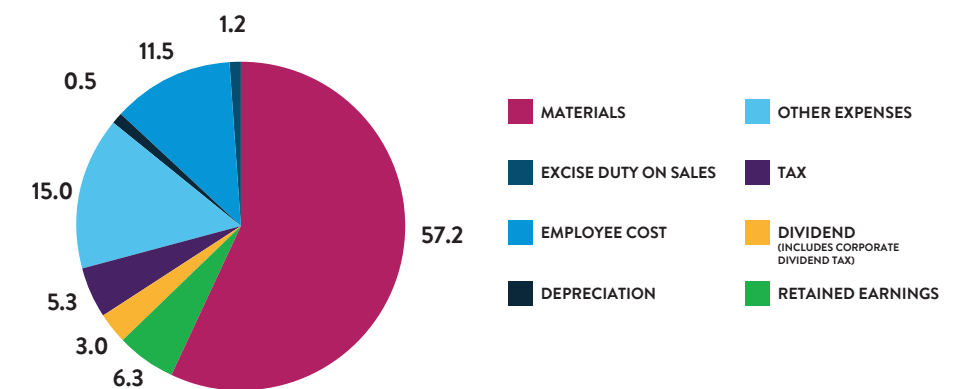
EBITDA*



*Earnings before Interest, Taxes, Depreciation and Amortisation

REVENUE DISTRIBUTION (%)

Total Revenue ₹2,996 Crores



We are steadfast in our commitment to bring affordable and innovative healthcare to millions of Indians in line with our global mission of helping people live their lives to the fullest.

Strengthening key brands and digital differentiation

We introduced innovative marketing campaigns such as “Constipasana”, scaling up our activation capabilities. We increased our in-clinic virtual reality interfaces and expanded the Pill + Service model to several brands. We continued to focus on brand building efforts with an emphasis on therapy management as a key strategic driver.

Expanding portfolio breadth

We expanded into Vaccines, increased our footprint in OTC and launched over 30 new products in the last three years.

Strong field management

We deployed first-in-market field engagement tools such as Abbott

India Radio, Coaching Olympiad and ‘Lakshya’. We continue to develop differentiated programmes for hiring and retaining industry-relevant talent.

LIFE. TO THE FULLEST.

For over 105 years, our purpose has been to create breakthrough health products that help unlock human potential so that people can pursue all that inspires them. Abbott’s expertise with breakthrough health products helps build a relationship with the people we serve. We have adapted to an increasingly complex healthcare environment by keeping our focus where it belongs—on helping people achieve their best possible health, in all stages of life. And that’s a goal we’ll continue to pursue.

FUTURE READY

We continue to focus on building the capabilities of our talent pool in line with evolving industry dynamics.

From a broad strategy perspective, we will:

- Continue to accelerate key brands;
- Drive therapy leadership;
- Strengthen multi-channel and insight driven marketing;
- Continuously identify new product opportunities;
- Focus on talent development and engagement

Our future success will be measured not only in the value we create for all, but also in the way we do it. I seek the support and encouragement of all my colleagues and stakeholders in this endeavor.

I also take this opportunity to sincerely thank all our highly committed employees, partners, suppliers, stockists, retailers and customers. I also thank our shareholders for their continued trust and support to the Company.

Best Regards,

Ambati Venu
Managing Director

10 YEAR FINANCIAL HIGHLIGHTS

All amounts in ₹Lakhs, unless otherwise stated

	Previous GAAP									Ind AS®	
OPERATING RESULTS	2007	2008	2009		2010(13m)	2011*	2012	2014(15m)	2015	2016	2017
TOTAL REVENUE#	633,99	701,21	795,93		1031,97	1528,07	1696,93	2358,39	2364,56	2696,23	2996,33
MATERIAL COST	408,46	454,62	504,17		647,30	861,21	971,65	1297,41	1311,96	1492,03	1712,06
EMPLOYEE BENEFIT EXPENSE	35,35	48,92	62,37		111,20	167,35	206,20	299,74	305,40	341,09	345,27
OTHER EXPENSES#	82,63	96,32	102,80		168,03	304,32	294,97	444,68	387,40	448,14	484,04
DEPRECIATION AND AMORTISATION	5,66	6,98	9,01		11,25	15,00	19,49	21,93	14,94	14,44	16,43
FINANCE COST	2	2	20		4	3	2	8	50	2,52	2,04
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	101,87	94,35	117,38		94,15	180,16	204,60	294,55	344,36	398,01	436,49
EXCEPTIONAL ITEMS	-	-	-		-	-	10,39	-	-	-	-
PROVISION FOR TAXATION	33,44	31,49	39,87		33,21	59,77	70,29	96,10	115,40	142,76	159,84
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	68,43	62,86	77,51		60,94	120,39	144,70	198,45	228,96	255,25	276,65
EARNING PER SHARE - BASIC & DILUTED (₹)	46.01	43.62	56.68		44.56	56.66	68.10	93.39	107.75	120.12	130.19
DIVIDEND PER SHARE (₹)	17.50	14.00	17.00		17.00	17.00	17.00	23.00	31.00	35.00	40.00
ASSETS EMPLOYED											
FIXED ASSETS (NET)	36,31	50,63	49,15		50,57	80,02	109,18	99,52	99,95	111,29	115,88
OTHER ASSETS (NET)	195,74	171,38	222,41		254,82	464,12	537,68	688,33	837,58	1084,31	1271,06
TOTAL ASSETS	232,05	222,01	271,56		305,39	544,14	646,86	787,85	937,53	1195,60	1386,94
FINANCED BY											
SHARE CAPITAL	14,47	13,68	13,68		13,68	21,25	21,25	21,25	21,25	21,25	21,25
OTHER EQUITY	216,55	207,57	257,88		291,71	522,89	625,61	766,60	916,28	1174,35	1365,69
TOTAL EQUITY	231,02	221,25	271,56		305,39	544,14	646,86	787,85	937,53	1195,60	1386,94
BORROWINGS	1,03	76	-		-	-	-	-	-	-	-
NUMBER OF SHAREHOLDERS	14,152	13,689	13,422		14,461	19,354	20,826	18,270	19,407	21,250	23,004
HEADCOUNT	1,042	1,150	1,308		1,767	2,425	2,667	2,766	2,867	2,956	3,083

Inclusive of Excise Duty on Sales.

* Post Merger with Solvay Pharma India Limited.

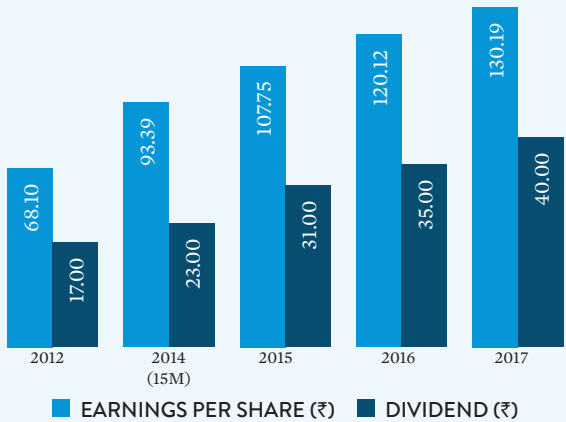
® The Company transitioned to Ind AS from April 1, 2015, hence these numbers are not comparable with previous years.

KEY PERFORMANCE INDICATORS

DIVIDEND

PER SHARE

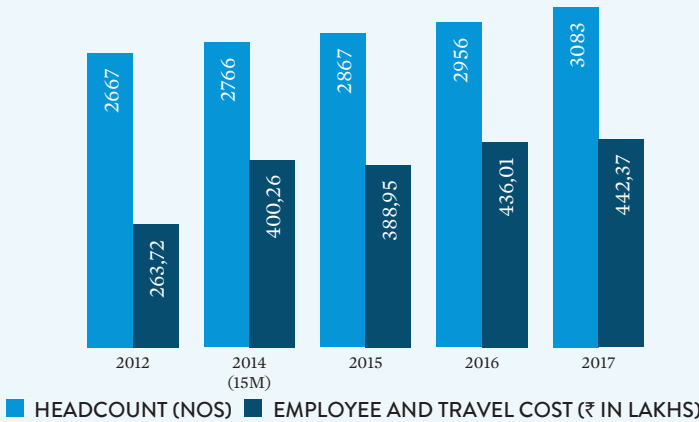
₹ 40



HEADCOUNT

EMPLOYEE AND TRAVEL COST

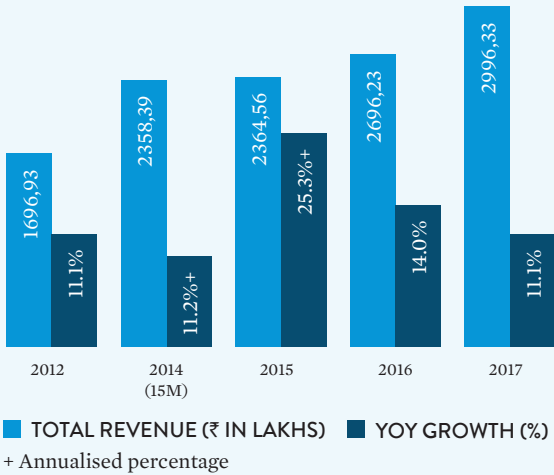
₹ 442.37



TOTAL REVENUE

% REVENUE GROWTH

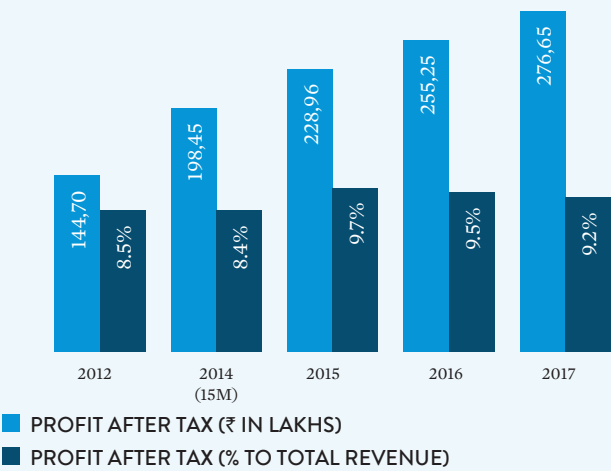
11.1%



PAT

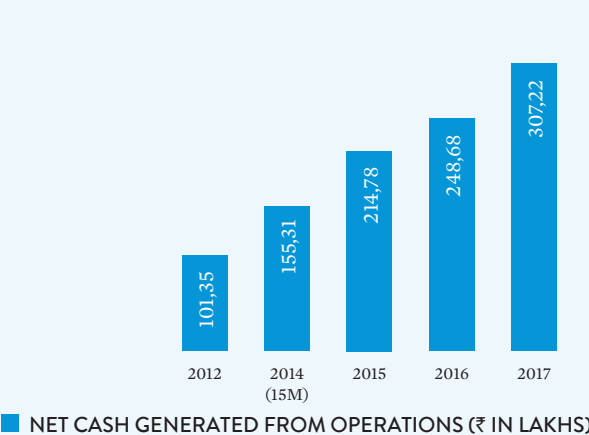
% TO TOTAL REVENUE

9.2%



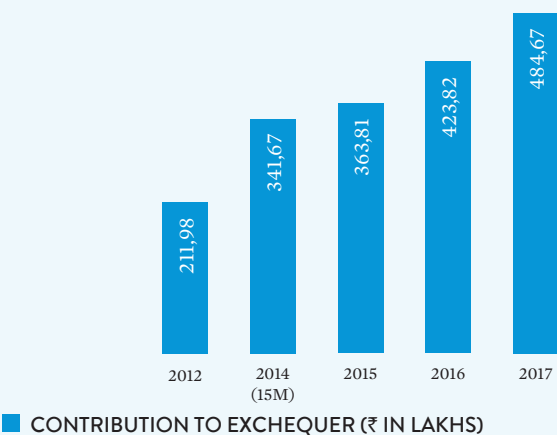
NET CASH GENERATED FROM OPERATIONS

₹ 307,22



CONTRIBUTION TO EXCHEQUER

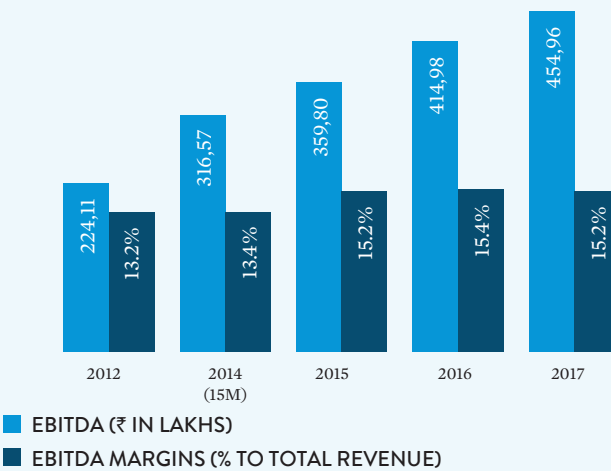
₹ 484,67



EBITDA MARGINS

% TO TOTAL REVENUE

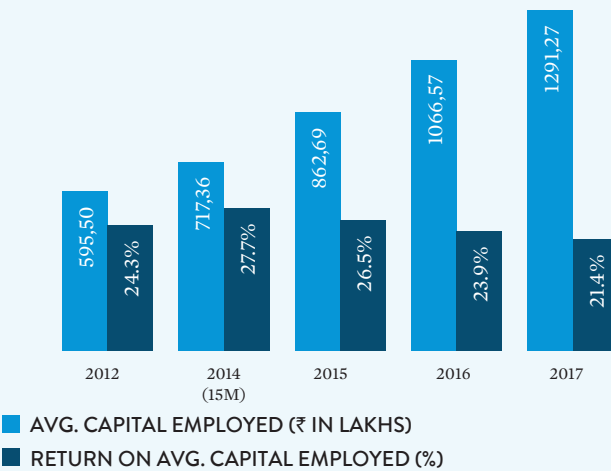
15.2%



CAPITAL EMPLOYED

RETURN ON AVG. CAPITAL EMPLOYED

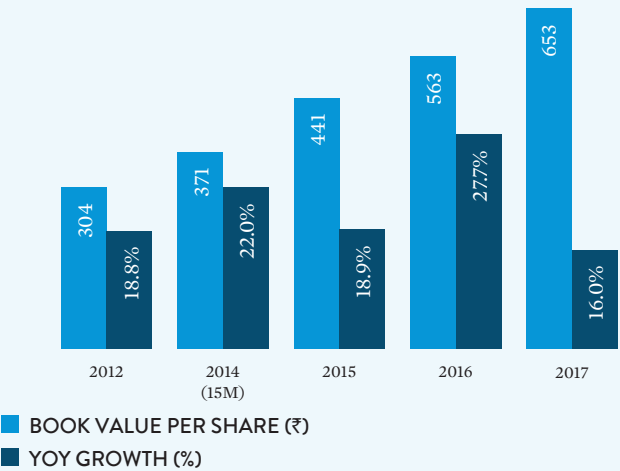
21.4%



BOOK VALUE

PER SHARE

₹ 653



MARKET CAPITALISATION

SHARE PRICE

₹ 4,638.85

