



Abbott

ABBOTT INDIA LIMITED
ANNUAL REPORT 2020-21



**ENDURANCE
REDEFINED**

ENDURANCE REDEFINED

At Abbott India Limited, we are dedicated to help people live healthier and fuller lives. We are creating the future of healthcare through quality products that ensure health and wellness and treat conditions to help one reclaim their preferred way of life. With over seventy-five years of our existence in India, our work highlights successful change across the years.

Abbott India has thrived over the years because it has continually adapted to the increasing complexities of the healthcare environment, initiated trends and responded to the evolving needs of its consumers. Our endurance defines us. It embodies our commitment to improving consumer health outcomes and to remain future ready. This year, we have proved our endurance again by redefining ourselves and the way we work. To be redefined is our way of ensuring that our products remain relevant to the people who rely on us to meet their present and future needs.

Our redefined endurance is reflected through our differentiated initiatives undertaken during the year. Be it through multi-channel marketing, pill plus services as well as innovative ways to connect and engage with healthcare professionals by leveraging digital tools, we have responded to the needs of the people. Our redefined endurance has made it possible to act on our vision to become a Company that transforms healthcare in India and delivers value to the varied needs of its people.

FY 2020-21 HIGHLIGHTS

₹4,310 Crore

REVENUE FROM OPERATIONS





₹691 Crore

PROFIT AFTER TAX

₹275

DIVIDEND PER SHARE
(INCLUDING SPECIAL
DIVIDEND)

TABLE OF CONTENTS

CORPORATE OVERVIEW	ENDURANCE TO SUCCEED. REDEFINED.	ENDURANCE TO EXCEL. REDEFINED.	ENDURANCE TO SERVE. REDEFINED.	STATUTORY REPORTS
Abbott India at a Glance 4	Chairman’s Message 16	Operating Environment 28	Enhancing Customer Experience 42	Board of Directors Report and Management Discussion and Analysis 56
Our Key Brands 8	10-Year Financial Highlights 18	Strategic Priorities 30	Knowledge Sharing 44	Business Responsibility Report 79
Business Model 10	Managing Director’s Message 20	Abbott India Leadership 34	Valuing our Employees 46	Corporate Governance Report 92
Abbott Proud 12	Key Performance Indicators 24	Governance 36	Safeguarding our Environment 50	FINANCIAL STATEMENTS
		Board of Directors 38	Supporting our Community 54	Independent Auditor’s Report 110
				Balance Sheet 118
Read more 12	Read more 14	Read more 26	Read more 40	Statement of Profit and Loss 119
				Statement of Cash Flow 120
				Statement of Changes in Equity 122
				Notes to the Financial Statements 123
				NOTICE 170

ABOUT THE REPORT

At Abbott India Limited, we are fully committed and transparent to all our stakeholders. We began our journey of integrated reporting last year and adopted certain elements, principles and concepts of disclosures prescribed by the International Integrated Reporting Council for our Annual Report. Our focus is to communicate both financial and non-financial aspects of our business to demonstrate how our strategic priorities are aligned to improving the lives of the people we serve and enhance the long-term value for all our stakeholders. References to ‘Abbott India’ in this Annual Report shall mean ‘Abbott India Limited’.

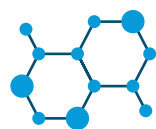
FORWARD-LOOKING STATEMENT

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 realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

77th

ANNUAL
GENERAL
MEETING

DATE: JULY 27, 2021
TIME: 9.30 A.M.
THROUGH VIDEO
CONFERENCING (VC)/OTHER
AUDIO-VISUAL MEANS (OAVM)



ABBOTT INDIA AT A GLANCE

WE ARE ABBOTT. WE CELEBRATE LIFE.

At Abbott India, we are committed to bringing affordable healthcare to millions of Indians in line with our global mission of helping people live their best lives. Our strength lies in our endurance, in thriving and being able to deliver amid a rapidly evolving environment. Our ability to deliver quality healthcare solutions is driven by our passion to continuously innovate, evolve, adapt, and redefine.

We are a subsidiary of Abbott Laboratories, USA. Since 1944, we are working for the advancement of healthcare in India. Our growing portfolio of high-quality, trusted medicines across multiple therapeutic categories, such as women's health, gastroenterology, metabolics, multi-specialty (pain management, insomnia, nutritional supplements and vitamins), central nervous system, vaccines and consumer health, makes us one of India's fastest-growing pharmaceutical companies.

Our ability to bring change to the healthcare ecosystem in India is backed by a highly competent and motivated professional team, breakthrough products, and the strength of the alliances and partnerships that we have shaped over the years. Our market-leading brands bear reflection of our decades' old reputation for quality and proven scientific expertise.

We continue to improve lives by bringing to people relevant information, evolved medicines and first-to-market medical solutions. We deliver results for patients, consumers, healthcare professionals, employees and shareholders, and we work continually to invest, innovate and introduce new products that are changing the practice of healthcare.



75+

YEARS OF OUR
EXISTENCE IN INDIA

140+

BRANDS

3,500+

EMPLOYEES



OUR HOLISTIC OFFERINGS

Being the market leader* across multiple therapies (gastro, women's health, metabolics, central nervous system, and vaccines), we have the capability to access majority of stakeholders in these categories. This allows us to identify unmet needs, often lying at the intersection of science and marketing. We remain well placed to understand these business needs and hence strategically plan to consolidate and evolve our portfolio in other key therapy areas.

Over the last few years, as consumers have become increasingly aware and informed about their health, we have entered a few untapped markets (such as menopause therapy), diversified our solutions to newer needs (herbal supplements), and continue to gather insights that would help us ultimately become India's go-to company for all healthcare needs.



WOMEN'S HEALTH

We are committed to addressing major health concerns among women in India and cater to the major milestones in a woman's journey through life from menarche, pregnancy, to menopause.



GASTROENTEROLOGY

We tackle most of the gastrointestinal issues affecting people by offering a range of treatment for ailments affecting the upper and lower gastrointestinal tract and liver.



METABOLICS

We offer treatment for chronic metabolic conditions such as hypothyroidism and continue to focus on the metabolic health space to evolve newer sub-therapies.



CENTRAL NERVOUS SYSTEM (CNS)

We truly believe in the power of a healthy mind along with a healthy body. Our medicines in the CNS portfolio cater to conditions such as vertigo, depression and epilepsy.



MULTI-SPECIALTY

We have a wide portfolio that provides solutions for pain management, nutritional supplements, vitamins and insomnia, thus ensuring overall well-being.



VACCINES

Addressing preventable health conditions, our range of vaccines reach out to children as well as adults for common conditions such as influenza, typhoid, and rotavirus diarrhoea.



CONSUMER HEALTH

We offer a range of OTC products; with variants of antacids (tablets, liquid, and powders), laxatives & analgesics including a pain relieving topical spray to provide relief to those in need.

*Source: IQVIA: MAT March 2021

ABOUT ABBOTT LABORATORIES

For over 130 years, we have been dedicated to helping people live more fully, in everything we do. We are creating the future of healthcare through life-changing technologies and products that make you healthier and stronger, quickly identify when you have a medical need, and treat conditions to help you get back to doing what you love.

With global headquarters in north suburban Chicago, we serve people in more than 160 countries with leading medical devices, diagnostics, nutrition products and branded generic medicines. 109,000 of us are helping millions of people to live better and healthier every day around the world.



US\$34.6 Billion

WORLDWIDE SALES FOR FY 2020



160+

COUNTRIES SERVED

SINCE
1984

FORTUNE'S TOP 50
MOST ADMIRABLE
COMPANIES



LEADERSHIP

- Fortune's Top 50 Most Admired Companies since 1984; #1 in industry for past 8 years
- Fortune Best Big Companies to Work For 2020
- Dow Jones Sustainability Index, #1 in the industry for past 8 years
- DiversityInc Top 50 companies for diversity for past 17 years

109,000

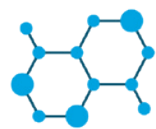
EMPLOYEES

130+

YEARS OF LEGACY

To know more about us,
visit <https://www.abbott.com/>





OUR KEY BRANDS

HOLISTIC SOLUTIONS FOR BETTER HEALTH OUTCOMES

We have been successful in sustaining leadership in the areas we operate. A large number of our high-performing brands are market leaders (at number 1 or 2 positions)* in their respective therapy segments. We continuously endeavor to identify emerging healthcare needs and invest in innovative solutions to help shape a new-age healthcare ecosystem.

NEW PRODUCTS LAUNCHED



Digecaine (antacid), Vertin MDS (vertigo), Pankreoflat HD (indigestion), J E Shield (prevention of Japanese Encephalitis), Parihep 60 (deep vein thrombosis), Colohep (fatty liver disease), Digene Ultra Fizz (antacid), Brufen Power Spray (analgesics), Arachitol Nano 2000 (Vitamin D deficiency), Doxstem 20 (antiemetic), Brivetoin (anti-epileptic), Digerraft (antacid), Rowasa 2 (ulcerative colitis), Lacoxa (anti-epileptic), Cabernorm (hyperprolactinemia)

*Source: IQVIA: MAT March 2021



KEY BRANDS

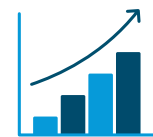


Colospa (irritable bowel disease), Ganaton (gastrointestinal motility), Librax (irritable bowel disease), Zolfresh (insomnia), Thyronorm (hypothyroidism), Duphaston (miscarriage and IVF), Duphalac (constipation), Digene (antacid), Prothiaden (pain & depression), Influvac (prevention of influenza), Creon (pancreatic insufficiency)



Cremaalax (constipation), Pankreoflat (indigestion), Duvadilan (preterm labor), Brufen (Analgesics), Enteroshield (prevention of typhoid), Cremaffin (constipation), Arachitol Nano (Vitamin D deficiency), Udiliv (cholestatic chronic liver disease), Vertin (vertigo)

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



BUSINESS MODEL

LEVERAGING OUR FUNDAMENTAL STRENGTHS TO CREATE LONG-TERM VALUE

INPUTS

MANAGEMENT APPROACH

VALUE CREATION PROCESS

OUTCOMES FY 2020-21

FINANCIAL CAPITAL

Sources of funds from business operations, financing or investing activities

Prudent and effective deployment of funds to expand business operations and deliver operational excellence as well as sustainable growth year after year.

MANUFACTURED CAPITAL

Tangible and intangible infrastructure, offices and manufacturing plant

Optimum utilisation of manufacturing operations, upgradation of processes, and responsible partnerships with local manufacturers, enhance efficiency and productivity, while reducing cost and ensuring best quality standards.

HUMAN CAPITAL

Employees' skills and competencies, knowledge and experience

Offer inclusive and balanced work environment. Attract, motivate and retain best-in-class talent, provide development opportunities to employees for exceptional outcomes.

INTELLECTUAL CAPITAL

Strong heritage brands, world-class technology, robust processes and systems

Continuous investments in new product developments, scientific research, clinical studies, improved packaging and enhancing our human capabilities to cater to the evolving needs of our customer and enhanced customer experience.

SOCIAL & RELATIONSHIP CAPITAL

Relationship with all stakeholders, community development and well-being

Promote trust with stakeholders, improving the quality of life of people in areas of presence and achieve sustainable growth, delivering innovative solutions and working towards building stronger communities.

NATURAL CAPITAL

Natural resources we consume to effectively conduct our business activities

Ensure sustainable use of natural resources, reducing the environmental impacts of our business across our value chain. Continue to develop systems and targets for reducing greenhouse gas emissions, energy consumption, water use, and the volume and impact of waste.

PURPOSE

To help people live better and healthier lives through our products and differentiated offerings



[Read more](#) 30

ACTIVITIES

High Quality Manufacturing

Robust Distribution

Science-based Products

Strong Partnerships

Experienced Sales and Marketing Team

STAKEHOLDERS

Investors
Patients and Doctors
Value Chain Partners
Employees
Environment
Community

₹1,002 Crore
EBITDA

27.4%
RETURN ON CAPITAL
EMPLOYED (ROCE)

30%[#]
INCREASE IN LIQUID INSTALLED CAPACITY
WITHOUT CAPEX

10%[#]
REDUCTION IN CONVERSION
COST IN LIQUID

[#]at Goa plant

~12 Lakh
NO. OF TRAINING HOURS

~6.2%
ATTRITION RATE

15
NEW PRODUCTS
LAUNCHED

8
CLINICAL STUDIES

₹13.88 Crore
CSR EXENDITURE

~98,000
LIVES IMPACTED THROUGH
HEALTH CLINICS

~95,000 KWH[#]
ENERGY SAVINGS

~1,055 KL[#]
RAIN WATER HARVESTED

[#]at Goa plant

₹691 Crore
PROFIT AFTER TAX

₹727 Crore
CASH GENERATED
FROM OPERATIONS

8.5%[#]
INCREASE IN
PRODUCTION VOLUME
IN TABLETS

244
NEW JOINEES
DURING THE YEAR

9
TRADEMARKS
REGISTERED

~20,000
MEDICAL STAFF
TRAINED

9,800+
HEALTH CLINICS
CONDUCTED

~1,500
STUDENTS IMPACTED
THROUGH SMILE
FOUNDATION

33%[#]
PLANT WASTE
INCINERATED WITH
ENERGY RECOVERY



ABBOTT PROUD

NAVIGATING THROUGH A PANDEMIC

The COVID-19 pandemic has had a profound impact on markets and people across the world, disrupting the way we live and work. Abbott India has remained resilient and navigated through this crisis through our redefined endurance and strategies.

OUR PEOPLE

We are proud of our people who, despite a challenging environment, stepped up to do what we have always done; remained agile and resilient while working with a sense of urgency to deliver our quality medicines to the people who need them. We remained true to our core values of Pioneering, Achieving, Caring,

and Enduring, acted quickly and decisively to ensure the health of our employees, adhered to the government regulations, maintained an uninterrupted flow of medicines, and utilized the new rules of engagement with our key stakeholders.



BUSINESS OPERATIONS

We remotely collaborated with all our stakeholders, found new ways to overcome adversity and created new opportunities. We made certain that our manufacturing plant remained fully operational despite the challenges around us, because we know that our medicines are helping millions of Indians lead a healthier life. Our resilient supply chain, robust inventory management process and efficient distribution network enabled business continuity as usual.

DIGITAL TRANSFORMATION

As COVID-19 changed the working conditions across industries, at Abbott India too, we had to relook at our day-to-day operations and pivot to the new normal. Digital technology played a key role in ensuring a continuous connect with both healthcare professionals (HCPs), patients and providing the vital support that they needed. Our multi-channel engagement (MCE) model ensured a high-level engagement with our stakeholders via diverse digital touch points. We utilized virtual platforms to launch our products and organized knowledge sharing sessions with international speakers. Employees too continued to receive relevant training and education online.

COVID-19 RELIEF EFFORTS

Despite multiple vaccines being rolled out around the world, the need for preventive measures, including testing, remains. Since the onset of the pandemic, Abbott Laboratories launched a variety of COVID-19 tests around the world. From assays that run on high-throughput instruments capable of handling large volumes of tests at once, to self-contained point-of-care devices that deliver quick and reliable, on-the-spot results, Abbott lived up to its reputation as a quick responder to medical emergencies.

During this critical time, we supported the community through various initiatives. We worked with Self-Employed Women's Association (SEWA) to educate its 19 Lakh members on COVID-19 prevention and care efforts in their communities. We have been also working with them on building economic resilience and restoring livelihoods for the low-income, daily wage earners. Through cash grants to CARE and AmeriCares, we supported frontline healthcare workers across 7 leading hospitals in Mumbai and Delhi. Through these NGO partners, we also helped secure supplies for hospitals and COVID care centers, expand existing facilities and build new temporary COVID care centers with medical staff, beds, testing labs, and life-saving equipment, such as oxygen and ventilators.

We have also conducted a special vaccination drive for HCPs, and vaccinated close to 15,000 HCPs, during the lockdown so that the frontline workers and their families could get their flu vaccines without supply constraints.

ENDURANCE TO SUCCEED. REDEFINED.

We have delivered market-beating growth year after year. Our redefined strategies, amidst challenging times, zeal to meet the evolving needs of our customers and patients have helped us sustain a strong performance and value enhancement for all our stakeholders. We are constantly pushing boundaries to bring niche therapies to the fore and become a one-stop answer for individuals to live healthier lives.

IN THIS SECTION

Chairman’s Message	16
10-year Financial Highlights	18
Managing Director’s Message	20
Key Performance Indicators	24



84.6%
DIVIDEND PAYOUT
RATIO

₹325
EARNINGS
PER SHARE

23.3%
EBITDA MARGIN



CHAIRMAN'S MESSAGE

DEMONSTRATING THE INVINCIBLE ABBOTT SPIRIT

“At Abbott, we believe that health is critical to enriching the world around us. We remain steadfast in our commitment to delivering sustainable healthcare solutions that takes care of people and the planet. We pivoted our engagement models, leveraged our digital capabilities, and kept pushing the boundaries of innovation.”

Dear Shareholders,

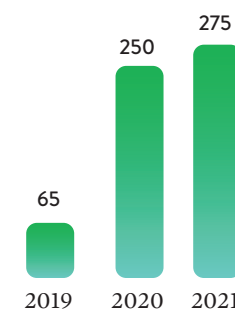
The COVID-19 pandemic continues to pose significant challenges, straining healthcare infrastructure, and leaving behind significant adverse economic and social impact. At the same time, we are witnessing the indomitable spirit of the medical fraternity and other frontline workers in the face of unprecedented adversity. The pandemic has taken a heavy toll on human life, and our heart goes out to those families who lost their near and dear ones.

We firmly believe that crisis breeds new opportunities to redefine the conventional template and set in motion ideas and innovation

for building a better future. We are confident that with a concerted vaccination drive and other non-pharmaceutical interventions such as masking and social distancing, the nation will overcome this crisis soon.

Despite an extremely challenging operating environment, Abbott India continued its growth trajectory, outperforming the market and the industry. Our Revenue from Operations grew by 5.3% and Profit Before Tax by 15.4%. This robust performance not only demonstrates the resilience of our business model, but also our ability to quickly adapt to the rapidly evolving realities.

GROWING DIVIDEND (IN ₹)*



*Includes Special Dividend

₹691 Crore

PROFIT AFTER TAX

16.0%

PAT (% OF REVENUE FROM OPERATIONS)

The Board recommended a dividend of ₹275 per share including ₹155 special dividend for FY 2020-21.

Since the onset of the pandemic, we have been working closely with our people and partners to support communities with resources and technologies to tide over the crisis. We managed to ensure business continuity with virtually no disruption in manufacturing and supply chain. We did all this, while protecting the health of our employees and rigorously following the safety guidelines.

ENSURING BUSINESS EXCELLENCE

At Abbott, we believe that health is critical to enriching the world around us. We remain steadfast in our commitment to delivering sustainable healthcare solutions that takes care of people and the planet. We pivoted our engagement models, leveraged our digital capabilities, and kept pushing the boundaries of innovation. As a result, we witnessed the endurance of our people by a series of innovative product launches and new initiatives. These redefined ways of working helped further strengthen our key brands and maintained our leadership in the Indian Pharmaceutical Market (IPM). We launched 15 new products and line extensions in FY 2020-21 and will focus on ensuring their success.

We also continued to focus on capability building of our field force. We paved the way for greater collaboration amongst our employees and encouraged them to think out of the box. We improvised on ways of engagement with our customers, specifically the healthcare professionals. Flagship scientific models were created, including the digital masterclass. Strategic tie-ups and partnerships with various societies, associations and thought leaders enabled us to deepen our academic engagements. Overall, we have conducted over 3,500 medical education programs with doctors. Our marketing teams conducted several awareness initiatives on digital platforms, especially for Vitamin D and influenza as these two therapies have been talked about a lot in recent times.

One of our key takeaways from the year is that for businesses around the world, purpose should take precedence over profitability. Our unwavering focus on integrity and culture of compliance have helped us to thrive in a difficult environment. We uphold the highest ethical standards in our business conduct and live by our values, while operating with honesty and fairness.

EMPATHY AND COMMITMENT

As part of our social initiatives, we established health clinics for various therapeutic areas, which enabled access to essential health services and credible information with the help of qualified doctors. Through Self-Employed Women's Association (SEWA), we continue to create new models to improve access of quality healthcare to the low-income population. We also remain committed to engage in activities that complement government's COVID relief efforts.

It is also a matter of pride that we won several awards and recognitions during the year. In India, Abbott was recognized by Business Today as one of - Top 25 “Coolest Places to Work” and was included in the list of “2020 Working Mother and Best Companies for Women in India” by Avtar, a pioneering Diversity & Inclusion Consulting firm.

Healthcare access, availability and equity in utilisation of healthcare services in the country are the pressing needs of the hour. We have put in place the building blocks for this, and we look forward to delivering on our promise.

I extend my sincerest gratitude to our employees and partners for their passion and commitment, and to our shareholders for their continued trust and support.

Regards,

MUNIR SHAIKH

Chairman