

BOARD OF DIRECTORS

MUNIR SHAIKH

Chairman

VIVEK MOHAN

Managing Director

R A SHAH

ASHOK DAYAL

RANJAN KAPUR

NEIL AYLWARD

THOMAS DEE

LAURENT VAN LERBERGHE

ZAHIRALI LAVJI

Company Secretary

Krupa Anandpara

Bankers

Standard Chartered Bank

BNP Paribas

HDFC Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.

Crawford Bayley & 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

13A/B 2nd Floor, Samhita Warehousing Complex,

Behind Sakinaka Telephone Exchange,

Andheri Kurla Road, Sakinaka, Andheri (East)

Mumbai 400 072

CORPORATE MANAGEMENT

VIVEK MOHAN

Managing Director

S VASUDEVAN

Director – Marketing

R SONALKER

Director – Finance

L NETI

Director – Operations

A BHATT

Regional Human Resource Director

U D CHINIWALA

Director – Risk & Financial Controlling

K M MARFATIA

Director – Legal & Secretarial

V NAGESH

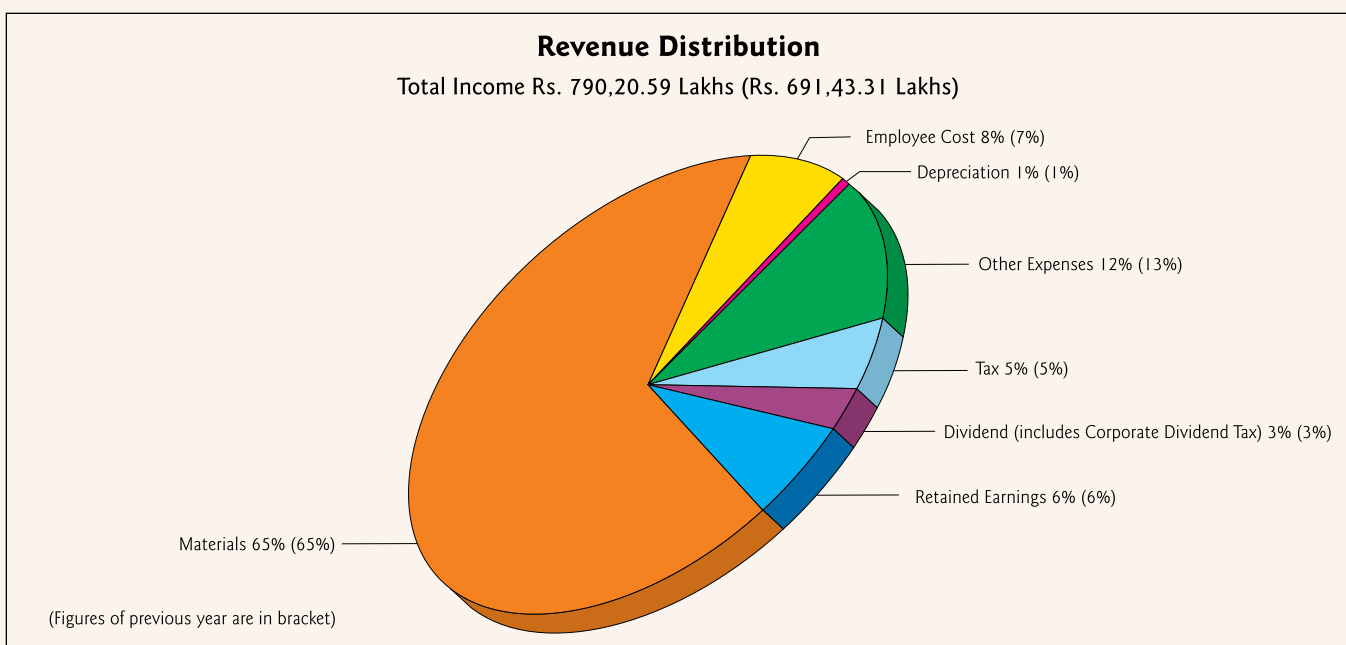
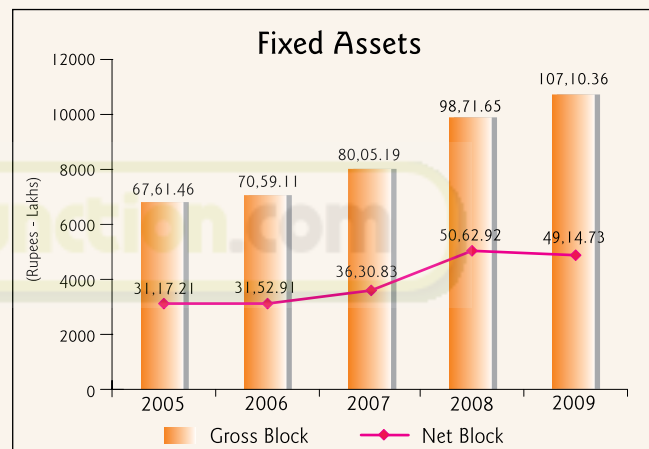
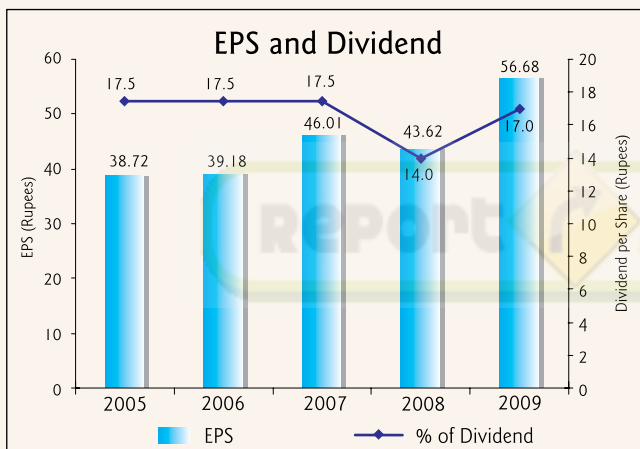
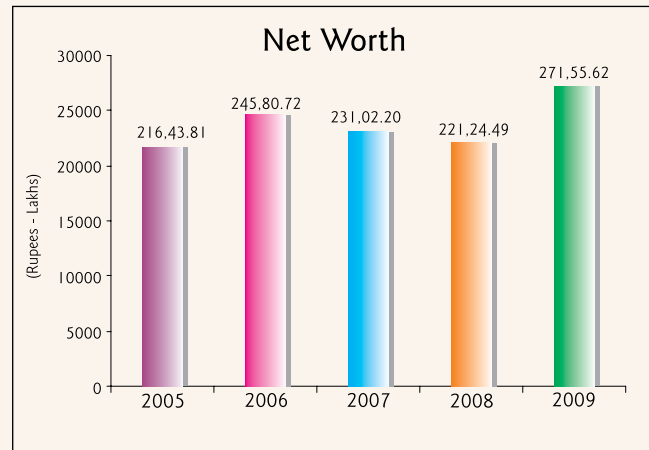
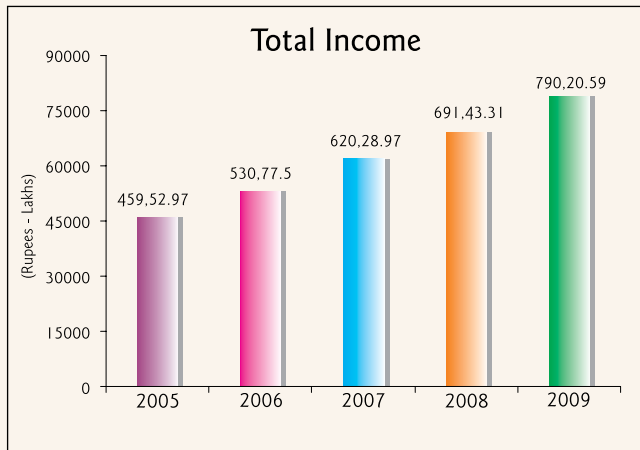
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CONTENTS

	Page
Highlights.....	2-3
Notice	4-8
Directors' Report	9-13
Report on Corporate Governance	14-18
Management Discussion & Analysis Report	19-21
Auditors' Report.....	22-25
Balance Sheet	26
Profit and Loss Account.....	27
Cash Flow Statement.....	28-29
Schedules to the Balance Sheet	30-32
Schedules to the Profit and Loss Account	33-34
Significant Accounting Policies and Notes to the Accounts	35-49
Balance Sheet Abstract and General Business Profile.....	50

Report & Accounts 2009

Performance at a glance



Abbott India Limited

Highlights

(Rupees in Lakhs)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING RESULTS										
SALES AND OTHER INCOME	364,30.78	326,00.42	369,43.83	390,55.78	462,60.95	459,52.97	530,77.50	620,28.97	691,43.31	790,20.59
MATERIALS	192,14.62	191,37.63	210,97.90	221,82.82	249,01.89	295,75.89	353,33.25	408,48.19	454,61.40	504,15.59
SALARIES, BONUS AND STAFF WELFARE	19,91.00	18,57.12	20,36.33	22,81.00	24,38.88	25,01.94	28,18.73	35,34.58	48,92.16	62,37.01
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	73,95.28	46,88.28	47,88.03	46,37.48	47,41.86	47,64.54	57,26.71	68,92.50	86,54.36	97,07.96
DEPRECIATION	5,33.08	4,47.88	5,31.59	4,38.60	4,16.99	3,97.83	4,43.58	5,65.55	6,98.39	9,01.41
INTEREST	1,45.91	12.31	12.53	10.93	16.76	2.19	12.43	1.58	2.23	20.25
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	71,50.89	64,57.20	84,77.45	95,04.95	137,44.57	87,10.58	87,42.80	101,86.57	94,34.77	117,38.37
EXTRAORDINARY ITEM – EXPENDITURE/(INCOME)	(13,15.57)	–	3,14.46	–	–	–	–	–	–	–
PROVISION FOR TAXATION	12,46.12	15,88.02	25,94.21	27,07.50	35,19.25	27,94.19	27,56.85	33,43.11	31,48.32	39,87.35
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	72,20.34	48,69.18	55,68.78	67,97.45	102,25.32	59,16.39	59,85.95	68,43.46	62,86.45	77,51.02
RETAINED EARNINGS	(11,53.44)	30,83.94	36,24.78	5,29.27	41,78.36	28,16.20	29,36.90	39,66.18	40,46.55	50,31.13
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	44.57	30.06	33.88	43.39	66.92	38.72	39.18	46.01	43.62	56.68
DIVIDEND PER SHARE (Rs)	45.00	10.00	12.00	35.00	35.00	17.50	17.50	17.50	14.00	17.00
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	71,04.32	72,95.56	64,24.96	64,87.35	64,24.52	67,61.46	70,59.11	80,05.19	98,71.65	107,10.36
FIXED ASSETS (Net)	43,44.95	41,70.39	36,01.91	33,45.91	32,51.56	31,17.21	31,52.91	36,30.83	50,62.92	49,14.73
CURRENT ASSETS (Net)	55,90.06	89,84.69	133,39.82	115,23.42	157,94.82	187,08.32	215,68.55	195,74.06	171,37.85	222,40.89
TOTAL ASSETS	99,35.01	131,55.08	169,41.73	148,69.33	190,46.38	218,25.53	247,21.46	232,04.89	222,00.77	271,55.62
FINANCED BY										
SHARE CAPITAL	16,20.00	16,20.00	16,20.00	15,28.01	15,28.01	15,28.01	15,28.01	14,47.27	13,67.52	13,67.52
RESERVES AND SURPLUS	79,11.35	112,96.61	150,86.63	131,21.24	172,99.60	201,15.80	230,52.71	216,54.93	207,56.97	257,88.10
TOTAL SHAREHOLDERS' FUNDS	95,31.35	129,16.61	167,06.63	146,49.25	188,27.61	216,43.81	245,80.72	231,02.20	221,24.49	271,55.62
BORROWINGS	4,03.66	2,38.47	2,35.10	2,20.08	2,18.77	1,81.72	1,40.74	1,02.69	76.28	–
DEBT : EQUITY	–	–	–	–	–	–	–	–	–	–
NUMBER OF SHAREHOLDERS	16,156	14,699	14,356	13,747	14,792	14,029	14,905	14,152	13,689	13,422

Report & Accounts 2009

Notice

Notice is hereby given that the Sixty-Sixth Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Friday, March 12, 2010 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, 2009 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 Munir Shaikh, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr R A Shah, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

6. To appoint a Director in place of Mr Laurent Van Lerberghe who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr Neil Aylward who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-appointment.
8. To appoint a Director in place of Mr Zahirali Lavji who was appointed as an Additional Director and holds office upto this Annual General Meeting, but being eligible offers himself for re-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 reappointment of Mr Vivek Mohan as Managing Director of the Company for a period of five (5) years from November 1, 2009 on the terms and conditions, including remuneration, as are 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/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr Vivek Mohan.

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that in supersession of the Resolution passed by the Shareholders at the Fifty-Fifth Annual General Meeting of the Company held on April 28, 1999, approval be accorded to the Company in terms of Section 163 of the Companies Act, 1956 to keep its Registers and Index of Members and copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or one or more of them at the office premises of the Company's Registrar & Share Transfer Agents viz Sharepro Services (India) Private Limited ("R&T Agents") at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 and/or its premises at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at 3-4 Corporate Park, Sion Trombay Road, Mumbai 400 071.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 1, 2010

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 Items No. 6 to 10 above and the details of Directors in respect of Items No. 6 to 9 pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

Abbott India Limited

- iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, March 5, 2010 to Friday, March 12, 2010 (both days inclusive).
- iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before April 11, 2010 to the Members whose names appear on the Register of Members as on March 12, 2010 and to the Beneficial Owners of the shares as on March 4, 2010, 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 November 30, 2001 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended November 30, 2002 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of demand drafts for the same.
- 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. 6

Mr Laurent Van Lerberghe was appointed as an Additional Director of the Company with effect from September 29, 2009 in terms of Article 113 of the Articles of Association of the Company.

Mr Van Lerberghe is Divisional Vice President, Russia, India & China, Abbott Laboratories, based at Singapore. He is a Business Engineer from Catholic University of Louvain and holds CEMS Master's degree from ESADE and is also a Master's in Business Administration from INSEAD. Mr Van Lerberghe has experience in handling major client assignment in pharma which includes strategy redefinition, margin growth action plan, R&D investments and targets prioritization for medium sized pharma companies.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Van Lerberghe 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 Van Lerberghe as a Director of the Company liable to retire by rotation. Considering Mr Van Lerberghe's rich and varied experience, the Board recommends his appointment.

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

Item No. 7

Mr Neil Aylward was appointed as an Additional Director of the Company with effect from September 29, 2009, in terms of Article 113 of the Articles of Association of the Company.

Mr Neil Aylward has been associated with Abbott Laboratories since 1988 and currently positioned as Divisional Vice President, Operations - US, Pacific, Asia, Africa & Japan, Global Pharmaceutical Operations, Abbott Laboratories, USA. He holds a Bachelor's degree in Chemistry and Master's degree and Ph.D in Glass Technology from the University of Sheffield, England. He also holds Master's degree in Business Administration from the University of Bradford, England.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Neil Aylward 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 Aylward as a Director of the Company liable to retire by rotation. In view of the rich experience of Mr Aylward in process development and manufacturing operations, which will be of immense help to the Company, the Board recommends his appointment.

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

Item No. 8

Mr Zahirali Lavji was appointed as an Additional Director of the Company with effect from September 29, 2009 in terms of Article 113 of the Articles of Association of the Company.

Mr Lavji is Vice President, Pharmaceuticals, International Marketing of Abbott International. He holds a Bachelor's degree in Science and a Master's degree in pharmacology from the University of Toronto and also Master's degree in Business Administration from McMaster University.

In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Lavji holds office upto the date of this Annual General Meeting.

Report & Accounts 2009

A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Lavji as a Director of the Company liable to retire by rotation. Considering Mr Lavji's varied experience in marketing operations, your Board recommends his appointment.

None of the Directors, except Mr Lavji is concerned or interested in the resolution at Item No. 8 of the accompanying Notice.

Item No. 9

At the Sixty-First Annual General Meeting of the Company held on April 26, 2005, Mr Vivek Mohan was appointed as Managing Director for the period November 1, 2004 to October 31, 2009. The Board, at its meeting held on September 29, 2009, re-appointed Mr Vivek Mohan for a further period of five (5) years with effect from November 1, 2009, subject to the approval of the Members at the Annual General Meeting.

Mr Vivek Mohan holds a Bachelor's Degree in Microbiology from the University of Michigan and M.B.A. in International Business from the University of Illinois. Prior to joining Abbott India, Mr Mohan held several positions with Abbott Laboratories at various affiliates such as Pediatric Nutritional Product Manager, Saudi Arabia, PPD Regional Sales Manager, England, and Commercial Director and then Country Manager of Abbott Indonesia where he was further promoted to General Manager. Under the able leadership of Mr Mohan the Company has, in the last 5 years, recorded impressive all round growth in its business and achieved various landmarks.

The significant provisions of the draft Agreement with Mr Mohan referred to in the resolution at Item No. 9 of the Notice are as under:

1. Mr Mohan to perform such duties and exercise such powers as are entrusted to him by the Board.
2. Mr Mohan to devote sufficient time to enable him to discharge his duties to the Company diligently.
3. Mr Mohan to undertake travel in India and elsewhere as directed by the Board during his period of employment.
4. In consideration of the performance of his duties, Mr Mohan to be entitled to the following remuneration:
 - (a) Salary and allowance: upto a ceiling of Rs 4.50 crores 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.
5. In addition to the above, Mr Mohan to be entitled to furnished/non-furnished residential accommodation, gas, electricity, company maintained car, medical reimbursement, leave travel assistance, club fees, telephone and other perquisites/benefits in accordance with the Company's Rules, such as group insurance.
6. The Company's contribution to provident fund, if required under this Agreement shall not be included in the computation of the above ceiling on remuneration and allowances/perquisites/benefits.
7. 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.
8. 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 Mohan may be entitled as aforesaid.
9. Where in any financial year during the tenure of Mr Mohan, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Mohan 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 or from time to time in force.
10. Mr Mohan 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 Mohan to hold share or shares of any other company or companies.
11. So long as Mr Mohan functions as Managing 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.
12. Mr Mohan shall not, during the continuance of his employment hereunder 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 Mohan 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.
13. The employment of Mr Mohan under this Agreement 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.
14. In case of the demise of Mr Mohan during the course of his employment hereunder, 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 and uncontrolled discretion may determine.
15. Either party shall be entitled to determine this Agreement by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause.

Abbott India Limited

However, the Company shall have the option to terminate the employment by giving three months' remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such event, the appointment of Mr Mohan as director shall cease as provided in Section 283(1)(l) of the Companies Act, 1956 and simultaneously his employment with the Company shall also come to an end.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the appointment of and remuneration payable to Mr Mohan be approved by the members.

The terms and conditions of Mr Mohan's appointment as set out above may be treated as an abstract of the terms of the draft Agreement between Mr Vivek Mohan and the Company under Section 302 of the Companies Act, 1956.

Mr Mohan is deemed to be concerned or interested in the said resolution.

The draft of the Agreement to be entered into with Mr Vivek Mohan is available for inspection by any Member of the Company at the Registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day of the Company.

Sharepro Services (India) Private Limited ("R&T Agents") has informed the Company that they are operating from its office premises at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 and/or its office premises at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 (hereinafter collectively referred to as "the said Premises").

In terms of the provisions of Section 163 of the Companies Act, 1956, approval of the Members is sought by a Special Resolution for keeping the aforesaid Records at the said Premises of the R&T Agents and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered office of the Company at 3-4 Corporate Park, Sion-Trombay Road, Mumbai 400 071. An advance notice of the proposed special resolution has already been served to the Registrar of Companies as required under the Companies Act, 1956.

The Directors recommend passing of the Resolution at Item No. 10 as Special Resolution.

None of the Directors of the Company is in any way, concerned or interested in this resolution.

Item No. 10:

At the Fifty-Fifth Annual General Meeting of the Company held on April 28, 1999, the members had approved the keeping of the Company's Registers and Index of Members and the copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 (hereinafter collectively referred to as "the aforesaid Records") inter alia at the office of the Company's Registrar & Share Transfer Agents viz. Sharepro Services at Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 1, 2010

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

Report & Accounts 2009

Details of the Directors seeking Appointment / Re-appointment at Sixty-Sixth Annual General Meeting
(Pursuant to Clause 49 IV(G) of the Listing Agreement)

Name of Director	Mr. Munir Shaikh	Mr. R A Shah	Mr. Laurent Van Lerberghe	Mr. Neil Aylward	Mr. Zahiralvi Lavji	Mr. Vivek Mohan
Date of Birth	March 1, 1943	July 7, 1931	October 14, 1969	June 27, 1954	October 3, 1953	November 26, 1969
Date of Appointment/ Reappointment	March 2, 2001	February 21, 1983	September 29, 2009	September 29, 2009	September 29, 2009	November 01, 2009
Expertise in specific Functional Area	Possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.	Specialization in a broad spectrum of corporate laws.	Vast experience in areas of strategy redefinition, margin growth, action plan, R&D investments and targets prioritization for medium pharma companies	Vast experience in process development and manufacturing operations.	Varied experience in handling marketing operations.	Expertise in handling International business operations.
Qualifications	Fellow of the Institute of Chartered Accountants in England and Wales.	Solicitor	Business Engineer from Catholic University of Louvain, CEMS. Master's degree from ESADE. Master's in Business Administration from INSEAD.	Bachelor's degree in Chemistry, Master's degree and Ph.D in Glass Technology from the University of Sheffield, England.	Bachelor's degree in Science, Master's degree in pharmacology from the University of Toronto, Master's degree in Business Administration from McMaster University.	Bachelor's degree in Microbiology from the University of Michigan and M.B.A. in International Business from the University of Illinois.
No. of Shares held in the Company (* in person/by relatives)	NIL	5098*	NIL	NIL	NIL	NIL
Other Directorships in Indian Cos.	—	Clariant Chemicals (India) Ltd. Godfrey Phillips India Ltd. (Phillip Morris affiliate) Pfizer Limited Procter & Gamble Hygiene and Healthcare Ltd. Roche Scientific Co. (I) Pvt. Ltd. Colgate Palmolive India Ltd. Asian Paints Ltd. ACC Limited The Bombay Dyeing & Mfg. Co. Ltd. BASF India Ltd. Century Enka Ltd. Deepak Fertilizers & Petrochemicals Corpn. Ltd. Lupin Limited Primal Healthcare Limited Wockhardt Limited Atul Limited BASF Polyurethanes India Ltd. Modicare Limited RPG Life Sciences Ltd. Schrader Duncan Ltd. Unde India Ltd.	—	—	—	—
Chairman/Member of the Board Committees of other companies	NIL	Colgate Palmolive (I) Ltd. Pfizer Limited Procter & Gamble Hygiene & Healthcare Ltd. Primal Healthcare Limited The Bombay Dyeing & Mfg. Co. Ltd. Clariant Chemicals (I) Ltd. BASF India Ltd. Century Enka Ltd. Wockhardt Limited	—	—	—	—

Report of the Directors

TO THE MEMBERS

Your directors have pleasure in presenting the Sixty-Sixth Annual Report and Audited Accounts of the Company for the year ended November 30, 2009.

Financial Results

(Rupees in Lakhs)

	Year ended Nov. 30, 2009	<i>Year ended Nov. 30, 2008</i>
Sales	760,92.64	665,70.35
Profit Before Tax	117,38.37	94,34.77
Profit After Tax	77,51.02	62,86.45
Balance brought forward	193,15.40	204,33.61
Profit available for appropriation	270,66.42	267,20.06
Appropriations:		
Dividend (Proposed)	23,24.79	19,14.53
Corporate Dividend Tax	3,95.10	3,25.37
Adjusted against premium paid on Buy back	—	45,36.11
Transfer to Reserves	7,75.10	6,28.65
Balance carried forward	235,71.43	193,15.40

Dividend

Your Directors recommend a dividend of Rs 17.00 per share on 1,36,75,240 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2009. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 23,24.79 Lakhs (Previous year: Rs 19,14.53 Lakhs) and Corporate Dividend Tax of Rs 3,95.10 Lakhs. 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, 2009 amounted to Rs 257,88.10 Lakhs comprising of Amalgamation Reserve Rs 37.82 Lakhs, Capital Reserve Rs 5,22.62 Lakhs, Capital Redemption Reserve Rs 2,52.48 Lakhs, Revenue Reserve Rs 14,03.75 Lakhs and Surplus as per Profit & Loss Account amounting to Rs 235,71.43 Lakhs.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 (the Act), your Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. They have selected such 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, 2009, and of the Profit of the Company for that period, except the following –

As per the practice consistently followed by the Company, the depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80%. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition. (See Schedule 16 – Significant Accounting Policies 4).

3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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, 2009, 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

Report & Accounts 2009

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 Laurent Van Lerberghe, Mr Neil Aylward and Mr Zahirali Lavji were appointed as Additional Directors effective September 29, 2009. Mr Mario Durante and Mr John Berry resigned as directors effective September 29, 2009. The Board placed on record its sincere appreciation for the valuable support rendered by them.

Mr Vivek Mohan was reappointed by the Board for a period of 5 years effective November 1, 2009 subject to approval of shareholders at the Annual General Meeting.

Mr Munir Shaikh and Mr R A Shah retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors have pleasure in recommending their appointment.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors, retire at this Annual General Meeting and are eligible for re-appointment.

Health, Safety and Environment

Health, Safety and Environment are always prime areas of concern for the Company. Compliance with relevant regulation and effective management of these issues is an integral part of the Company's operating philosophy.

i. Environment

Out of the total plot area of approximately 35,000 sq. meters, about 14,600 sq. meters is a green area which constitutes approximately 42% of the total area. The Company has planted over 4,000 trees within the factory premises.

During the year the plant reduced the carbon footprint by reducing 162 tons of CO₂ emission by implementing various electricity saving projects such as, replacing old chillers with energy efficient screw chillers, replacing surface aeration to diffused aeration in waste water treatment plant, installation of Variable Frequency Drives (VFDs) for various equipment, replacing existing lights with energy efficient lights.

The plant has established vermi-composting unit to convert canteen waste into organic manure, which is used in the lawns and plantation inside the premises.

The Goa plant is a "ZERO" discharge plant. The Company has in place a modern state of the art effluent treatment plant at the Goa unit, treating and discharging wastewater with parameters of treated effluent well below the limits set by the local Pollution Control Board. Water recycling activities have continuously 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. The treated water from waste water treatment plant is recycled for horticulture within the site.

The Company continuously endeavors to improve on environmental management to minimize the adverse environmental impact.

ii. Health and Safety

Our SHE program includes the policy on safety health and environment, well defined EHS organizational structure, EHS SOPs & EHS specific programs. The Company is committed to promoting health and safety of its employees. All our new medical representatives have received training on safe driving. A video on safe driving was also made and shown to all our existing field staff as well as provided to OPPI (Organisation of Pharmaceutical Producers of India) for dissemination among other member companies. The Company has a dedicated Safety Officer and a Safety Committee in place, which includes representation from workmen and meets regularly to review issues impacting plant safety and employee health. Various key measures like conducting training programmes on various health and safety issues including dealing with epidemics, ergonomics work safety, road safety, first-aid, etc. have been implemented. Regular health check up (twice a year) of the Plant employees is carried out. Automatic External Defibrillators are installed at the Plant and Headquarter Offices and training has been imparted to the employees for its use. Detailed first-aid training by certified agencies like Indian Red Cross Society has also been imparted to the employees.

The plant has a well-equipped first aid room with a full-time nurse and part-time Occupational Health Physician catering to employee needs. Sphygmo Nanometer, Spirometer, Audiometric Cabin and Otoscope are also established at the plant besides regular first aid equipment.

A cross-functional team for Employee Health and Safety (EHS) and Emergency Action Plan (EAP) is in place.

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