Abbott India Limited

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

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY

This Public Announcement is issued in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended

1 THE BUYBACK

1.1 Abbott India Limited ("Company") hereby announces the buy back ("Buyback") of 8,07,360 fully paid-up equity shares ("Buyback Shares") of the face value Rs. 10 each ("Shares") from the existing owners of Shares of the Company through a tender offer, in accordance with Section 77A, 77AA, 77B of the Companies Act, 1956 ("Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("Regulations") at a price of Rs. 650 per Share ("Buyback Price") payable in cash, for an aggregate amount of Rs. 52,47,84,000 ("Buyback Size"). The Buyback Size represents 25% of the aggregate of the Company's paid-up equity capital and eligible free reserves as on November 30, 2005, being the date of the last audited balance sheet of the Company.

1.2 A copy of this Public Announcement shall be available on the Securities and Exchange Board of India ("SEBI") website www.sebi.gov.in during the period of the Buyback.

2 PROPOSED TIME TABLE

The proposed timetable for the Buyback is given below.

Activity	Date (Day)
Public Announcement of Buyback	October 6, 2006 (Friday)
Specified Date	October 20, 2006 (Friday)
Buyback Opens on	**November 6, 2006 (Monday)**
Buyback Closes on	**November 21, 2006 (Tuesday)**
Last date of verification and intimation regarding acceptance/non-acceptance	December 6, 2006 (Wednesday)
Last date of dispatch of consideration/ share certificates/demat instruction	December 13, 2006 (Wednesday)
Last date of extinguishment of shares	December 20, 2006 (Wednesday)

3 AUTHORITY FOR THE BUY BACK

Pursuant to Section 77A, 77AA, 77B and other applicable provisions of the Act, the Regulations and in terms of Article 25 of the Articles of Association of the Company, the Buyback through a tender offer has been duly authorised by:

- A resolution passed by the Board of Directors of the Company at their meeting held on August 25, 2006, including constituting a committee ("Committee") for this purpose and resolution passed by the Board of Directors at their meeting held on September 18, 2006 for reconstitution of the Committee.
- A special resolution passed by the shareholders of the Company by Postal Ballot, the results of which were announced on October 3, 2006.
- A resolution passed by a Committee of the Board of Directors on October 4, 2006.

4 EXTRACT OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF POSTAL BALLOT DATED AUGUST 25, 2006 THROUGH WHICH THE SPECIAL RESOLUTION APPROVING THE BUYBACK WAS PASSED

"Considering accumulated free reserves as well as favourable liquidity reflected in the audited accounts for the year ended November 30, 2005, the Company intends to buyback its equity shares, thereby improving the return on equity and increasing shareholder value.

The Board of Directors ("the Board") at its meeting held on August 25, 2006 approved the proposal for buyback of fully paid-up equity shares of Rs.10 each of the Company in accordance with the provisions contained in Article 25 of the Articles of Association and subject to the provisions of Section 77A, 77AA, 77B and other applicable provisions, if any of the Companies Act, 1956 ("the Act") or the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ("Buyback Regulations").

The Equity Shares of the Company are proposed to be bought back at a price not exceeding Rs 650 per share which has been arrived at after considering various factors such as book value of shares, average market value of shares on the Stock Exchange, net worth of the Company as well as future growth and outlook of the industry and possible impact of the buyback on the earnings per share of the Company. The aggregate paid up share capital and free reserves, as at November 30, 2005 was Rs 2,099,137,669 and under the provisions of the Act the funds deployed for the buyback cannot exceed 25% of the total paid up capital and free reserves of the Company. Accordingly, maximum amount to be utilized under the Act for buy back would be Rs 524,784,417 ("Buyback Size"). Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid up capital of the Company i.e. 15,280,100 equity shares of Rs 10 each and accordingly the maximum number of equity shares that can be bought back under the present buyback will not be more than 3,820,025 shares. The buy-back once approved is proposed to be completed within 12 months of the approval by the members.

The aggregate shareholding of the promoters and directors of the promoters and of persons who are in control of the Company as on date is 9,428,184 shares, comprising 61.7% of the equity share capital of the Company. None of the promoters and directors of the promoters and persons in control of the Company have purchased or sold any shares during a period of 6 months preceding the date of the Board Meeting at which the buyback was approved till the date of this Notice. None of the promoters or persons in control of the Company intends to tender their shares in the buyback.

The proposed resolution seeks to authorise the Board to determine the price, method and the number of shares to be bought back by the Company within the limits aforesaid. The amount required for the buyback will be drawn out of the free reserves, internal accruals and/or other resources of the Company.

As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share capital and free reserves after the buyback. Consequent to the buyback of the equity shares as proposed and depending on the response to the buyback offer the percentage holding of the parent company and / or its subsidiaries/ affiliates is likely to increase beyond the existing level of 61.7%.

As per the provisions of the Act, the Company will not be allowed to issue fresh equity shares within a period of 6 months after the completion of the buyback except by way of bonus shares or in the discharge of subsisting obligations such as conversion of warrants, stock option scheme, sweat equity or conversion of preference shares or debentures into equity shares.

The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

The Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion –

(i) That immediately following the date of Board Meeting held on August 25, 2006, there will be no grounds on which the company can be found unable to pay its debts.

(ii) That as regards the Company's prospects for the year immediately following that date and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

(iii) In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

A text of the Report dated August 25, 2006 received from Deloitte Haskins & Sells, Chartered Accountants the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

"In connection with the proposed Buy-back of Equity Shares as approved by the Board of Directors of M/s Abbott India Limited ("the Company") at its meeting held on August 25, 2006, in pursuance of the provisions of Section 77A and 77B of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and based on the information and explanations given to us, we report that:

1. We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended November 30, 2005 and unaudited financial position of the Company based on Assets and Liabilities as on July 31, 2006 which were taken on record by the Board of Directors of the Company at their meetings held on March 7, 2006 and August 25, 2006, respectively.
2. The Board of Directors of the Company has proposed to buy back Equity shares of the Company of a face value of Rs. 10 each, at a price not exceeding Rs 650 per share, aggregating to a maximum of Rs. 524,784,417. The amount of maximum permissible capital payment (including premium) towards Buy-back of equity shares in question, has been properly determined in accordance with section 77A (2)(c) of the Companies Act, 1956.
3. The Board of Directors of the Company at their meeting held on August 25, 2006, have formed the opinion as specified in Clause x of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting held on August 25, 2006.

This report has been issued solely in connection with the proposed Buy back of shares of M/s Abbott India Limited and may not be suitable for any other purpose."

All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association, relevant board resolutions for buyback of shares, the Auditor's Report dated August 25, 2006 and the Audited Accounts for the year ended November 30, 2005 are available for inspection by any member of the Company at its Registered Office on any working day between 2.00 p.m. and 4.00 p.m. upto the last date of receipt of the postal ballot specified in the accompanying Notice.

It may be noted that the passing of the resolution covered by this explanatory statement shall not confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buyback any shares, and/or impair any power of the Company or the Board to terminate any process in relation to such buy-back, if so permissible by law.

The proposal for buyback is in the interest of the Company and its shareholders. The Directors, therefore recommend passing of the resolution as set out in the accompanying Notice.

None of the directors is concerned or interested either directly or indirectly in passing of the said resolution save and except to the extent that in like manner as far all other shareholders, their percentage holding in the post buy-back equity share capital will proportionately stand affected as a result of the shares buyback."

5 NECESSITY AND BASIS FOR BUYBACK

5.1 The Company has accumulated free reserves as well as favourable liquidity, which is reflected in its financial accounts.

5.2 The Buyback is expected to lead to a reduction in the number of Shares outstanding, which is expected to improve the return on equity of the Company, thereby increasing shareholder value.

5.3 The Buyback is not expected to materially impact growth opportunities for the Company.

5.4 In the opinion of the management of the Company, as the Shares of the Company are not actively traded on the stock exchange where it is listed, the Buyback will provide an exit opportunity to institutional shareholders / large retail shareholders, which may otherwise not be available.

5.5 The Buyback Price has been arrived at after considering various factors such as book value of Shares, average market value of Shares on BSE, net worth of the Company as well as future growth and outlook of the industry and possible impact of the buyback on the earnings per share of the Company.

6 PROCESS AND METHODOLOGY FOR THE BUYBACK

6.1 The Buyback is being made pursuant to the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956.

6.2 The maximum amount that would be deployed for the Buyback amounts to Rs. 52,47,84,000. The total amount to be used for the Buyback amounts to 25% of the paid up capital and eligible free reserves of the Company as at November 30, 2005.

6.3 The maximum number of Shares to be bought back in the Buyback is 8,07,360 Shares.

6.4 The number of Shares bought back would constitute approximately 5.28% of existing paid up capital of the Company.

6.5 The Shares shall be bought back at a price of Rs. 650 per share.

6.6 The Buyback is being implemented through the tender offer route.

6.7 The aggregate shareholding of the promoters and directors of the promoters and of persons who are in control of the Company as on date is 94,28,184 Shares, comprising 61.7% of the paid up equity share capital of the Company.

6.8 None of the promoters and/or persons in control of the Company intend to tender their Shares in the Buyback and have undertaken not to transact in the Shares of the Company till the closure of the Buyback.

6.9 The holding of the promoters and/or persons in control of the Company as a result of the Buyback would be 65.1% of the total equity capital post Buyback, assuming that the entire amount of the Buyback Size is utilized for the Buyback.

6.10 The payment of consideration shall be made through account payee cheques, drafts, warrants, or similar instruments payable at par at all the centers where the Company is accepting applications.

7 SOURCES OF FUNDS

7.1 Assuming full acceptance, the funds that would be employed by the Company for the purposes of the Buyback, would be Rs. 52,47,84,000 (Rupees Fifty Two Crores Forty Seven Lacs Eighty Four Thousand only).

7.2 The funds for Buyback will be available from internal accruals of the Company, and/or by liquidation of cash balances and financial instruments held by the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, funds borrowed from banks and financial institutions will not be used for the Buyback. The cost of financing the Buyback would be notional loss in other income, if any.

8 BRIEF INFORMATION ABOUT THE COMPANY

8.1 The registered office of the Company is located at 3-4, Corporate Park, Sion Trombay Road, Mumbai – 400 071, Maharashtra, India. The Company was originally incorporated on August 22, 1944 under the Companies Act, 1913 as Boots Pure Drug Company (India) Limited. Its name was then changed to The Boots Company (India) Limited on November 1, 1971, thereafter to Boots Pharmaceuticals Limited on January 1, 1991, and thereafter to Knoll Pharmaceuticals Limited on October 31, 1995 and to Abbott India Limited on July 1, 2002.

8.2 In March 2001, Abbott Laboratories, USA ("Abbott") acquired the worldwide pharmaceuticals business of BASF AG, and in doing so indirectly acquired 51% equity shareholding in the Company, through Abbott Capital India Limited (erstwhile Lupharma UK Holding One Limited). Following the acquisition of 51% shareholding in the Company by Abbott, Abbott Equity Holdings Limited and Abbott Laboratories made an open offer for acquisition of an additional 20% of the voting equity share capital of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997, as amended ("Takeover Regulations"). Pursuant to the offer, Abbott Equity Holdings Limited, which is a part of the Abbott Group acquired 7.2% of the voting equity share capital of the company and the aggregate shareholding of Abbott Group in the Company stood at 58.2%.

In February 2003, the Company carried out a buyback of 9,19,900 Shares at a price of Rs. 350 per share. The offer opened on February 21, 2003 and closed on March 14, 2003 and after the buyback Abbott Group shareholding indirectly increased to 61.7%.

On November 16, 2005, Abbott Equity Holdings Limited interse transferred its holding of 7.6% in the Company to Abbott Capital India Limited, by way of an off market transfer, at a price of Rs.672 per share.

8.3 The Company is engaged in the business of manufacture, marketing, sale and distribution of pharmaceutical formulations. It is the thirteenth largest pharmaceutical company in India and has a number of leading brands such as Digene, Cremaffin, Brufen, Epilex, etc

8.4 The Company has a manufacturing plant at Verna Goa for manufacturing pharmaceutical formulations. The Company has a network of 17 distribution points, catering to around 3,000 stockists and 70,000 retailers.

8.5 The Company, in the year ended November 30, 2005, has reported sales of Rs. 44,467 lacs and profit before tax of Rs. 8,711 lacs, vis-à-vis sales and profit before tax of Rs. 40,507 lacs and Rs. 13,745 lacs in the year ended November 30, 2004. The Company operates only in the pharmaceutical sector. It has recorded good growth across various therapeutic segments, especially gastroenterology, neurology and metabolic dis-orders. The Company's product portfolio provides therapies for both acute and chronic health conditions. Company's hospital product portfolio includes anaesthesia and neonatology and continues to record good growth over the market.

8.6 The Shares of the Company are listed on the Bombay Stock Exchange Limited ("BSE") and have not been listed on any other exchange. The Shares of the Company were traded on the National Stock Exchange ("NSE") without the active consent of the Company under the permitted category, which has now been voluntarily discontinued by NSE.

9 FINANCIAL INFORMATION

The brief audited financial information of the Company for the last three financial years and the unaudited financial results for the period ended August 31, 2006 is provided below. It must be noted that the financials for the period ended August 31, 2006 although unaudited, have been certified by a limited review certificate dated September 18, 2006 by the statutory auditors and adopted by the Board of Directors of the Company at its meeting on September 18, 2006. (Rs. lacs)

Period Ending	**August 31, 2006**	**Nov 30, 2005**	**Nov 30, 2004**	**Nov 30, 2003**
Period	9 months	12 months	12 months	12 months
Income from operations	38,024	44,467	40,507	37,312
Other Income	1,442	1,486	5,754	1,744
Total Income	39,466	45,953	46,261	39,056
Total Expenses excluding Interest, Depreciation, Tax and Extraordinary Items	32,659	36,841	32,082	29,101
Earnings before Interest, Depreciation, Tax and Extraordinary Items	6,807	9,112	14,179	9,955
Interest	9	2	17	10
Depreciation	316	399	417	439
Profit before Tax	6,482	8,711	13,745	9,506
Provision for tax (including deferred tax, fringe benefit tax & prior years adjustments)	2,043	2,795	3,520	2,708
Profit after Tax	4,439	5,916	10,225	6,798
Equity Dividend		2,674	5,348	5,348
As on		**Nov 30, 2005**	**Nov 30, 2004**	**Nov 30, 2003**
Equity Share Capital		1,528	1,528	1,528
Reserves & Surplus *		20,116	17,300	13,122
Net Worth *		21,644	18,828	14,650
Total Debt		182	219	220
Total Capital Employed		21,826	19,047	14,870
Key Ratios		**Nov 30, 2005**	**Nov 30, 2004**	**Nov 30, 2003**
Earnings per Share (Rs)		38.72	66.92	43.39
Book value per Share (Rs)		141.65	123.22	95.88
Debt-Equity Ratio (Debt/Networth)		0.01	0.01	0.02
Average Return on Networth (%)**		29.24	61.08	43.36

** Computation of Net Worth, Reserves & Surplus wherever applicable, has been arrived at after deducting miscellaneous expenditure not written off*

*** Computed as PAT divided by the average of the opening and closing Networth for the year*

10 ESCROW ACCOUNT DETAILS

10.1 The Company has opened an escrow account in accordance with Regulation 10 of the Regulations in the form of:

(a) Acceptable securities amounting to a value of Rs. 17 crores being in excess of 25% of the Buyback Size at current market prices / net asset value of such securities with appropriate margin, pledged to the Manager to the Buyback with powers delegated to the Manager to the Buyback to realize the value of the securities in accordance with the Regulations. This has been confirmed vide a pledge confirmation letter dated October 3, 2006 issued by DSP Merrill Lynch Fund Managers Limited in favour of the Manager to the Buyback.

(b) Details of deposit of securities

Name of Security / MF	Type	Number of Securities / MF (with margin)	Face Value (Rs.)	Current Market Price / Net Asset Value* (Rs.)	Amount (Rs. Lacs)
DSP Merrill Lynch Liquidity Fund	Weekly – Institutional Plan – Dividend	1,69,967	1,000.00	1,000.78	1,700.99

** Net Asset Value as at October 3, 2006.*

(c) In case there is any deficit on realization of value of the securities, the Merchant Banker shall make good any such deficit in accordance with Regulation 10(6).

(d) A sum of Rs. 52.50 lacs being more than 1% of the Buyback Size, has been deposited with Standard Chartered Bank, 90, Mahatma Gandhi Road, Mumbai – 400 001 ("Bank"), with directions to the Bank to act on the instructions of the Manager to the Buyback. This has been confirmed vide a confirmation letter dated October 5, 2006 issued by Standard Chartered Bank Limited.

11 FIRM FINANCING ARRANGEMENTS

11.1 The Company, duly authorized by its Committee of Directors on October 4, 2006, has set aside acceptable securities amounting to in excess of the Buyback Size at current market prices / net asset value, distinct from those provided as escrow arrangements, for the purpose of fulfillment of the obligations of the Company under the Buyback. Based on the resolution of the Committee of the Board dated October 4, 2006 in this regard, and other facts/documents, M/s. Deloitte Haskins & Sells, 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai – 400 018, Tel. No. 91-22-6667 9000, Fax No. 91-22-6667 9100, Partner-K. A. Katki (Membership number 038568), Chartered Accountants and statutory auditors to the Company, have certified, vide their letter dated October 4, 2006 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback. Based on the aforesaid resolution and aforementioned certificate, the Manager to the Buyback confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

12 LISTING DETAILS AND STOCK MARKET DATA

12.1 The Shares of the Company are listed on Bombay Stock Exchange Limited ("BSE").

12.2 The high and low market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding this Public Announcement and the corresponding volumes on BSE are as follows:

Period	High (Rs.)	Date of High and Number of Shares traded on that date	Low (Rs.)	Date of Low and Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
2003-2004	535.00	18.12.03 7,163	252.35	22.04.03 1,360	359.24	25,06,312
2004-2005	768.00	28.12.04 12,562	389.90	17.05.04 6,243	563.46	23,47,038
2005-2006	785.00	12.02.05 7,809	582.00	28.06.05 4,149	669.20	28,54,708
April 2006	679.00	07.04.06 8,459	585.00	29.04.06 3,208	632.58	2,07,147
May 2006	705.00	02.05.06 6,826	500.00	22.05.06 15,364	588.13	1,34,708
June 2006	538.70	01.06.06 2,843	481.00	08.06.06 1,38,378	508.72	4,05,566
July 2006	514.95	05.07.06 2,256	412.00	24.07.06 4,700	461.57	95,182
Aug 2006	610.00	25.08.06 1,47,621	412.10	01.08.06 9,373	502.30	4,42,899
Sept 2006	589.95	22.09.06 4,081	545.00	28.09.06/ 2,604 29.09.06/ 2,205	559.76	99,848

(Source: Capitaline)

*Arithmetical average of closing prices

Notice of the first Board Meeting convened to consider the proposal of the Buyback was given to the BSE on August 18, 2006. The closing price of the Company's equity share on August 18, 2006 on BSE was Rs. 547.60. The Board, at its meeting held on August 25, 2006, approved the proposal for the Buyback at a price not exceeding Rs. 650 per share and the intimation was sent to BSE on the same day. The high and low market prices on BSE on August 25, 2006, were Rs. 610 and Rs. 548 respectively. The Committee of Directors decided on the final Buyback Price of Rs 650 at its meeting held on October 4, 2006 and on that date the high and low market prices on BSE were Rs. 554.70 and Rs. 546.70 respectively.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure is as follows:

	(Rs. lacs) Pre Buyback
Authorised Share Capital	
1,62,00,000 Equity Shares of Rs. 10 each	1,620
58,00,000 Unclassified Shares of Rs. 10 each	580
	2,200
Issued, Subscribed and Paid-Up Share Capital	
1,52,80,100 fully paid-up Equity Shares of Rs. 10 each	1,528

13.2 Assuming full acceptance in the Buyback the capital structure post buyback would be as follows:

	(Rs. lacs) Post Buyback
Authorised Share Capital	
1,62,00,000 Equity Shares of Rs. 10 each	1,620
58,00,000 Unclassified Shares of Rs. 10 each	580
	2,200
Issued, Subscribed and Paid-Up Share Capital	
1,44,72,740 fully paid-up Equity Shares of Rs. 10 each	1447

There are no partly paid-up or locked-in or non-transferable Shares or any other outstanding instruments convertible into Shares.

There have been no buyback programmes of the Company over the last 3 years from the date of this announcement.

13.3 The shareholding pattern of the Company as on September 14, 2006 being the date of the last Share Transfer Committee meeting of the Company, is as shown below:

Particulars	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoter Group	94,28,184	61.70%	94,28,184	65.14%
Directors of the Promoters	-	-	-	-
Persons who are in control	-	-	-	-
Foreign Investors (GDRs/ OCBs/FIIs/NRIs/ Non-residents)	1,59,050	1.04%	5,044,556	34.86%
Indian Financial Institutions/ Banks/Mutual Funds/ Govt. Companies	19,11,369	12.51%		
Public including other Bodies Corporate	37,81,497	24.75%		
Total	1,52,80,100	100.00%	1,44,72,740	100.00%

** Assuming full acceptance of the Buyback.*

13.4 The aggregate shareholding of the promoters and directors of the promoters and of persons who are in control of the Company as on date is 94,28,184 Shares, comprising 61.7% of the equity share capital of the Company.

13.5 On November 16, 2005, Abbott Equity Holdings Limited interse transferred 11,66,184 Shares representing 7.6% holding in the Company to Abbott Capital India Limited at a consideration of Rs 672 per share by way of an off market transfer. This is the only transaction by the Promoters, directors of the promoters and persons in control of the Company in the Shares of the Company during the period of 12 months preceding the date of this Public Announcement.

13.6 None of the promoters, directors and/or persons in control of the Company intends to tender their Shares in the Buyback and have undertaken not to transact in the Shares of the Company till the closure of the Buyback.

13.7 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

14 MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUYBACK ON THE COMPANY

14.1 The Buyback is not likely to cause any material impact on the profitability of the Company, except the loss of other income, if any, on the amount of cash to be utilized for the Buyback.

14.2 The Buyback is not expected to materially impact growth opportunities for the Company.

14.3 The Buyback is expected to contribute to the overall enhancement of shareholder value, and result in an increase in the return on equity of the Company.

14.4 The promoters and/or persons in control of the Company do not intend to offer Shares held by them under the Buyback. The holding of the promoters and/or persons in control of the Company as a result of the Buyback would be 65.1% of the total equity capital post buyback as against 61.7% holding prior to the Buyback, assuming that the entire amount of Rs 52,47,84,000 is utilized for the Buyback and assuming that the number of Shares held by such persons do not change. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

14.5 Consequent to the Buyback and based on the number of Shares bought back in each category, the shareholding pattern of the Company would undergo a consequential change.

Abbott
A Promise for Life

Abbott India Limited

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14.6 The extent of public holding in the Company after the buyback would be 34.9% of the total equity capital, assuming that the entire amount of Rs. 52,47,84,000 is utilized for the Buyback.

14.7 The shareholding of Foreign Investors consisting of OCBs, NRIs and FIIs prior to the buyback is 1.04% (as per the shareholding pattern of the Company as on September 14, 2006, being the date of the last meeting of the Share Transfer Committee of the Company).The same would change depending on the extent to which they subscribe to the Buyback and their Shares are accepted. If no Shares are accepted for the Buyback, the shareholding of foreign investors would increase to 1.10%.

14.8 Post the Buyback, the debt-equity ratio of the Company is expected to be within the limit of 2:1 as prescribed under Section 77A of the Act. As per the certificate dated October 4, 2006 from the auditors to the Company, the Debt-Equity Ratio of the Company was 0.0084 as on November 30, 2005.

15 STATUTORY APPROVALS

The Buyback Offer is subject to approvals, if any required, under the provisions of the Act, the Regulations and/or such other acts in force for the time being. The Buyback of Shares from Non-Residents and NRI shareholders will be subject to approvals, if any, of the appropriate authorities, including Reserve Bank of India, as applicable.

16 COLLECTION CENTRES

Shareholders are requested to submit their Form(s) and requisite documents either by Registered Post or Courier to the Registrar to the Buyback, Sharepro Services (India) Private Limited, super scribing the envelope as "Abbott Buy Back", or hand deliver the same at any of the Collection Centres mentioned below.

Place	Address	Delivery
Mumbai	Sharepro Services (India) Private Limited 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021 Contact person: Mazrine Wadia Tel: (022) 22828043 / 22884526 /22881568/1569 Fax: (022) 22825484 Mon - Sat: 10 am to 5 pm	Hand Delivery/ Courier / Registered Post
Mumbai	Sharepro Services (India) Private Limited Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099 Contact person: V. Kumaresan Tel: (022) 28215168/ 28329828 Fax: (022) 28375646 Mon - Sat: 10 am to 5 pm	Hand Delivery/ Courier / Registered Post
Mumbai	Standard Chartered Bank, 270 D.N.Road, Fort, Mumbai 400001 Contact person: Rajesh Malwade Tel: (022) 22092213 / 22683975 Fax: (022) 22096067 / 68 Mon-Fri: 10:30AM TO 2:00 PM Sat: 10: 30 AM TO 1:00PM	Hand Delivery
Kolkata	Standard Chartered Bank, 19 Netaji Subhash Road, Kolkata 700001 Contact person: Kumar/Dilip Chakravorty Tel: (033) 22220173/22220263. Fax: (033) 22220201/22102464 Mon-Fri: 10:30AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery
Chennai	Standard Chartered Bank, 19, Rajaji Salai,Chennai 600001 Contact Person: Sharikal Harinarayanan / C M Ganeshram Tel: (044) 25349315/25349241 Fax: (044) 25349150/25349156 Mon-Fri: 10:30 AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery
Bangalore	Standard Chartered Bank, 26th Floor, West Wing, Raheja Tower, M .G Road, Bangalore –560001 Contact Person : K L Mahadevan / Smitha Tel: (080) 25326061/25095105 Fax: (080) 25589870/25325373 Mon-Fri: 10:30 AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery
New Delhi	Standard Chartered Bank, H2, Connaught Circle, New Delhi 110001 Contact Person Mohideep Sen Tel: (011) 23406741/46 Fax: (011) 23713101 / 23406749 Mon-Fri: 10:30 AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery
Ahmedabad	Standard Chartered Bank, Abhijeet II, Ground Floor, Meetakali, 6th Road Ahmedabad –380006 Contact Person: Hariharan Iyer Tel: (079) 26470061 / 26461231 Fax: (079) 26468302 Mon-Fri: 10:30 AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery
Pune	Standard Chartered Bank, Shrirang House, 364-365Junglee Maharaj Road Shivaji Nagar, Pune – 411 005 Contact Person: Raghu Ayaneger Tel: (020) 25521879/ 78 Fax: (020) 25521830 Mon-Fri: 10:30 AM TO 2:00 PM Sat: 10:30 AM TO 1:00PM	Hand Delivery

17 PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

17.1 The Buyback is open to all shareholders / beneficial owners of the Shares, both registered and unregistered.

17.2 The Company shall comply with regulation 19(5) of the Regulations.

17.3 The Company proposes to effect the Buyback through a tender offer, on a proportionate basis, in accordance with the provisions of the Regulations.

17.4 A Letter of Offer ("LOF") and Form of Acceptance-cum-Acknowledgement ("Form"), outlining the terms of the Buyback as well as the detailed disclosures as specified in the Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of National Securities Depository Limited / Central Depository Services (India) Limited, on the Specified Date.

17.5 The LOF will be sent to shareholders so as to reach them before the opening of the Buyback. The Buyback shall be open for the period as shown in the proposed timetable. Shareholders must ensure that their Form(s), along with the requisite documents, reach the Collection Centre before the close of business hours on the date of closure of the Buyback. Shareholders and unregistered shareholders residing at a location where there is no collection center should send the Form to the Registrar to the Buyback by mail to their office in Mumbai.

17.6 The Company will consider all the Shares tendered for the Buyback by shareholders, for acceptance under the Buyback, irrespective of whether the shareholder is registered with the Company as on the Specified Date or has obtained delivery after the Specified Date or he holds the Shares in street name. In case the tenderer is an unregistered shareholder, he should submit the transfer deed complete in all respects, along with the share certificate as specified elsewhere in this announcement.

17.7 Shareholders may submit the Form duly signed (by all shareholders in case the Shares are in joint names) at the specified Collection Centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in the Letter of Offer. The shareholders should submit only one Form irrespective of the number of folios he holds. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.

17.8 Shareholders may offer for buyback their full holding or any part of their holding of Shares of the Company, as they desire. In the event the aggregate number of Shares tendered by the shareholders are more than the total number of Shares to be bought back by the Company, the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the acceptances tendered by the shareholder divided by the total valid acceptances received and multiplied by the total number of Shares to be bought back by the Company.

17.9 No single offeror can tender Shares more than the Shares proposed to be bought back and any Form wherein the number of Shares offered by a shareholder exceeds the total number of Shares to be bought back will be rejected.

17.10 The Company will not accept any equity shares offered for buyback which are under lock-in or where there exists any restraint order of a Court for transfer / disposal or where loss of share certificates has been notified to the Company or where any other restraint subsists.

17.11 Where the Form is signed under Power of Attorney or by Authorized Signatory(ies) on behalf of a company / body corporate, the Power of Attorney/Signing Authority along with the specimen signatures must have been previously registered with the Company. The registration serial number of such documents should be mentioned below the relevant signature. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.

17.12 In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate / Letters of Administration / Succession Certificate and all other relevant documentation while tendering their Shares for the Buyback.

17.13 Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.

17.14 In case of any lacunae and/or defect, incomplete information, late receipt or modifications in the documents/Forms submitted, the Form(s) are liable to be rejected.

17.15 All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):

(a) No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.

(b) Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.

(c) In case of companies, the necessary certified corporate authorizations (including Board and/or general meeting resolutions).

17.16 It is mandatory for the shareholders to indicate the bank account at the appropriate place in the Form.

17.17 Non-receipt of the LOF by, or accidental omission to dispatch the LOF to any person who is eligible to receive the offer, shall not invalidate the offer in any way.

17.18 In case of non-receipt of the LOF / Form:

(a) In case the Shares are in dematerialized form: A shareholder may send an application in writing on plain paper stating name, address, number of shares held, Client ID number, DP Name/ID, beneficiary account number, number of equity shares tendered for the Buyback, bank account particulars for the payment of Buyback consideration etc. enclosing a photocopy of the delivery instruction in "Off-market" duly acknowledged by the DP, in favour of the depository account (details in Clause 17.24) and other necessary documents.

(b) In case the Shares are in physical form: A registered shareholder may send an application in writing on a plain paper signed by all shareholders stating name, address, folio number, number of equity shares held, certificate number, number of equity shares tendered for the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing the original share certificate(s) with valid equity share transfer form(s) duly signed by the transferor and other necessary documents. In the event that the shareholder is unregistered, the application must additionally be accompanied by the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, (wherein the name of the transferee has not been filled in), and the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered

17.19 ***SEBI regulations do not provide for withdrawal of Forms once they are submitted.***

17.20 The Company shall dispatch intimation of acceptance or non-acceptance of the Shares latest by December 6, 2006.

17.21 The Company will pay the consideration to the shareholders in respect of the Shares bought back within 7 days of acceptance, in accordance with the Regulations. The payment of consideration for accepted applications shall be made by the Company to the sole/first shareholder, the details of which are recorded with the Company/DP. Payment shall be made through account payee cheques, drafts, warrants, or similar instruments payable at par at all the centers where the Company is accepting applications and the same shall be drawn in the name of the first named person in case of joint shareholders.

17.22 The Shares lying to the credit of the aforesaid depository account will be extinguished within 7 days from the date of acceptance of the Shares in the manner specified in the Regulations. In respect of Shares bought back in the physical form, the Shares would be extinguished and share certificates physically destroyed within 7 days from the date of acceptance in the manner specified in the Regulations. The details of the Shares extinguished would be notified to BSE and SEBI as per provisions of the Regulations.

17.23 All documents sent by shareholders and all remittances to shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

For Shares held in the dematerialised form

17.24 The Company has opened a Depository account styled "Abbott India Limited – Buyback of Equity Shares" with Kotak Securities Limited, 1st Floor, Bakhtawar, Nariman Point, Mumbai – 400 021. The beneficial owners are required to execute an off-market trade by submitting the Delivery Instructions for debiting his/her beneficiary account with their concerned Depository Participant ("DP"). The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and on or before the last date of submission of the Form to the collection centers or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than the date of closure of the Buyback. A photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions duly acknowledged by the DP shall be attached to the Form while submitting the same. The beneficial owner may note that the Delivery Instructions to be made to the their Depository Participant should be in the "Off-market trade" mode, and as per the details provided below. In the delivery instruction slip the section to be used is the section titled "For Off- Market Trades (Receiver Details)".

DP Name	Kotak Securities Limited
DP ID Number	300214
Beneficiary Account Name	Abbott India Limited– Buyback of Equity Shares
Beneficiary Account Number	12491001
Market	Off-Market
Execution Date	**Prior to November 21, 2006**

Please note that the aforementioned account shall be closed at the end of business hours on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their Shares to the aforementioned account before the closure of the aforementioned account.

17.25 In case all the Shares tendered for the Buyback are accepted by the Company then the delivery instruction given by the shareholders to their DPs will be acted upon and consideration will be paid to the concerned shareholder as specified earlier on.

17.26 Shares held in dematerialized form to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with their respective DP as per details furnished by the beneficial owner in the Form under intimation to the first named beneficial owner by Registered Post or UPC. The Shares shall be transferred no later than December 20, 2006. In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.

For Shares held in the physical form, by registered shareholders

17.27 Registered shareholders holding Shares in physical form are required to enclose the original share certificate(s) and valid equity share transfer form(s) duly signed by the transferor (by all the equity shareholders in case the Shares are in joint names, with the names filled up in the same order in which they hold Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place, while submitting the Form(s).

17.28 Shares held in physical form to the extent not accepted for Buyback will be returned to the beneficial owner after suitable sub-division, if any, in order to facilitate acceptance of share certificates tendered by them, through Registered Post or UPC, at the shareholders' sole risk.

For Shares held in the physical form, by persons not registered as shareholders

17.29 Unregistered shareholders who wish to tender their Shares in response to the Buyback Offer should send the application in plain paper signed by all shareholders, stating folio number, name, address, number of Shares held, share certificate number, distinctive numbers, number of Shares tendered for the Buyback and bank account details.

17.30 Persons not registered as shareholders are required to enclose with the Form:

(a) the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, wherein the name of the transferee has not been filled in;

(b) the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered in this case;

(c) in case the share certificate(s) and the transfer deed(s) are lodged with the Company/ its transfer agents for transfer, then the Form shall be accompanied by the acknowledgement of lodgment with, or receipt by, the company/its transfer agents, of the share certificate(s) and the transfer deed(s).

17.31 No indemnity is required from persons not registered as shareholders.

For Shares held by Non-resident shareholders

17.32 Non-resident shareholders (excluding FII) should also enclose a copy of the permission received by them from RBI to acquire the Shares held by them in the Company.

17.33 In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buyback.

17.34 If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected.

18 COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name: Krupa Anandpara
Designation: Company Secretary
Address: 3-4, Corporate Park, Sion Trombay Road, Mumbai – 400 071
Phone: (022) 6797 8712
Fax : (022) 6797 8727
Email: krupa.anandpara@abbott.com

19 INVESTOR SERVICE CENTRE

In case of any queries, the shareholders may contact Investor Service Centre, from Monday to Saturday between 10 am to 5 pm on all working days, at the following address:

Name: Investor Service Centre: Abbott Buyback
Address: Sharepro Services (India) Private Limited,
912 Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai 400 021
Phone: (022) 2282 8043/ 2288 4526/ 2288 1568/1569
Fax: (022) 2282 5484
Email: abbott.buyback@shareproservices.com

20 MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:

kotak Investment Banking

Name: Kotak Mahindra Capital Company Limited
Address: 3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai – 400 021
Phone: (022) 6634 1100
Fax: (022) 2284 0492
Email : abbott.buyback@kotak.com

21 REGISTRARS TO THE BUYBACK

The Company has appointed the following as the Registrars to the Buyback:

Name: Sharepro Services (India) Private Limited.
Address: 912 Raheja Centre, Free Press Journal Marg,
Nariman Point, Mumbai 400 021
Phone: (022) 2282 8043/ 2288 4526 / 2288 1568/1569
Fax: (022) 2282 5484
Email: abbott.buyback@shareproservices.com

22 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement.

For and on behalf of the Board of Directors
of Abbott India Limited

Sd/	Sd/-	Sd/-
Krupa Anandpara	Vivek Mohan	R A Shah
Company Secretary	Managing Director	Director

Date : October 6, 2006
Place : Mumbai

Abbott
A Promise for Life