GlaxoSmithKline Pharmaceuticals Ltd.
GSK House,
Dr. Annie Besant Road, Worli,
Mumbai - 400 030

Tel No: +91 22 2495 9595
Fax No: +91 22 2495 9494
Web: www.gsk-india.com
Email: askus@gsk.com

5th July 2019

To,

BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051

Dear Sir,

Sub:-Errata in GlaxoSmithKline Pharmaceuticals Ltd Annual Report 2018-2019

On page 8 of our Annual Report 2018-19, under the sub-heading, 'Best practices', it erroneously states that "*It (GSK India) received the Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP) certification from the United States Food & Drug Administration (USFDA) in 2018*".

This should read, "*It received the Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP) certification from the Nashik Food & Drugs Administration (Maharashtra State) in 2018".*

The same is also being separately sent to the shareholders of the Company, vide permitted modes of service.

This is for your information and record.

Thanking you,

Yours faithfully
For **GlaxoSmithKline Pharmaceuticals Limited**

Ajay Nadkarni
Vice President – Administration, Real Estate
& Company Secretary

CIN No. L24239MH1924PLC001151

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19th June, 2019

To,

BSE LIMITED	**THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED**
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Dalal Street	Bandra-Kurla Complex, Bandra (East)
Mumbai - 400001	Mumbai - 400051

Dear Sir,

Re: Submission of our AGM Notice & Annual Report
(Directors' Report & the Accounts)

Pursuant to clause 34 of the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, we are submitting the soft copy of AGM Notice & Annual Report for year ended 31st March, 2019 of the Company.

Kindly take submission on record.

Yours faithfully
For GlaxoSmithKline Pharmaceuticals Limited

Ajay Nadkarni
Vice President – Administration, Real Estate
& Company Secretary

CIN No. L24239MH1924PLC001151

do more
feel better
live longer

Leading with Science

Powered by Values

GlaxoSmithKline Pharmaceuticals Limited

Annual Report 2018-19

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Note: Members are requested to kindly bring their copy of Annual Report to the Meeting.

Annual General Meeting
Monday, 22nd July, 2019 at 2:30 pm
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020

We are committed to meet the unmet and under served healthcare needs of the next billion Indians. To achieve this, we are harnessing the power of science to deliver innovative medicines that truly make a difference to patients. In our endeavour, we are powered by our values, which guide us to do the right thing every time for our patients, customers, employees and the community at large.

Leading with Science

Powered by Values

Message from the Managing Director

With digitisation rapidly remoulding the healthcare landscape, we have been at the forefront of leveraging new and emerging technologies in our business.

Dear Shareholders,

I am delighted to report that our strategy, to put energy where it matters for increased focus and efficiency to accelerate growth, has borne fruit. We have come a long way since we put in place an optimal model for growth. We invested in increasing our people in the frontline, equipping them with the capabilities required to excel at the job. We reduced spend in non-customer-facing activity. We optimised our product portfolio, identifying key brands behind which we put resources to actively promote. We also have a more structured approach to engaging our trade channel partners, with a dedicated team to engage stockists and retailers. This approach has helped us serve our patients and you, our shareholders, better in 2018-19.

As a science-led company, we have always harnessed the power of science and technology for achieving better patient outcomes. This year was no different. We recently launched Nucala, an advanced biologic therapy for the treatment of severe refractory eosinophilic asthma. India has around 30 million asthma patients - this will bring significant relief to those among them who have severe eosinophilic asthma. We are committed to bringing innovative and differentiated medicines from our global pipeline to India, as and when appropriate, for meeting unmet and under served healthcare needs. I am proud to share that our parent company completed the acquisition of Tesaro, an oncology-focussed biopharmaceutical company, during the year. Tesaro is on the verge of making significant breakthroughs in the treatment of advanced endometrial cancer.

With digitisation rapidly remoulding the healthcare landscape, we have been at the forefront of leveraging new and emerging technologies in our business. By embracing the power of Digital, Data & Analytics, we are evolving and aspiring to a state of transformation, whereby highly credible scientific data, digital tools, and experiential learning will significantly improve customer engagement and experience.

The breadth of our scientific and technical competencies is amply reflected in our manufacturing excellence as well. The plant at Nashik, Maharashtra demonstrates best practices in manufacturing while continually embedding process improvements. Our scientific mindset has inspired us to invest upwards of ₹ 1000 crore in a state-of-the-art greenfield facility at Vemgal, Karnataka. Both the facilities emphasise a safe working environment and production of the highest quality products. Further, with this upcoming facility, we are moving towards becoming an unconstrained supply chain organisation to serve growing healthcare needs.

Led by our key global priorities of Innovation Performance Trust, we will continue to fast-forward to the future with our scientific way of thinking and execution. As an important pillar of our Trust priority, we have made an important commitment to be a modern employer, nurturing our employees to be the best version of themselves, resulting in highly engaged employees (GSK Culture Survey in April 2019 revealed an engagement score of 92%). In alignment with our strategy to put energy where it matters, we are committed to enhancing shareholder value by accelerating sustainable profitable growth.

At GSK, we believe that it is not just what you achieve that counts, but how you achieve it. Our journey over the decades is based on the foundation of our core values and expectations. We will continue to live our core value of patient focus, to realise our goal of being one of the world's most innovative, best performing and trusted healthcare companies. My deep appreciation to all our shareholders for their continued confidence and support.

A. Vaidheesh

Vice President, South Asia
Managing Director, India

GSK at a Glance

Who we are

We are a science-led global healthcare company with a purpose to help people do more, feel better, live longer.

We have world-leading businesses that research, develop and manufacture innovative pharmaceutical medicines and vaccines.

Over 4,500 people work in our advanced manufacturing facilities, offices and field across India to ensure that our healthcare solutions reach patients in need.

What we do

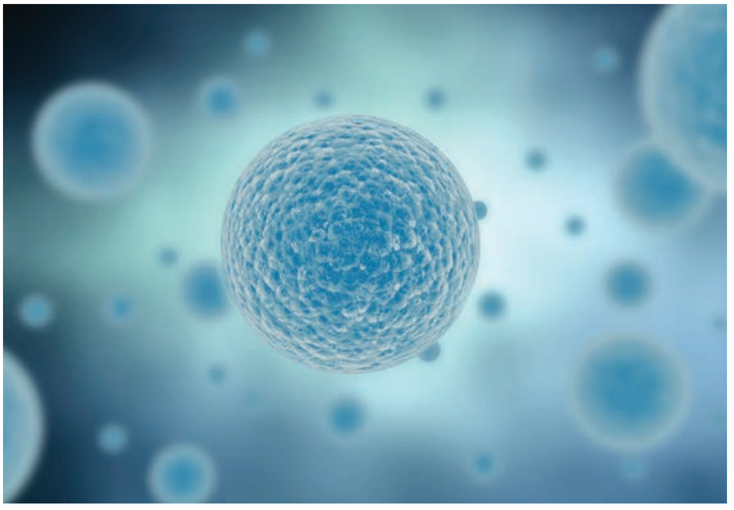
We leverage the power of science through new innovations in both preventive and curative healthcare to enhance the quality of life. By foraying into diverse segments, creating products that people value, making them widely accessible and operating efficiently, we aim to truly make a difference to patients.

Our focus areas

Pharmaceuticals

We are one of India's leading pharmaceutical companies.

We have market leadership in several therapeutic segments, with a wide range of prescription medicines across areas covering anti-infectives, gastrointestinal, dermatology, analgesic, respiratory diseases and vaccines.



Vaccines

In the area of preventive healthcare, we are the leading vaccines company in the private vaccines market in India.

We offer a range of vaccines for the prevention of hepatitis A, hepatitis B, invasive disease caused by H. *Influenzae*, chickenpox, diphtheria, pertussis, tetanus, rotavirus diarrhea, cervical cancer, and invasive pneumococcal among others.

Our Purpose

We help people do more, feel better, live longer.

Our Priorities

We want to be one of the world's most innovative, best performing and trusted healthcare company.

Innovation

We aim to make available strong patient-focussed products from our global pipeline, with the most competitive claims and launches, and brilliant execution of our launches.

Performance

We will focus our energy where it matters to deliver sustained industry-leading growth with competitive costs, margin and cash flow.

Trust

We are committed to maximise our social impact by ensuring reliable supply of high-quality and affordable products and having highly engaged employees.

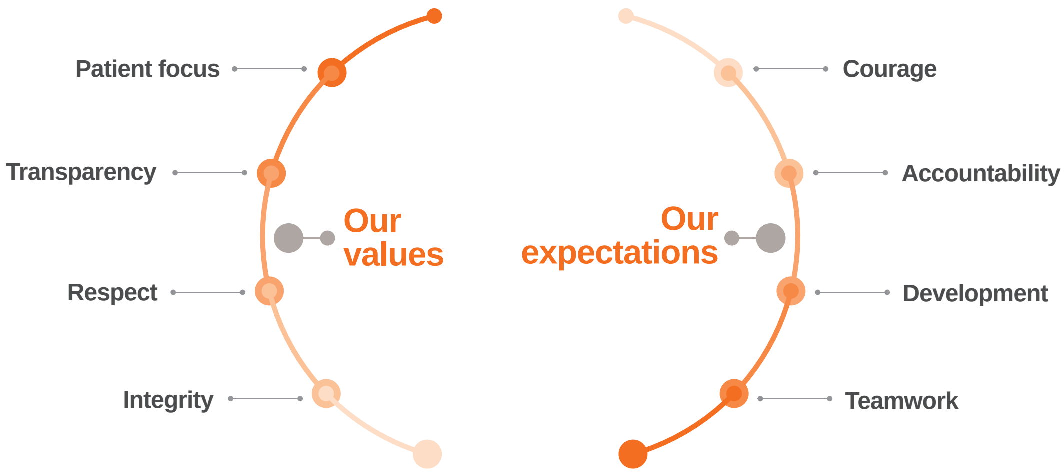
Our Culture

IPT^c

IPT^c

Where c = Our Values + Our Expectations

Our culture is the substratum of our Innovation, Performance, Trust (IPT) strategy. It refers to the environment that we need to create - the values we must imbibe and the behaviour we are expected to demonstrate in our day-to-day professional lives. Comprising our Values and Expectations, our culture empowers us to deliver extraordinary things for our patients and customers and make GSK a brilliant place to work.



Innovation

A strong patient-focussed pipeline, with the most competitive claims and labels, and brilliant execution of our launches.

India Innovative Portfolio

Science behind Nucala

Nucala (Mepolizumab) is a humanised monoclonal antibody which is indicated as an add-on treatment for severe refractory eosinophilic asthma in adult patients. According to estimates, India is home to 30 million asthma patients and 3% of the asthmatic population suffer from severe eosinophilic asthma. 54% of patients suffering from severe asthma require three or more bursts of oral corticosteroids (OCS) in a year and almost 25% of them had a near-fatal event in the past.

With Nucala, there is 53-73% reduction in exacerbations; with 61% reduction in exacerbations requiring hospitalisation/ emergency department visits. Nucala also gives powerful and lasting reduction in daily OCS dose, while maintaining asthma control. Nucala is the only biologic for severe refractory eosinophilic asthma with long-term efficacy and safety data up to 4.5 years. This product was launched in March 2019.

Successful first year for Infanrix Hexa

Innovation is our top global priority and in alignment with this, your Company launched the World's No. 1 hexavalent DTaP vaccine, Infanrix Hexa, in April 2018. The vaccine can be administered to infants to provide protection against these six serious diseases: diphtheria, tetanus, pertussis, Hib, hepatitis B and polio.

Infanrix Hexa is No. 4 in the vaccines private market (IMS March 2019).

The success of the vaccine in such a short span of time underlines the strong acceptance of this differentiated product among healthcare professionals.

Global Developments

New scientific capabilities with TESARO, Inc. acquisition

Our parent company completed the acquisition of TESARO, Inc. an oncology-focussed company in January 2019. The transaction, which was announced in December 2018, significantly strengthens our oncology pipeline and brings new scientific capabilities and expertise that will increase the pace and scale at which we can help patients living with cancer.

Zejula (Niraparib), an oral poly ADP ribose polymerase (PARP) inhibitor currently approved for use in ovarian cancer, is a major marketed product of TESARO. PARP inhibitors are transforming the treatment of ovarian cancer, notably demonstrating marked clinical benefit in patients with and without germline mutations in a BRCA gene (gBRCA). Zejula is currently approved in the US and Europe as a treatment for adult patients with recurrent ovarian cancer who are in response to platinum-based chemotherapy, regardless of BRCA mutation or biomarker status. Clinical trials are also underway to assess the possibility of use of Zejula for treatment of several other cancers.

In addition to Zejula, TESARO has several more oncology assets in its pipeline.

Positive findings of Dostarlimab for meeting critical unmet needs

Dostarlimab is TESARO'S own anti-PD-1 antibody in the pipeline. The first of the two-phased GARNET study evaluating the potential of dostarlimab for treatment of recurrent or advanced endometrial cancer in women has demonstrated positive response. GARNET is the single largest study to date of an anti-PD-1 monotherapy in women with advanced or recurrent endometrial cancer.

Endometrial cancer is the most common gynaecologic malignancy in the U.S. Currently, treatment options for women with advanced or recurrent endometrial cancer are limited. Phase 1 findings of the GARNET study, combined with earlier data in patients with non-small cell lung cancer, reinforces the potential of dostarlimab in treating patients with a variety of solid tumours. The preliminary results, along with further data from the GARNET study, will be used to support regulatory filing for dostarlimab in endometrial cancer at the end of 2019.

Endometrial cancer is the most common gynaecologic malignancy in the U.S. Currently, treatment options for women with advanced or recurrent endometrial cancer are limited

Performance

Sustained industry-leading growth with competitive costs, margin and cash flow.

New commercial model

To deliver on our strategy to put energy where it matters for accelerated sustainable profitable growth, a new commercial model has been put in place. As part of this new model, our product portfolio has been optimised to ensure that our priority therapy areas get greater attention. Measures have also been taken to simplify our operations and drive improved efficiency. An essential element of our new commercial model is the increase in investments in the customer-facing part of our business, with a reduction in spends in the non-customer-facing business segment. We have invested significantly in expanding our field force. We have also set up a new Commercial Trade Channel (CTC) team to engage with stockists and drive retail level availability, inventory and visibility of our core brands. We are upbeat about growing together with all our partners as this new commercial model gains momentum.

Digital transformation

We are riding the digital wave and have transformed our ways of working. Our leap into the future covers all aspects of our business, with advanced data and analytics driving our customer insights, to artificial intelligence, advanced technology platforms and Customer Relationship Management (CRM) tools, making it easier to achieve focussed goals. Paying closer attention to the needs of the healthcare professionals (HCPs), we disseminate high-quality scientific content using innovative technology solutions. Our sales force is equipped with iPads for easy access to scientific information and marketing material. Deployment of robotics and automation and setting up of Tech-enabled Smart Offices have also been incorporated into our digital transformation strategy for improved efficiency and productivity.

At the Connected Health India Summit 2018, GSK India was acknowledged as the Digital Pioneer of the Year

Science-based multi-channel customer engagement

We engage our customers with high-quality scientific knowledge. In addition to our internal medical experts, we have also trained our medical representatives who understand the science behind our products. To strengthen our focus on science, GSK incentivises our field force on the basis of their scientific knowledge and not on sales targets. Real-time information support is also given to our sales force through CRM tools.

We are reaching our customers through their preferred channels, which include webinars, e-mails, text messages and virtual calls, among others, in addition to our face-to-face in-clinic interactions. The first-ever HCP portal and a specialised website on the respiratory therapy area that features hundreds of videos by worldwide experts to address scientific questions on pulmonary diseases were launched during the year. Other key highlights of our scientific engagement during the year include connecting with pulmonologists to disseminate data on Nucala and conducting a mass TV and digital campaign to increase public awareness on pneumococcal diseases.

We are also encouraging scientific engagement through our forum BRIDGE (Bringing Insights from Dermatology Group of Experts), with participation at national and state level medical conferences, conducting health workshops and partnering with medical organisations to drive increased health awareness. Our multi-channel engagement strategy has brought about a quantum increase in our customer touchpoints, with total touchpoints increasing 5 times over the previous year, in addition to continuous improvements carried out during the year.

New marketing model

The opportunities to gather insights from data are endless and have a profound impact on our ability to drive higher performance. Under our new marketing model, we are thus accelerating the use of highly credible scientific data, data analytics and digital tools across our operations. We increased the hiring of experts in digital technology and data analytics this year. As part of our data analytics programme, we are unifying silos of customer data and acting upon it to translate them into actionable insights. Finally, by transforming customer insights into strategic action, we are confident of significantly improving the engagement and experience for our healthcare professionals and realise the full potential of our medicines and vaccines for patients.

> The opportunities to gather insights from data are endless and have a profound impact on our ability to drive higher performance

No.1

GSK India is No.1 in the Vaccines Self-pay market

No.3

GSK India's ranking in the Indian Pharma Market (in volume terms)

7

GSK brands feature in the Top-50 brands of the India Pharmaceutical Market (IPM)

As per IQVIA TSA data, March 2019

Trust

Maximising our social impact, ensuring the reliable supply of our high-quality products to as many people as possible, and having highly engaged employees.

Manufacturing Excellence

New Facilities

In a true scientific leap into the future, we are raising the bar by building highly advanced manufacturing facilities. The increase in our manufacturing capacity further secures reliable supply of our high-quality medicines that helps serve the needs of our Indian patients.

Vemgal, Karnataka

With an investment of over ₹ 1000 crore, our upcoming manufacturing facility at Vemgal, Karnataka, will be the first greenfield pharmaceutical manufacturing site that GSK has built globally over the past ten years. It is also the first facility designed for the new GSK Production Systems (GPS), whereby it will deliver the concepts of zero accidents, zero defects and zero waste.

The site supports easy scale up of manufacturing. Initially, it will supply a range of solid dose form products. Manufacturing is expected to commence in 2019 with validation batches, to be followed by commercial supplies towards the end of the year. Focussing on 'Make in India', the facility is designed to produce 8 billion tablets and 1 billion capsules per year for the Indian market. All relevant approvals have been received.

New Eltroxin facility, Nashik

During the year, we also commissioned a new high-containment facility at our Nashik site for the manufacture of our thyroid hormone, Eltroxin. This facility has a manufacturing and packaging capacity of 3.6 billion tablets. Supporting the highest safety standards, the world-class facility provides superior protection to employees who manufacture and pack this highly potent hormone-based product. The facility is fully operational and commercial supplies have commenced.

> Our facility at Nashik has been awarded 'Best-in-Class Excellence in Continuous Improvement' at the Manufacturing Supply Chain Awards Summit presented by the Future Supply Chain Solutions Group

Best Practices

At GSK India, the value of trust encompasses not just securing reliable supply of our medicines, but also reinforcing their safety and efficacy. The Nashik site continues to deliver on this strategic intent through strategic investments in safety and quality. It received the Good Manufacturing Practice (GMP) and Good Laboratory Practice (GLP) certification from the United States Food and Drug Administration (USFDA) in 2018.The site has also set new benchmarks for GPS based on lean working principles. Along with management staff, shop floor employees are also part of the continuous improvement culture. During the year under review, the site reported more than 500 Kaizens (continuous improvement) along with a significant improvement in productivity and lab efficiency. The best practices were shared with our Contract Manufacturing Organisations (CMO) partners.

Modern Employer

#Beyou

Workforce Diversity

GSK is a modern employer, with gender diversity and inclusion at the cornerstone of our culture. The Women's Leadership Board (WLB) at our Company has made significant strides in developing women talent across all levels. We now have 16% gender diversity in our workforce, 16% women at Board level and 28% women representation in top leadership positions. Significant focus was placed on conscious hiring through expanded pool of campuses visited and referrals, leading to 18% of new hires being women in the sales force. In addition to hiring more women in the field force, we have also put in place platforms to engage women in the field, the first among them being the Wave Regional Circles (WRC). Gender sensitisation workshops were conducted across 12 locations covering more than 500 employees from the sales force to strengthen our inclusive work culture. Our efforts resulted in GSK Pharma being recognised as one of the Top-100 2018 Working Mother & AVTAR Best Companies for Women in India and WILL Best Employers for Women: Benchmarking & Awards. The Integrated GSK Pharmaceuticals India Engagement Index, an interval survey to measure employee engagement, remained high with an engagement score of 91% in September 2018 and 92% in April 2019, further reflecting our success in creating the right culture.

Recognised among the Top-100 Best Companies for Women by Working Mother and AVTAR

Certified as a 'Great Place to Work' from April 2019 - March 2020

Conferred the GSK Emerging Markets Winning Performance Award for fast-track recruitment for 'Accelerate Pharma' model

#Keepgrowing

Building Capability

At GSK, apart from our sharp patient focus, we are also mindful of nurturing the best talent and building our capability for the future. Opportunities and platforms are provided to enhance skills and knowledge and develop leadership. We launched the Marketing Futures programme for our marketers to ensure that all of them are trained in the competencies required to support our enterprise-wide 'Accelerate Pharma' approach. We also built capability to support the new commercial operating model by cross training all front-line sales personnel and onboarding 700+ new employees.

#Feelgood

Employee Health & Safety

Various initiatives for environment, health, safety and sustainability were undertaken at our sites. During the year, the Nashik site was recognised for its safety standards by the National Safety Council and Department of Industrial Safety and Health, Maharashtra. We were the proud winners of three awards in the Management and Non-Management staff categories. The Nashik site also received the Pharma Supply Chain (PSC) Energy Trophy, a recognition for the best manufacturing site across the GSK Pharma Supply Chain network for energy performance and use of renewable energy. The site has also achieved reduction in water consumption year-on-year. Both the Nashik and Vemgal sites were awarded 'GOLD' in the Healthy Workplace Assessment by 'Arogya World', an endorsement of our work in the area of employee health and safety.

We continue to empower our employees through education and training to adopt health and safety policies, practices and procedures. Our sales representatives are sensitised on safe driving practices, as they often commute by their two-wheelers on difficult roads for work purposes. Our two-wheeler safety programme has proved to be effective in facilitating the safeguarding of our employees' well-being.

Smart Office

GSK India is committed to creating a work environment where employees feel motivated to do their best. With its ergonomic design, state-of-the-art facilities, hi-tech features, open design, array of meeting rooms and multiple collaborative spaces, our smart office is truly a place where employees can connect and be energised. The first phase of our Smart Office in Worli, Mumbai has been completed and work is ongoing.

Tech-enabled open meeting room, GSK House, Mumbai

Collaborative workspace, GSK House, Mumbai

Corporate Reputation

Corporate reputation is our strategic imperative as it is understood that a strong reputation is needed to deliver business performance. We undertake a reputation research through a third party to understand how we are performing on reputation vs. our key competitors. The research provides a unified and consistent understanding of our reputation and key drivers and helps teams across the organisation make evidence-based decisions.

The research combines qualitative and quantitative methods among two audiences – informed public and stakeholders. Our reputation remains high with positive recall amongst stakeholders for GSK India's products and vaccines, our investment in Karnataka for the new manufacturing facility as well as for messaging focussed on helping people from local communities. We will continue to operate responsibly to drive our reputation.

Corporate Social Responsibility

Our CSR approach supports our broader purpose to help people do more, feel better and live longer. We strive to address national health priorities with our partners through our CSR programmes. In doing so, we are helping millions of people across the country in improving their lives.

ASHA worker in Bihar after dispensing medicines under mass drug administration for preventing LF

We are a vital part of the country-wide fight against one prioritised Neglected Tropical Disease (NTD) - Lymphatic Filariasis. Our contribution focusses on our large-scale donation of albendazole, efficient forecasting, manufacturing and shipping of donated products.

LF is transmitted by mosquitoes and causes thickening of the skin and massive swelling. We have partnered with the World Health Organisation (WHO) to support India to defeat LF.

Youth Empowerment

We are supporting the 'Skill India' initiative through our dedicated efforts to generate employment for people at Vemgal. Through our skill-building activities, the beneficiaries and women entrepreneurs have reported a massive jump in their incomes.

School Sanitation

Aligned with the 'Swachh Bharat: Swachh Vidyalaya' campaign to ensure access to water, sanitation and hygiene facilities to every school, we have worked to provide school sanitation in government schools of Nashik.

Beneficiary of our school sanitation programme

Child Nutrition

Our efforts towards child nutrition, an area of intervention by 'The National Urban Health Mission' extend from pre-conception care to early childhood. We aim to improve the nutritional status of married women and small children through this programme.

37 million

albendazole tablets donated to the WHO in FY 2018-19 towards our efforts to eliminate LF

100

youth benefited from income generation and skills training in Vemgal, Karnataka

Over 5,000

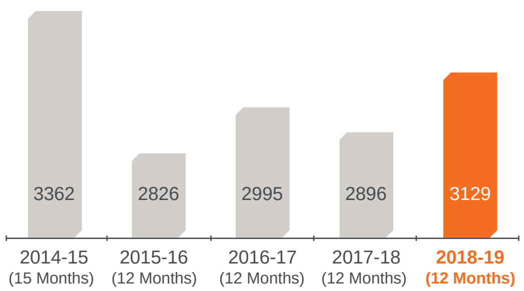
children, teaching and non-teaching staff benefited from WASH interventions in Nashik, Maharashtra

Over 4,500

families benefited from our integrated approach to child nutrition in Mumbai, Maharashtra and Kolkata, West Bengal

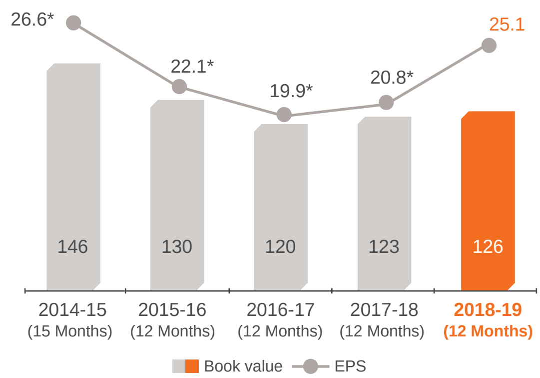
Financial Highlights

Revenue from Operations*
(₹ Crores)



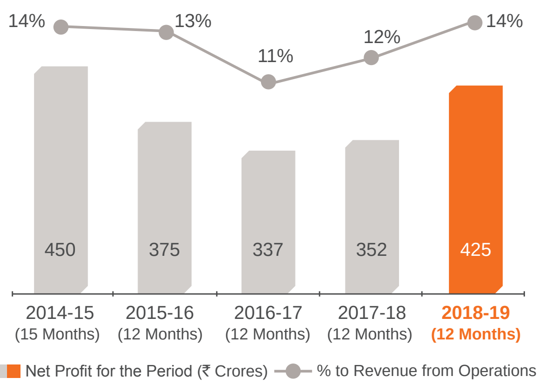
** In accordance with Ind AS and Schedule III of Companies Act, 2013, GST is not part of Revenue. Accordingly the revenue from operations for the period 2017-18 and 2018-19 are not comparable with the previous periods wherein excise duty was included.*

Earnings Per Share (EPS) and Book Value per share (₹)

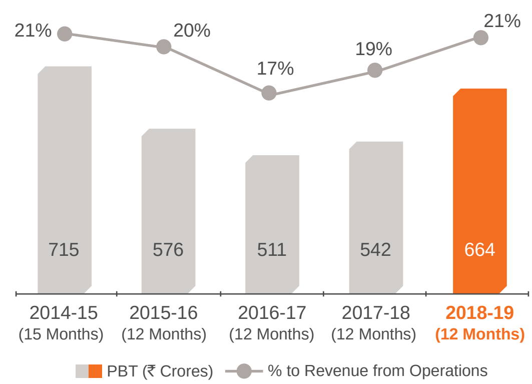


** Retrospectively adjusted for September 2018 bonus issue for all the prior years.*

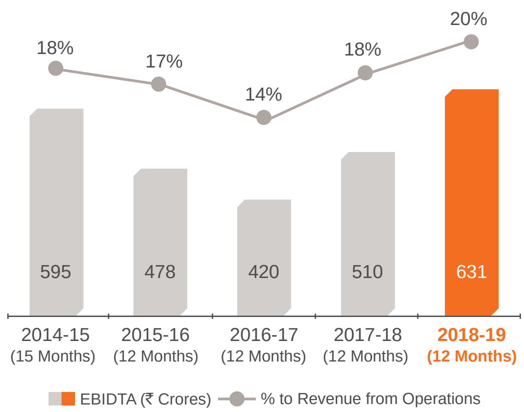
Net Profit for the Period % to Revenue from Operations



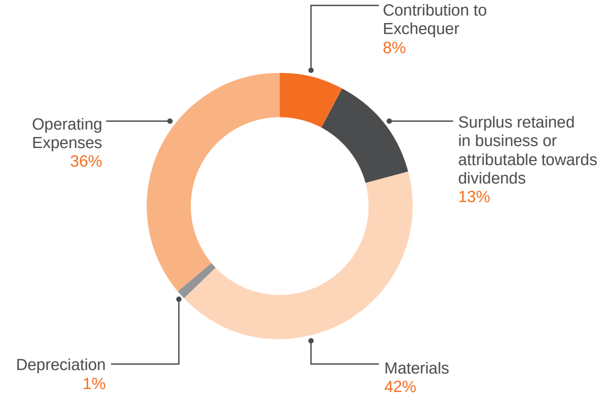
Profit Before Tax % to Revenue from Operations



EBIDTA (Excl Exceptional Items) % to Revenue from Operations



Utilisation of Income*



** % Utilisation of Income excludes Exceptional Income*

Performance Summary

(Amounts in ₹ Lakhs)

	2018-19#	2017-18#	2016-17#	2015-16#	15 Months Ended March 2015#	2013	2012	2011	2010	2009
PROFIT AND LOSS ACCOUNT										
Revenue from Operations	3128,53	2895,88	2994,51	2826,21	3362,36	2619,37	2700,34	2429,58	2187,48	1933,09
Profit before exceptional items and tax	658,82	523,78	465,35	573,63	766,84	703,17	994,78	921,60	867,27	758,48
Exceptional items	4,89	17,80	45,73	2,31	(51,88)	26,15	148,22	(322,54)	(26,50)	14,79
Profit Before Tax	663,71	541,58	511,08	575,94	714,96	729,32	1143,00	599,06	840,77	773,27
Profit for the Period	425,36	351,98	336,78	374,53	449,90	501,88	577,26	430,60	563,69	512,29
BALANCE SHEET										
Equity share capital	169,41	84,70	84,70	84,70	84,70	84,70	84,70	84,70	84,70	84,70
Other Equity	1973,01	1995,25	1943,51	2119,94	2382,38	1932,49	1925,31	1835,23	1846,11	1674,45
Borrowings	58	,99	1,60	2,37	2,48	4,14	4,59	4,91	5,16	5,42
	2143,00	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**	**1935,97**	**1764,57**
Property, Plant and Equipment, Intangible Assets and CWIP	1432,63	1245,71	858,17	471,71	238,28	161,93	133,19	115,32	117,65	114,17
Investments including investment properties	26,17	49,43	52,99	53,63	53,80	57,67	102,58	159,80	160,35	190,91
Deferred tax assets (net)	60,48	103,05	91,31	100,81	94,83	92,11	86,54	61,47	56,40	44,69
Net Assets (Current and Non-Current)	623,73	682,75	1027,33	1580,87	2082,65	1709,62	1692,29	1588,25	1601,57	1414,80
	2143,00	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**	**1935,97**	**1764,57**
OTHER KEY DATA										
Rupees per ₹10/- Equity Share										
Dividend*	20.00	17.50	15.00	25.00	31.25	25.00	25.00	22.50	20.00	15.00
Earnings per equity share*	25.11	20.78	19.88	22.11	26.56	29.63	34.08	25.42	33.28	30.24
Book Value*	126.46	122.78	119.72	130.14	145.63	119.08	118.65	113.34	113.98	103.85
Number of employees	4960	4620	4697	4611	4657	5034	4706	5055	4338	4006

Period 15 Months Ended March 2015, Year 2015-16, 2016-17, 2017-18 and 2018-19 are prepared in accordance with Indian Accounting Standards ("Ind-AS") and for other years it is prepared as per Indian Generally Accepted Accounting Principles ("IGAAP")

* Dividend, Earning per equity share and Book Value have been retrospectively adjusted for September 2018 bonus issue for all the prior years.

NOTES

1. Figures have been adjusted/regrouped wherever necessary in line with the financial statements, to facilitate comparison.

2. The accounting year of the company has been changed from January - December to April - March with effect from March 2015. Consequently, financial statements from 1st January, 2014 to 31st March, 2015 are for 15 months.

Board of Directors

(As on 20.05.2019)

Chairman

D. S. Parekh
(upto 31.03.2019)

Chairperson

Ms. R. S. Karnad
(w.e.f. 01.04.2019)

Managing Director

A. Vaidheesh

Directors

R. R. Bajaaj (upto 24.07.2018)
Ms. A. Bansal
P. V. Bhide
M. Jones (upto 24.07.2018)
N. Kaviratne CBE
R. Krishnaswamy
A. N. Roy
D. Sundaram
Ms. P. Thakur
S. Williams

Company Secretary

A. A. Nadkarni

Audit Committee

D. Sundaram - Chairman
P. V. Bhide
Ms. R. S. Karnad
N. Kaviratne CBE

Stakeholders' Relationship Committee

Ms. R. S. Karnad - Chairperson
P. V. Bhide
A. Vaidheesh

Nomination & Remuneration Committee

N. Kaviratne CBE - Chairman
Ms. A. Bansal
Ms. R. S. Karnad

Corporate Social Responsibility Committee

A. N. Roy - Chairman
Ms. A. Bansal
A. Vaidheesh

Management Team

Managing Director
A. Vaidheesh

Whole-time Directors
R. Krishnaswamy
- Technical

Ms. P. Thakur
- Chief Financial Officer

Chief Commercial Officer
A. Iyer
- Pharmaceuticals

Executive Vice-Presidents
S. Dheri
- Vaccines

N. Hindia
- Legal

B. Kotak
- Medical

Ms. M. Priyam
- Human Resources

Vice-Presidents
S. Balasubramanian
- Ethics & Compliance

Ms. S. Choudhary
- Regulatory Affairs

R. D'Souza
- Communications
& Government Affairs

Ms. D. Jakate
- Quality

G. Kotian
- Supply & Demand Planning

A. Nadkarni
- Real Estate, Administration
& Company Secretary

General Manager
N. Sudrik
- Head of Tech

Registered Office

Dr. Annie Besant Road,
Worli, Mumbai - 400 030
Tel.: 022-24959595
Fax: 022-24959494
Website: www.gsk-india.com
Email: askus@gsk.com
CIN: L24239MH1924PLC001151

Factory

Ambad, Nashik

Secretarial Department

Dr. Annie Besant Road,
Worli, Mumbai - 400 030
Telephone: 022-24959415/434
Fax: 022-24981526
Email: ajay.a.nadkarni@gsk.com

Statutory Auditor

Deloitte Haskins and Sells LLP

Cost Auditor

R. Nanabhoy & Co.

Secretarial Auditor

Parikh & Associates

Solicitors

Gagrat & Co.

Bankers

Deutsche Bank
Hongkong and Shanghai Banking Corporation Limited

Registrars & Share Transfer Agents

Karvy Fintech Private Limited
Unit: GlaxoSmithKline Pharmaceuticals Limited
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Telangana - 500 032
Tel. No.: 040-67162222
Fax No.: 040-23001153
Toll Free No.: 1800-3454-001
Email: einward.ris@karvy.com

Notice

NOTICE IS HEREBY GIVEN THAT the Ninety Fourth Annual General Meeting of GlaxoSmithKline Pharmaceuticals Limited will be held at the Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020, on **Monday, 22nd July 2019 at 2.30 p.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares for the financial year ended 31st March 2019.

3. To appoint a Director in place of Mr. Subesh Williams (DIN: 07786724), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Managing Director

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules framed thereunder read with Schedule V of the Companies Act, 2013, including any statutory modifications or re-enactments thereof for the time being in force, and all other statutory provisions if any, the approval of the Company be and is hereby granted to re-appointment of Mr. Annaswamy Vaidheesh (DIN: 01444303) as the Managing Director of the Company for a further period from 1st October 2019 to 31st March 2020, on the terms, conditions and stipulations, including remuneration as approved by the Board of Directors and as contained in the draft of the Agreement to be entered into between the Company and Mr. Annaswamy Vaidheesh, as placed before the meeting and initialled by the Chairman for the purpose of identification, which agreement be hereof and is hereby specifically sanctioned with liberty to the Board of Directors of the Company ("the Board") to alter, vary and modify the terms and conditions of the said appointment and the agreement in such manner as may be agreed between the Board and Mr. Annaswamy Vaidheesh.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

5. Re-appointment of Whole-time Director

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules framed thereunder read with Schedule V of the Companies Act, 2013, including any statutory modifications or re-enactments thereof for the time being in force, the approval of the Company be and is hereby granted to the re-appointment of Mr. Raju Krishnaswamy (DIN: 03043004) as Whole-time Director of the Company for a further period of three years from 1st August 2019 upto 31st July 2022 on the terms, conditions and stipulations including remuneration as approved by Board of Directors and as contained in the draft of the Agreement to be entered into between the Company and Mr. Raju Krishnaswamy, as placed before the meeting and initialled by the Managing Director for the purpose of identification, which agreement be and is hereby specifically sanctioned with liberty to the Board of Directors of the Company ("the Board") to alter, vary and modify the terms and conditions of the said appointment and the Agreement in such manner as may be agreed between the Board and Mr. Raju Krishnaswamy.

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

6. Re-appointment of Mr. Pradeep V. Bhide as an Independent Director

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as may be in force from time to time. Mr. Pradeep V. Bhide (DIN: 03304262), whose present term of office as an Independent Director expires on 29th March 2020 has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and is eligible for re-appointment and in respect of whom Notice has been received from a Member under section 160 of the Act proposing his re-appointment as a Director and whose re-appointment has been recommended by Nomination and Remuneration committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 30th March 2020 upto 29th March 2025 and his office shall not be liable to retire by rotation."

7. Re-appointment of Mr. Nihal Kaviratne CBE as an Independent Director

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as may be in force from time to time. Mr. Nihal Kaviratne (DIN: 00032473), whose present term of office as an Independent Director expires on 29th March 2020 has given his consent for re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and is eligible for re-appointment and in respect of whom Notice has been received from a Member under section 160 of the Act proposing his re-appointment as a Director and whose re-appointment has been recommended by Nomination and Remuneration committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 30th March 2020 upto 29th March 2025 and his office shall not be liable to retire by rotation."

8. Re-appointment of Mr. Anami N. Roy as an Independent Director

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as may be in force from time to time. Mr. Anami N. Roy (DIN: 01361110), whose present term of office as an Independent Director expires on 29th March 2020 has given his consent for re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and is eligible for re-appointment, and in respect of whom Notice has been received from a Member under section 160 of the Act proposing his re-appointment as a Director and whose re-appointment has been recommended by Nomination and Remuneration committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 30th March 2020 upto 29th March 2025 and his office shall not be liable to retire by rotation."

9. Re-appointment of Mr. D. Sundaram as an Independent Director

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as may be in force from time to time. Mr. D. Sundaram (DIN: 00016304), whose present term of office as an Independent Director expires on 29th March 2020 has given his consent for re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and is eligible for re-appointment and in respect of whom Notice has been received from a Member under section 160 of the Act proposing his re-appointment as a Director and whose re-appointment has been recommended by Nomination and Remuneration committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 30th March 2020 upto 29th March 2025 and his office shall not be liable to retire by rotation."

10. **Ratification of Remuneration to Cost Auditor**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to R. Nanabhoy & Company, Cost Accountants having Firm Registration No. 007464 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the year ending 31st March 2019, amounting to ₹ 5.70 lakhs plus payment of taxes as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 10 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are given in Corporate Governance Report.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member. A Proxy Form is attached herewith.

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.

4. The instrument i.e. Proxy form appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.

5. The Register of Members and Share Transfer books of the Company will be closed from Monday,15th July 2019 to Monday, 22nd July 2019 (both days inclusive).

6. If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made as under:

   - To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Sunday, 14th July 2019;

   - To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Sunday, 14th July 2019.

7. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to Karvy Fintech Private Limited, Registrars & Share Transfer Agents of the Company quoting their Folio number. Your Folio Number is stated in the Share Certificate and on the attendance slip sent along with Annual Report.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Karvy Fintech Private Limited in case the shares are held by them in physical form quoting their Folio Number.

9. If you have shares registered in the same name or in the same order of names but in multiple Folios, write to Karvy Fintech Private Limitd to enable consolidation into one folio.

10. Members are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link www.gsk-india.com/investors.

11. Pursuant to the provisions of Section 124(5) of the Act the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. During the financial year, the dividend declared by the Company in respect of the financial year ended 31st December 2011, which is unclaimed, has been transferred to IEPF. Members who have not encashed their dividend warrants for subsequent periods are requested to encash the same immediately.

12. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the members for seven consecutive years or more to the demat account of the IEPF Authority.

    The Members/claimants whose shares, unclaimed dividends, etc. have been transferred to the Fund may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto. Company has transferred 52,068 equity shares on 23rd June 2018 and 3,74,796 equity shares issued as Bonus on 18th September 2018 to IEPF.

13. Action required to be taken by the members in case of non-receipt/ non-encashment of dividends:

    In case of non-receipt/ non-encashment of dividend warrants, members are requested to correspond with the Company's Registered Office / the Registrar and Share Transfer Agent:

Dividend	Financial Year	Dividend Declaration Date	Rate of Dividend per share (₹)	Last date for IEPF
66th Dividend 2012	2012	17th April 2013	50	20th June 2020
67th Dividend 2013	2013	19th April 2014	50	22nd June 2021
68th Dividend	2014-2015	1st August 2015	63	4th October 2022
69th Dividend	2015-2016	29th July 2016	50	2nd October 2023
70th Dividend	2016-2017	26th July 2017	30	28th September 2024
71st Dividend	2017-2018	25th July 2018	35	27th September 2025

The Ministry of Corporate Affairs has undertaken a **"Green Initiative in Corporate Governance"** and allowed companies to share documents with its members through an electronic mode. Amendment to the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (LODR) permit companies to send soft copies of the Annual Report to all those members who have registered their email addresses for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

The Notice of the AGM along with the Annual Report 2018-2019 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies are being sent by the permitted mode. Members may note that this notice and the Annual Report 2018-2019 will also be available on the Company's website www.gsk-india.com /Investors/Financials Results.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form should submit their PAN to the Company.

    SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

    Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

15. Members who have not registered /updated their email addresses with Karvy, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from Company including Annual Reports, Notices, Circulars etc electronically.

16. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance before Meeting so that the reply can be made available at the Meeting.

17. Members are requested to bring their physical copy of the Annual Report to the Meeting.

18. All Documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays, Sundays (including Public Holidays) up to date of the Annual General Meeting.

19. The route map showing directions to reach the venue of the Ninety Fourth AGM is annexed.

20. Voting through electronics means

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the 94th Annual General Meeting (AGM) by electronic means (remote e-voting) and the business may be transacted through e-voting Services provided by Karvy Fintech Private Limited.

    i. The facility for voting, either through electronic voting system or ballot paper shall also be made available at the AGM and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

    ii. The Members who have already cast their vote by remote e-voting prior to the AGM would be entitled to attend AGM but shall not be entitled to vote at the meeting.

    iii. In the event, a member casts his votes through both the modes i.e. remote e-voting and voting at the AGM, votes cast through remote e-voting would be considered and the vote cast at the AGM would be ignored.

    iv. Members may opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Attendance Slip. Please follow steps from Sr. No. (1) to (11) under Instruction for e-voting in the enclosed attendance slip.

    v. The E-voting period commences from 9.00 a.m. on Friday,19th July 2019 and ends at 5.00 p.m. on Sunday, 21st July 2019. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of Tuesday, 16th July 2019 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast vote again.

    vi. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 16th July 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting. The members who have not cast vote through remote e-voting shall be entitled to vote at the meeting.

        Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@karvy.com.

    vii. Mr. P. N. Parikh (Membership No. FCS 327) and failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of Parikh & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting as also the voting at the AGM in a fair and transparent manner.

    viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of the conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

ix. The results will be declared at the Registered Office of the Company situated at GlaxoSmithKline Pharmaceuticals Limited, Dr. Annie Besant Road, Worli, Mumbai 400030 and the Resolutions will be taken as passed effectively on the date of Annual General Meeting. The said results along with the Scrutinizer's Report shall be placed on the Company's website www.gsk-india.com and on the website of Karvy www.evoting.karvy.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

Instructions for e- voting:

Members are requested to follow the instructions given below before they cast their vote throughe-voting: Voting through electronic means.

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the listing obligations and disclosure requirements, 2015 (LODR), the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 16th July 2019 being the cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy Fintech Pvt. Ltd. (Karvy).

Procedure and instructions for e-voting

The procedure and instructions for E-voting are as follows:

1. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.

2. Enter the login credentials (i.e. User-ID & password) mentioned on the Postal Ballot Form. Your folio / DP and Client ID will be your User-ID.

   User-ID for Members holding shares in Demat Form:

   For NSDL: 8 Character DP ID followed by 8 Digits Client ID. For CDSL: 16 digits beneficiary ID.

   For Members holding shares in Physical Form:

   - EVENT No. followed by Folio Number registered with the Company.
   - Password: Your unique password is printed on the Postal Ballot Form/via email forwarded through the electronic notice.

   Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact Karvy's toll free No. [1800 3454 001] for any further clarifications.

4. After entering these details appropriately, click on "LOGIN".

5. Members will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for E-voting through Karvy Fintech Private Limited E-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc. on first login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. You need to login again with the new credentials.

7. On successful login, system will prompt you to select the 'Event' i.e. 'GlaxoSmithKline Pharmaceuticals Limited'.

8. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company where the System Provider was Karvy Fintech Private Limited, then your existing login ID and password given earlier are to be used.

9. On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast, select 'ABSTAIN' after selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

10. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.

11. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 16th July 2019, may write to Karvy on the email ID rajitha.cholleti@karvy.com or to Ms. Rajitha Cholleti, Contact No. 040-67162222, at [Unit: GlaxoSmithKline Pharmaceuticals Limited] Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana 500 032, requesting for the User-ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (1) to (10) as mentioned above, to cast the vote

By Order of the Board of Directors

A. A. Nadkarni
Company Secretary
ACS 11026

Mumbai, 20th May 2019
Registered Office:
Dr. Annie Besant Road,
Worli, Mumbai 400 030.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4 & 5

Mr. Annaswamy Vaidheesh, 60, has completed Bachelor of Physics, from Madras University and has done his master's degree in Marketing Management from Bombay University and has 32 years of experience. He is an Honorary Fellow of The Association of Minimal Access Surgeons of India and is a Certified Process Excellence Black Belt. At the Board Meeting held on 4th February 2019, as recommended by the Nomination and Remuneration Committee, Mr. Annaswamy Vaidheesh (DIN: 01444303) was re-appointed as Managing Director of the Company for the period from 1st October 2019 to 31st March 2020 subject to the approval of the members. He does not hold any shares in the Company and has attended six Board Meetings during the year. He is also a Director in Biddle Sawyer Limited.

Mr. Raju Krishnaswamy, 54, has completed his B. Pharm from JSS College of Pharmacy, Ooty and has done MBA from ICFAI. He has 29 years of experience. He was first appointed as Director on 1st August 2011, at the Board Meeting held on 27th March 2019, as recommended by the Nomination and Remuneration Committee, Mr. Raju Krishnaswamy (DIN: 03043004) was re-appointed as Whole-time Director of the Company for a period of three years from 1st August 2019 subject to the approval of the members. He does not hold any shares in the Company and has attended six Board Meetings during the year. He is also a Director in Biddle Sawyer Limited.

More details of the Directors' being re-appointed is mentioned in the Corporate Governance Report.

1. **Period:**

   Mr. Annaswamy Vaidheesh: 1st October 2019 to 31st March 2020

   Mr. Raju Krishnaswamy: 1st August 2019 to 31st July 2022

2. **Nature of Duties:**

   Mr. Annaswamy Vaidheesh, Managing Director, shall devote the whole of his time and attention to the business of the Company. He shall have control of and full executive responsibility for the general conduct and management of the business and affairs of the Company. He shall exercise all such powers as may be granted and entrusted to or required by him for the proper performance, discharge and execution of his duties. He shall at all times be subject to the superintendence, control and direction of the Board of Directors of the Company.

   Mr. Raju Krishnaswamy, Whole-time Director, shall devote the whole of his time and attention to the business and affairs of the Company and shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to him by the Managing Director. He shall be accorded and shall possess and exercise all such powers as may be required by and be granted to him for the proper performance, discharge and execution of his duties and responsibilities. He shall at all times be subject to the superintendence, control and direction of and shall be responsible and accountable directly to the Managing Director and shall in all respects comply with all his lawful directions.

3. **Remuneration:**

   Mr. Annaswamy Vaidheesh and Mr. Raju Krishnaswamy shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limits laid down in Section 197 and Schedule V of the Companies Act, 2013:

   (i) Mr. Annaswamy Vaidheesh: Salary not exceeding ₹ 38.50 lakhs per month to be fixed by the Board of Directors from time to time.

   Mr. Raju Krishnaswamy: Salary not exceeding ₹ 13.50 lakhs per month to be fixed by the Board of Directors from time to time.

   (ii) Performance Bonus will be allowed in addition to salary according to the Scheme framed by the Company. The amount payable for each financial year or part thereof will be decided by the Board or a Committee thereof from time to time in its absolute discretion but shall not exceed an amount equal to 100% of the salary for the relevant period.

Performance Bonus will not be included as part of Salary for the purpose of making contributions to the Provident Fund and Pension Fund.

(iii) Long Term Incentive Plan (Share Value Plan), Share Option Plan and Performance Share Plan benefits as per the schemes are applicable to the Senior Managers of the GlaxoSmithKline Group companies. The amount payable for each financial year or part thereof will be approved by the Board or a Committee thereof.

(iv) Perquisites:

(A) In addition to payments under (i), (ii) & (iii) above, the Managing Director and the Whole-time Director will be entitled to perquisites and allowances including provision of rent-free furnished residential accommodation or house rent allowance of upto 50% of salary in lieu thereof for the Managing Director and of such house rent allowance in lieu thereof as may be approved by the Board or Committee thereof for the Whole-time Director, medical reimbursement and hospitalization insurance for the Managing Director and the Whole-time Director and their families, leave travel concession/allowance for the Managing Director and the Whole-time Director and their respective families, club fees (subject to a maximum of 2 clubs and not including admission and life membership fees), Personal Accident Insurance cover and any other general or specific allowance and/or perquisite in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director and the Whole-time Director respectively.

For the above purposes (a) the expenditure incurred by the Company on gas,electricity, water and furnishings will be valued as per the Income Tax Rules, 1962 and (b) "family" means the spouse and dependent children of the Managing Director and the Whole-time Director respectively.

The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary of the Managing Director and the Whole-time Director respectively.

(B) The Managing Director and the Whole-time Director shall be members of the Company's Provident Fund and the rules, regulations and bye-laws of this Fund, for the time being in force, shall apply to them. The Managing Director and the Whole-time Director will be members of the Glaxo India Limited Pension Fund Scheme and shall be entitled to the benefits provided under the said Scheme and the rules, regulations and bye-laws of that Scheme, for the time being in force, shall apply to them. Provided that the Company's contribution to the Provident Fund and the Pension Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

The Managing Director and the Whole-time Director shall be entitled to annual leave (which leave shall be on full salary with all benefits and amenities) and gratuity which shall be paid as per the Company's rules and will not be included in the computation of the ceiling on perquisites. Encashment of leave at the end of the tenure will be permitted in accordance with the rules of the Company and will not be included in the computation of the ceiling on perquisites.

(c) (i) The Company shall provide and make available to the Managing Director and the Whole-time Director, a car of such make, as may from time to time be determined by the Company, and a driver, and shall bear and pay all garage rent, repairs, maintenance, running and other costs and charges whatsoever, in connection with the use of such car aforesaid by the Managing Director and the Whole-time Director respectively.

(ii) The Company shall provide the Managing Director and the Whole-time Director with telecommunication facilities at their residence. Provision of a car for use on Company's business and telecommunication facilities at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be recovered by the Company from the Managing Director and Whole-time Director respectively.

Where in any financial year, the Company has no profits, or its profits are inadequate, the remuneration payable to the Managing Director and the Whole-time Director will be in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act 2013, as may be amended from time to time.

4. In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to the Managing Director and the Whole-time Director respectively, subject to obtaining such approvals as may be required.

5. **Other Terms:**

   (i) They shall not become interested or otherwise concerned directly or through their wife and/ or minor children in any selling agency of the Company without the prior approval of the Central Government.

   (ii) They shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of the Company's business.

   (iii) Their appointment may be terminated by the Company or by them by giving not less than six months' prior notice in writing in case of the Managing Director and three months' prior notice in writing in case of the Whole-time Director.

   (iv) The Agreements also set out the mutual rights and obligations of the Company with Mr. Annaswamy Vaidheesh and Mr. Raju Krishnaswamy respectively.

   In compliance with the applicable provisions of the Companies Act, 2013, Ordinary Resolutions as set out in items 4 & 5 of the accompanying Notice is now being placed before the members in the General Meeting for their approval. None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Annaswamy Vaidheesh and Mr. Raju Krishnaswamy, are, in any way, concerned or interested, in the Ordinary Resolutions set out in Item No. 4 & 5 of the Notice.

   None of the aforesaid Directors have any relationship with any other Directors or Key Managerial Personnel or Manager of the Company.

   The drafts of the Agreements proposed to be entered into with Mr. Annaswamy Vaidheesh and Mr. Raju Krishnaswamy are open for inspection at the Registered Office of the Company between 09.30 a.m. and 5.30 p.m. on all working days except Saturdays, Sundays (including Public Holidays).

   The Board of Directors recommend the Ordinary Resolutions set out in Item Nos. 4 & 5 of the Notice for approval by the Members.

Item No. 6 to 9:

In terms of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations, an Independent Director shall hold office for a term of five consecutive years on the Board. Further, the provisions relating to retirement of Directors by rotation do not apply to the appointment of Independent Directors.

In view of the above and based on the performance evaluation of the Independent director and as per the recommendation of Nomination and Remuneration Committee it is proposed to re-appoint Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram as Independent Directors for a second term of five consecutive years from 30th March 2020, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and subject to the approval of the members. They shall not be liable to retire by rotation. The Company has received individual notices in writing pursuant to Section 160 of the Companies Act, 2013 proposing their candidature for the office of Director of the Company. The details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in Corporate Governance Report.

The Company has received declarations from Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram, in terms of Section 149 of the Act and the Rules made thereunder and SEBI LODR, 2015 stating that they are qualified to be re-appointed as Independent Directors of the Company.

In the opinion of the Board, Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram fulfil the conditions specified in the Companies Act, 2013 and Rules made there under for their re-appointment as Independent Directors of the Company. They are independent of the management.

In compliance with the provisions of Section 149 and the Rules framed there under read with Schedule IV to the Act, and regulations 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram as Independent Directors is now being placed before the Members at the General Meeting, for their approval.

A copy of the draft letter of Appointment with each of them as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that their continued association would be of immense benefit to the Company and it is hence desirable to continue to avail services of Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram as Independent Directors.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram, are, in any way, concerned or interested, in the Special Resolutions set out in Item No. 6 to 9 of the Notice.

Accordingly, the Board recommends the special resolutions as set out in Item Nos 6 to 9 of the Notice for the approval of the members of the Company.

Item No. 10:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of R Nanabhoy & Company, Cost Accountants, to conduct the audit of the cost records of the Company for the financial period ended 31st March 2019. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

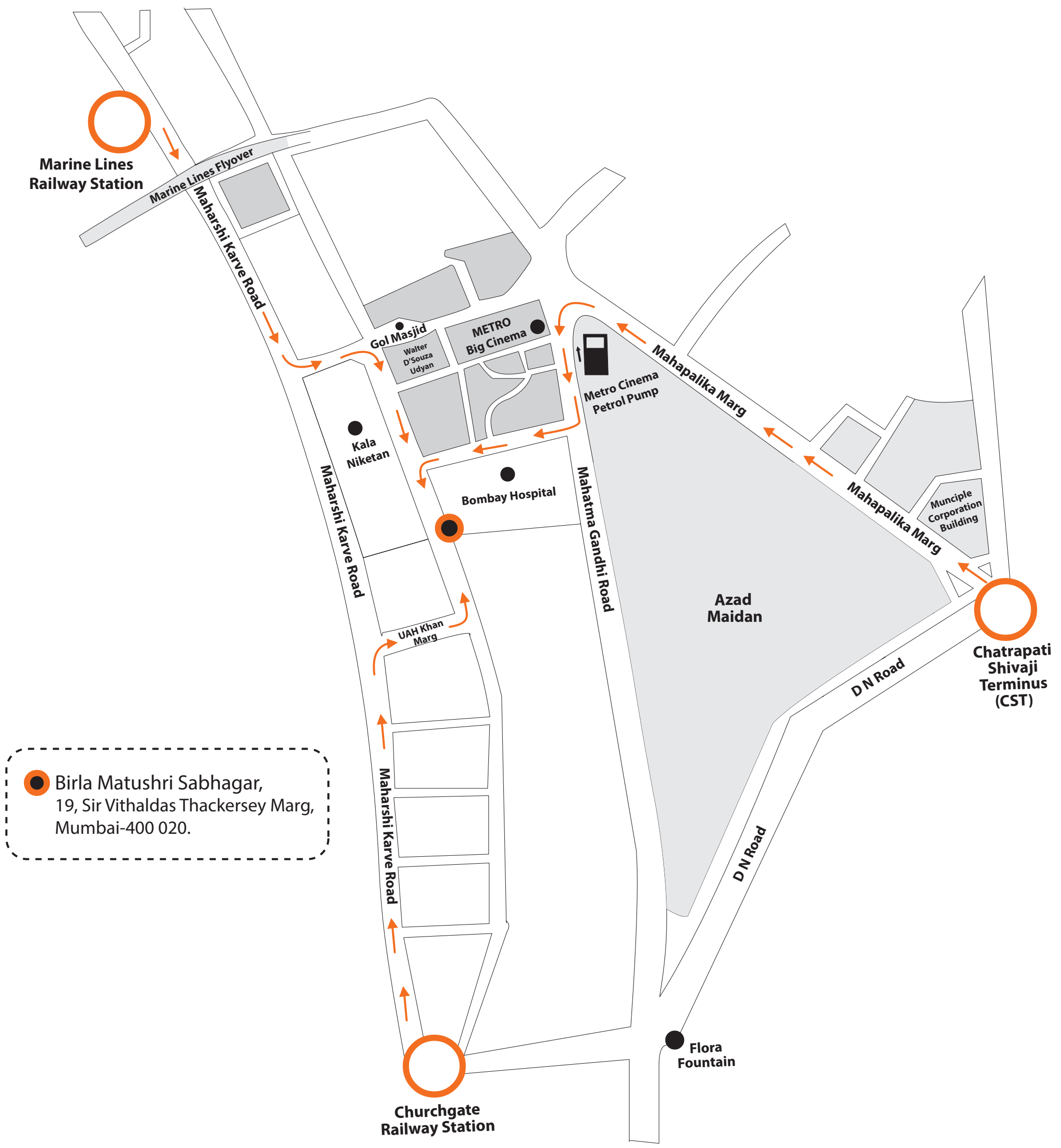
The Board of Directors recommend the Ordinary Resolution set out in Item No. 10 of the Notice for approval by the Members.

By Order of the Board of Directors

A. A. Nadkarni
Company Secretary
ACS 11026

Mumbai, 20th May 2019
Registered Office:
Dr. Annie Besant Road,
Worli, Mumbai 400 030.

Location of Annual General Meeting Hall



Director's Report

The Directors have pleasure in submitting their Report for the year ended 31st March 2019.

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2019

₹ in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	3128,53.46	2895,88.02
Sale of Products	3089,48.40	2820,03.24
Other operating revenue	39,05.06	75,84.78
Other Income	101,47.84	53,52.01
Total Income	3230,01.30	2949,40.03
Profit before Exceptional items and Tax	658,81.75	523,78.50
Add: Exceptional Items	4,88.88	17,79.85
Profit before Tax	663,70.63	541,58.35
Less: Income tax expenses	238,34.58	189,59.58
Profit for the year	425,36.05	351,98.77
Add: Opening balance of Retained earnings from the previous year	1113,21.12	1067,06.32
Less: Transactions with owners of the company:		
Dividend paid on Equity Shares (including tax on distributed Profits) (₹ 17.5 Per Share for FY 2017-2018 and ₹ 15 Per Share for FY 2016-17, retrospectively adjusted for September 2018 bonus issue)	357,39.89	305,83.97
Balance of Retained earnings at the end of the reporting period (excluding Other comprehensive income)	1181,17.28	1113,21.12

2. DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 20 per Equity share for the year (previous year ₹ 17.5 per Equity share, retrospectively adjusted for September 2018 bonus issue). The Dividend for the year ended 31st March 2019 is subject to the approval of members at the Annual General Meeting on 22nd July 2019 and will be paid on or after 22nd July 2019. If approved by the members at the Annual General Meeting, the Dividend will absorb ₹408 crores inclusive of the Dividend Distribution Tax of ₹ 70 crores borne by the Company.

The Board of the Directors of the Company have approved the Dividend Distribution Policy on 27th October 2016 and it is available on the Company website http://www.gsk-india.com/investor-Policies.

3. BONUS

The Company has allotted fully paid up equity shares of ₹ 10 each during the quarter ended 30th September 2018, pursuant to a bonus issue in ratio 1:1, as approved by the members through postal ballot. 8,47,03,017 Bonus shares have been issued by capitalization of profits transferred from general reserve.

4. MANAGEMENT DISCUSSION & ANALYSIS

(a) Finance and Accounts

We are pleased to report that FY 2018-19 was a year of good financial performance for your Company and was also a year in which the strategic shape of your Company in the coming years has been re-defined. We delivered almost double digit growth in sales, high double digit growth in profits which is a turn around arising out of the revised strategy. Your Company strives to drive profitable volume growth in a competitive and partly price-controlled generic market with an underlying focus on delivering quality products to patients. Our new commercial model, with increased focus on our priority brands and a new trade channel strategy is working well. Furthermore, the company is enhancing its technological capabilities to optimise its medical and field force engagement with healthcare professionals, which has been reflected in our results.

We continue to maintain our industry leading presence in Vaccines. Our new vaccine, Infanrix Hexa® launched during the year, featured among the Industry Top-20 vaccines list in its first year. This conjugate vaccine helps protect infants against infections caused by diphtheria, tetanus, pertussis, hepatitis B, poliomyelitis, and disease caused by Haemophilis influenzae type b.

One of the highlights of this year, is the launch of Nucala® (Mepolizumab), a humanised monoclonal antibody which is indicated as an add-on treatment for severe refractory eosinophilic asthma in adult patients.

Revenue from operations of ₹ 3129 crores increased by 8% in value terms for the year ended 31st March 2019 as compared with the previous year. Revenue from sale of products of ₹ 3089 crores increased by 10% for the year ended 31st March 2019 as compared with the previous year. The Revenue is deflated arising from impact of divestments and discontinuations to the portfolio and the impact of GST rates effective 1st July 2017. The underlying Sales growth, adjusting for tail-end brand rationalisation and divestments, is a healthy 12% and is driven by our priority brands.

Decline in other operating revenue primarily reflected the transfer out of heads performing activities on behalf of other group companies.

The increase in other income primarily reflected interest on Income tax refund, liabilities written back payable to a group company and increase in interest earnings on deposit with banks.

Expenses were managed below inflation due to operating efficiencies and back end simplification. A focused drive to improve efficiencies, use of smart technology, cost reduction and a positive product mix has resulted in our EBITDA margin improving by 2 percentage points versus previous year.

Profit Before Exceptional Items and Tax amounted to ₹ 659 crores and margins were at 21% of Revenue from operations for the year as compared to the prior year of 18%. Exceptional items for the year ended 31st March, 2019 of ₹ 5 crore income comprises of ₹ 43 crores on sale of property and ₹ 5 crores on sale of brands net of impairment charge on investment held in wholly owned subsidiary (Biddle Sawyer Limited) of ₹ 23 crores and a charge of ₹ 20 crores on account of restructuring of the commercial and manufacturing organisation. Profit After Tax at ₹ 425 crores is higher by 21% against the prior year period.

Cash generation from Operations continued to remain strong this year and is in line with business performance. To support the long-term strategy, your Company is making progress in construction of its new manufacturing plant at Vemgal, Bengaluru. Your Company spent ₹ 291 crores as capital expenditure, mainly for the new Vemgal plant. During the previous year the Company had received ₹ 552 crores in advance towards disposal of Thane Land. The transfer will conclude against obtaining all relevant statutory and other approvals/consents/ permissions as required in law. The amount received has been accounted as advance against sale of land. Your Company continues to look for ways and means of deploying accumulated cash balances as at 31st March 2019 which remain invested largely in bank deposits.

There are no loans guarantees given, securities provided and investments covered under Section 186 of the Companies Act, 2013. Your Company has not accepted any fixed deposits during the year. There was no outstanding towards unclaimed deposits payable to depositors as on 31st March 2019.

There are no significant or material orders passed by the Regulators, Courts or Tribunals which impact the going concern status of the Company and its future operations, nor are there any material changes and commitments affecting the financial position of the Company as on the date of this report.

(b) Pharmaceuticals Business Performance and Outlook

During 2018, your Company put in place an optimal commercial model to deliver sustainable profitable growth. At the core of this model, is the principle of putting energy where it matters - focus and efficiency - to accelerate growth. Therapy areas were identified for sharp focus, namely, anti-infectives, dermatology, respiratory, gastro-intestinal and anti-pyretic. Your Company's product portfolio was optimized, with 20 focus brands to be actively promoted to the customers, healthcare professionals (HCPs). Sales teams were optimized, with investment to increase numbers, build capabilities, and strengthen engagement of the trade channel. This led to an increase in share of voice (SOV) for focus brands as also, an increase in the number of touchpoints in the engagement of HCPs.

The emphasis on enhancing customer experience through multi-channel marketing brought about a transformational increment in customer touchpoints in the Primary Care business. Over 17 million HCP touchpoints were reached through various channels like webinars, e-mails, text messages, virtual calls, and the GSK Pro platform. Your Company's major Primary Care brands are growing faster than the Indian Pharmaceutical Market. The Evolution Index for certain top brands were: Augmentin at 106; Ceftum at 109; Eltroxin at 101 and CCM at 105.

Your Company maintained its leadership in the Dermatology segment in the Indian Pharmaceutical Market during the year. Within the GSK global dermatology franchise as well, your Company continued to maintain its lead with the maximum HCP engagements for the year under consideration.

The BRIDGE (Bringing Insights from Dermatology Group of Experts) forum saw an encouraging response from the dermatologists' fraternity with over 450 HCPs engaged across 17 cities over the year. Your Company doubled the feet on street of cosmeceutical range of products, reaching out to new geographies and more HCPs with a winning strategy. The team continues its endeavour to increase awareness amongst patients on the dangers of self-medication and the appropriate use of steroids through face-to-face differential diagnosis workshops and educational videos.

Your Company is forging ahead on the innovation front, with the recent launch of Nucala, a biologic for severe refractory eosinophilic asthma in adults. India has around 30 million asthma patients and Nucala will bring significant relief to those among them who suffer from severe eosinophilic asthma. In addition, this breakthrough innovation will also strengthen the respiratory portfolio to better serve the patients. The commercial and medical teams are actively engaging with pulmonologists in the country to disseminate the robust data on Nucala.

As part of our new focused approach, your Company is also harnessing the power of Digital Data Analytics, as Your Company evolves and aspires to a state of transformation, whereby highly credible scientific data, digital tools, and experiential learning will significantly improve HCP engagement and experience.

Preventive healthcare - Vaccines

In preventive healthcare, your Company continues to be the No. 1 vaccines company in the self-pay segment with a 30% value market share. Your Company began marketing vaccines in India more than 25 years ago and currently markets 8 vaccines for varied age groups - infants, adolescents and adults. The vaccines self-pay market is currently estimated to be ₹ 2200 crore (IMS MAT Feb 2019) and is growing at around 13%. Eight of your company's vaccines feature in the Top-20 list of vaccines in the self-pay market (IMS MAT Feb 2019).

It has been seven years since the launch of Synflorix, your Company's pneumococcal vaccine. Since then, your Company has distributed more than ten million (one crore) doses protecting kids against pneumococcal diseases. Pneumococcal disease is the No. 1 cause of vaccine-preventable deaths, according to 2008 estimates of the WHO (World Health Organization). During the year, to increase public awareness on the dangers of this disease among parents, your company conducted a mass TV and digital campaign.

Your Company continues to promote maternal immunisation against pertussis with Boostrix. With this indication, your Company now has a better presence in the vaccines for women segment. Your Company is also partnering with FOGSI (Federation of Obstetric and Gynaecological Societies of India) and IAP (Indian Academy of Pediatrics), professional organizations representing practitioners of obstetrics and gynaecology and paediatricians, respectively, in India, to drive awareness among women, for vaccination against maternal & neonatal pertussis.

An emerging area of focus will be raising awareness about vaccination for school-going kids who may have either missed childhood vaccines or may be due for certain vaccines.

(c) Opportunities, Risks, Concerns & Threats

In the interim budget 2019, the government has increased allocation for the Ayushman Bharat Scheme, also known as Pradhan Mantri Jan Arogya Yojana (PMJAY), from ₹ 4,000 crore in 2018-2019 to ₹ 6,400 crore for 2019-2020. But given the large out-of-pocket expenditure, the question is will this be enough.

Quality in general is a comparison to standards. Pharmaceutical quality is very specific because for each pharma product like a tablet or capsule, there are specifications. A uniform standard needs to be adhered to, in terms of aesthetics as well as functionality of the medicine, to ensure patient safety is not compromised. Efficacy of drugs is big on Your Company's agenda to ensure quality healthcare. Your Company always advocated good manufacturing practice (GMP) as a step to ensure that drugs are consistently produced and controlled according to quality standards. GMP is designed to minimise the risks involved in any pharmaceutical production like unexpected contamination of products, causing damage to health; incorrect labels on containers, which could mean that patients receive the wrong medicine; insufficient or too much active ingredient, resulting in ineffective treatment or adverse effects. GMP covers all aspects of production; from the starting materials, premises and equipment to the training and personal hygiene of staff. Your Company believes that there must be systems to provide documented proof that correct procedures are consistently followed at each step in the manufacturing process - every time a product is made. The Uniform Code for Pharmaceuticals Marketing Practices (UCPMP) which is awaited final government approval is also a step forward in this direction.

As the future of medicine is evolving into personalised medicines, immuno-oncology and speciality drugs, an ecosystem that fosters innovation is critical for addressing the unmet medical needs. In this backdrop, Your Company looks forward to the government's efforts to continue investing in the Ayushman Bharat Scheme and increase the healthcare budgets to 3.5% of GDP. Your Company will continue to collaborate with policy makers in creating an ethical, responsible and inclusive healthcare ecosystem.

(d) Regulatory Affairs

During the year under review, to support the commercial availability of new drugs and vaccines that would benefit and improve the quality of life of Indian patients suffering from various diseases, your Company submitted necessary applications for new products in India to the CDSCO (Central Drugs Standard Control Organisation), Ministry of Health and Family Welfare, Government of India.

Some of the applications made were, to register a quadrivalent Inactivated Influenza Vaccine (Fluarix Tetra) for active immunisation of adults and children from 6 months of age for the prevention of influenza disease caused by the two influenza A and B viruses. In addition, applications were made to register the Fluticasone Propionate range of inhalation products, that is, Fluticasone Propionate pressurised metered-dose inhalation (Flixotide Evohaler) for Asthma and Fluticasone Propionate Powder for Inhalation (Flixotide Accuhaler) for Asthma and COPD. An application was also submitted for grant of marketing authorisation of a new anti-malarial drug, Tafenoquine succinate and its tablet formulation which is indicated for the radical cure (prevention of relapse) of Plasmodium vivax malaria to support GSK's Global Health programme.

After a thorough review of its applications, your Company has received an approval of Mepolizumab Powder for solution for injection (Nucala) for the treatment of severe refractory eosinophilic asthma and has launched the product in the Indian market.

In addition, your company has also introduced a new pack presentation of its Augmentin DDS (fixed dose combination of Amoxycillin and Potassium Clavulanate Oral Suspension) co-packed with water for reconstitution and Calpol tablets in a new jar pack. Your company has also obtained necessary approval from the Aurangabad Food and Drug Administration, Maharashtra, for the manufacture of a new line extension of its anti-fungal drug, Griseofulvin 500mg Tablets (Grisovin).

These approvals will enable timely access to new and innovative therapeutic options to patients in our country as well as improve compliance to treatment of existing formulations with new pack presentation and strength.

Medical Affairs & Medical Governance

Your Company's medical team, including disease area experts and the field-based medical team, have had a robust external engagement during the year by delivering more than 600 scientific presentations through GSK standalone scientific promotional meetings (SPMs), reaching close to 20,000 HCPs. In addition, the team conducted more than 2500 scientific one-on-one interactions with HCPs focusing on patient benefit. 95% of HCPs have stated that the interaction with your company's medical team, during these meetings, has helped them to take a more informed decision that benefits patient care. Your company's internal medical team was invited as speakers for several national as well as state-level medical conferences for scientific deliberations, thus strengthening trust in your company as a science-led organisation.

In the anti-infective arena, leveraging digital technologies, your company conducted a pan-India webcast, in collaboration with Association of Healthcare Providers of India (AHPI), connecting 8000 HCPs of various specialties-General Practitioners, ENTs, Internal Medicine specialists, Pulmonologists and Paediatricians - to spread awareness on anti-microbial resistance (AMR) and sensitise HCPs on appropriate antibiotic usage. In addition, your Company's internal medical team also conducted 250 Appropriate Antibiotic Prescribing (AAP) scientific meetings across India last year.

The "Differential diagnosis campaign" is an important initiative driven by your company's Internal medical team that focuses on the accurate diagnosis of common skin conditions by general practitioners who are the first point of contact for the patient with dermatological conditions. For this, the team reached out to almost 4000 primary care physicians in 180 meetings through face-to-face and digital mediums.

Your Company's medical team met key respiratory external experts, in a series of meetings - advisory boards, round tables, scientific promotional meetings (SPMs), national and regional conferences, severe asthma forums and workshops, and one-on-one meetings on severe asthma. These scientific engagements will help pave the path for the effective management of severe eosinophilic asthma in India.

(e) Internal Control Framework

Your Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that govern its business. The Internal Control Framework (the Framework) is a comprehensive enterprise-wide risk management model and supports the continuous process of identification, evaluation and management of the company's risks. The framework is supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. Your Company leverages best practices in the field of risk management and controls by drawing on global standards designed by its parent company, the GSK Plc group. In addition to the external statutory audit, the financial and operating controls of your company at various locations are reviewed periodically by the internal auditors, to report significant findings to the Audit Committee of the Board.

The annual internal audit plan is reviewed and approved by the Audit Committee and the Head of Internal Audit has a direct reporting line to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the implementation of audit recommendations, including those relating to strengthening your company's risk management policies and systems. Compliance with laws and regulations is also monitored through a matrix of a well-laid down framework which requires individual functions to confirm and report statutory compliances on all laws and regulations, concerning their respective functions, and which gets integrated with the overall compliance reporting on all laws and regulations for the purposes of review and monitoring by the Audit Committee.

As required by the Companies Act 2013, your Company has implemented an Internal Financial Control (IFC) Framework. Section 134(5)(e) requires the Directors to make an assertion in the Directors Responsibility Statement that your Company has laid down internal financial controls, which are in existence, adequately designed and operate effectively. Under Section 177(4)(vii), the Audit Committee evaluates the internal financial controls and makes a representation to the Board. The purpose of the IFC is to ensure that policies and procedures adopted by your Company for ensuring the orderly and efficient conduct of its business are implemented, including policies for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The IFC implementation required all processes of your Company to be documented alongside the controls within the process. All processes were satisfactorily tested for both design and effectiveness during the year.

Furthermore, your Company continues its annual Independent Business Monitoring (IBM). The IBM Framework is designed by the GSK Group requiring a regular review of activities, data, exceptions and deviations to continuously monitor and improve the quality of operations. It is a risk-based enterprise approach ensuring consistency, quality, transparency and clear accountability of Risk Management and Internal Controls across all business units. In addition, your Company has an active tracking of all agreed remedial actions and ensures that corrective actions are addressing underlying root causes. Your Company expects all employees to act transparently, respectfully and with integrity and to put the interests of patients and consumers first always. Your company aims to put these core values at the heart of everything it does and every decision it makes. The GSK Code of Conduct and accompanying training seek to ensure everyone has a solid understanding on how to implement and uphold the values in practice.

As part of the due diligence activities for onboarding vendors and third parties engaged by the company, vendors are required to confirm adherence to our corporate values and third-party Code of Conduct as part of a detailed 'Third Party Oversight' (TPO) process. As an annual exercise, your Company's senior executives review and confirm adherence to GSK's Internal Control Framework. Mandatory training on the Code of Conduct helps your Company's employees gain the confidence to make the right decisions and become familiar with the policies and procedures applicable to their areas of operation, avoid any conflicts of interest and report all unethical and illegal conduct.

During the year, Part 1 of the enterprise-wide 'Living our Values' training was issued to your employees and complementary workers. The training included scenarios which explored our values and their application to the company's ways of working, including the awareness of our enterprise risks and Speak Up mechanism. Part 2 of the training focused on several critical risks, including Privacy and Anti-bribery & Corruption (ABAC). Strong oversight and self-monitoring policies and procedures demonstrate your Company's commitment to the highest standards of integrity.

Your Company's policies and updated Global Code of Practice for Promotion and Customer Interactions prescribe the nature of practices and prohibits specifically those which are unethical. Your Company is a signatory to the OPPI (Organisation of Pharmaceuticals Producers in India) Code of Marketing Conduct.

Risk Management

Your Company has a Risk Management and Compliance Board (RMCB), a team of senior leaders, responsible for promoting the local 'tone from the top' and risk culture, as well as ensuring effective oversight of internal controls and risk management process. Each principal risk has an assigned risk owner accountable for management of the risk, including setting of risk mitigation plans, their implementation and reporting their approach and progress to the RMCB on a regular basis. The Risk Management Framework covering business, operational and financial risks is also reviewed annually by the Risk Management Committee. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Vigil Mechanism

Your Company is committed to creating an ethical, values-driven culture, in which issues are responded to swiftly and transparently. Your Company expects everyone at GSK to live our values and expectations, speak up if they have any concerns, and engage appropriately with stakeholders. Your Company also extends these ethical expectations to the third parties they work with. Your Company has a Speak Up programme, which offers people within and outside GSK, a range of channels to voice concerns and report misconduct. The Speak Up culture and procedures encourages everyone to raise concerns about potential unethical or illegal conduct and assures confidentiality and protection from retaliation, retribution or any form of harassment to those reporting such concerns. Confidential Speak Up integrity line phone numbers are available to people within and outside of your Company. An independent company manages these reporting lines and calls are logged through their central system to ensure integrity of the programme. Your Company endeavours to treat all questions or concerns about compliance in a confidential manner, even if the person reporting a question or concern identifies themselves. Your Company also has a well-laid down process to prevent, take disciplinary action and deter acts of sexual harassment.

Your company has in place, a whistle blower policy, with a view to provide a mechanism for its employees/ external stakeholders to approach Local/Group management or the Chairman of Audit Committee (accindrx.audicomitteechairmangskindiarx@gsk.com) in case of any grievance or concern. The Whistle Blower policy can be accessed on your Company's website [http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies].

(f) Human Resources

Your Company, in the year under consideration, focused on enabling the organisation to deliver on its strategic priorities linked to Innovation, Performance, Trust (IPT), supporting managers in their journey to be 'Brilliant Managers' and embedding several initiatives aligned to your Company's commitment to be a Modern Employer.

Organizational Culture

An important part of Trust is for your Company is to be a modern employer, underpinned by brilliant managers and technology. Your Company want to represent the modern world that we live, work and compete in, so every single employee can feel supported when they come to work and give the best of themselves every day. In 2018, your Company launched the modern employer initiative with three key pillars.

- BeYou: Focus on inclusion and diversity as when we combine our knowledge, experiences and styles together, the impact is incredible. One way your Company aims to achieve this is through Employee Resource Groups, including our LGBT+ network Spectrum and the Women's Leadership Initiative.
- FeelGood: Focus on wellbeing with the flexibility to manage our lives, as then we can thrive and do great things at work and home.
- KeepGrowing: Focus on learning and development as when we grow as individuals, we grow as a business.

The GSK Culture Survey continued to be administered twice in the year to garner feedback from employees. For India, engagement scores remained more than 90% against the backdrop of transitioning to a new business model. To reinforce our commitment of keeping your Company's values at the heart of everything that we do, your Company launched the 'Values in Action' workshop for all second line sales leaders, which soon be extended to first line sales leaders. As a part of the 'Brilliant Manager' initiative, your Company launched the Manager One80 survey, a feedback tool to be taken by team members. This will give managers an opportunity to get feedback and grow, brilliant managers being those who (i) know their people (ii) deliver results and (iii) maximise potential.

Recognition is part of your Company's culture where your Company looks to celebrate each other's achievements in line with our organisation's strategic goals. Leaders recognise and reward employees, both in forums and in informal conversations, which serves as a motivating factor and guidance for desired workplace behaviors and exceptional individual and team performance.

To stay connected with our colleagues across the world and to share best practices in real time, your organisation launched an online platform - Workplace by Facebook. This is an amazing opportunity to transform the way we work together and accelerate the delivery of IPT and needed culture change at GSK. This gave the opportunity to stay connected and make our online community even bigger and more engaged.

Diversity and Inclusion

The Women's Leadership Board (WLB) has made significant strides to help reap the gender dividend. The aim of this Board is to develop women talent across all levels and build a pipeline of senior women leaders. We now have 16% gender diversity in our workforce, 16% women at Board level and 28% women representation in top leadership positions. Significant focus on conscious hiring through expanded pool of campuses visited and referrals, leading to 18% of new hires being women in the commercial organisation.Your Company was recognised as one of the 100 Best Companies for Women by Working Mother and AVTAR.

Employee Engagement and Wellness & Wellbeing

Your Company has a range of health and wellbeing programmes and support services to help employees understand how to feel healthier, happier and more energised at work and at home. Providing our people with a safe workplace is extremely important, whether in laboratories, manufacturing sites or offices.

Your company in the year under consideration, sustained its offerings under Health and Wellbeing: The Partnership for Prevention (P4P) programme which offers around 40 preventive healthcare services at very little or no cost to its employees; Employee assistance programme; Energy and Resilience learning offerings for employees and managers; Personalised fitness and nutrition consultation, customised programmes, group participation in marathons and sports events and leader-led running and trekking. 'Orange Day' and 'Pulse' programmes are aimed at enabling employees to give back to the society: During the year under consideration, eight employees participated in the PULSE programme.

Keep Growing-Capability Building

Development is part of one of Your Company's four expectations (others being Courage, Teamwork and Accountability) and core to our organisational DNA. Your Company offers a wide range of learning resources and tools to support individual or team development needs.

During the year, your Company continued leveraging the global talent programmes like Asia Leadership Programme for Emerging Leaders, Accelerating Difference Programme, Job Plus Coaching for building specific capabilities and global leaders. Your Company's past efforts in nurturing internal talent is yielding significant return with several of our candidates moving to senior roles within the country or to regional/global roles.

Your Company also have dedicated sales and site learning teams driving learning. The selling excellence team is responsible for building strong commercial capabilities in the sales organisation including sales reps, first line and second line sales managers. Their efforts are aimed at improving the in-clinic effectiveness of our customer-facing colleagues and ensuring that sales managers can coach their teams for results.

The selling excellence team played a key role in supporting the new commercial operating model by cross training all front-line sales colleagues and onboarding 700+ new employees. Your Company won the prestigious OPPI (industry association of pharma manufacturers in India) Sales Force Excellence Award in October 2018.

Our upcoming manufacturing facility in Vemgal, Karnataka has a 45-day Industrial Readiness Programme for our diploma pharma trainees (campus hires) once their induction is complete.

The programme is compliant with the government's Skill development body – Life Sciences Sector Skill Development Corporation (LSSSDC). At Nashik site, your Company offers soft skills development programmes to keep employees motivated and build a learning culture at the site.

Talent Development

In your Company, career development is about building experience and capability and not defined solely by promotion and advancement. Talent Reviews were conducted across businesses and functions to identify and develop talent so that they are groomed to leadership roles. This was followed with a robust developmental plan to support the individual's career aspirations and ensure they are confident to achieve their career goals in GSK.

Employee Relations

There are four recognized unions based on the Selling Area (zonal), that is, North, East, West and South to address the grievances of employees in the sales force. The Unions are an integral part of the business and are committed to the progress of the company. The management and the unions, in the areas where your Company have a sales force, have signed long-term settlement contracts valid for a period of four years. Similarly, we have also signed long-term settlement for Nasik-based employees for four years. Your Company thanks its Unions for its contributions and maintenance of cordial relations.

Prevention of Sexual Harassment at Work Place

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules made there under. Your Company has also established an Internal Committee, across its commercial offices and manufacturing sites. This year, the focus was on increasing the awareness around POSH and the working of the internal committee. Your Company engaged with diverse employee groups for the same. During the year, the Company received one complaint which was investigated and closed after taking appropriate action.

(g) Supply Chain

Manufacturing Excellence

Manufacturing operations in India are being progressively upscaled and strengthened. The Nashik manufacturing site has continued to deliver on its overall strategic intent and has invested heavily in Safety and Quality in the past several years, while further securing supplies and capability to serve the patient. The new Eltroxin facility with highest safety standards is fully operational and commercial supplies to the market have started. The site has also received Good Manufacturing Practice (GMP) and Good Laboratory Practice (GLP) certification from the FDA in 2018.

Nashik Site is setting new benchmarks on the GSK Production System (GPS) which is based upon lean working principles. Along with management staff, shop floor employees are also part of the continuous improvement culture. The best practices from Nashik are also shared with our CMO partners who have started their GPS journey this year. The site was awarded "Best in Class Excellence in Continuous Improvement" at the Manufacturing Supply Chain Awards summit presented by the Future Supply Chain Solutions group.

New Manufacturing Site

Your Company has invested in a greenfield manufacturing site at Vemgal, Karnataka. This new site ensures supply security by increasing capacity to meet the growing demands for important medicines. Quality, safety and compliance are the key drivers for this investment.

The new site at Vemgal, which represents upwards of ₹ 1000 crores in investment, will be the first greenfield pharmaceutical site that GSK has built across the globe over the past ten years. This site is 'state-of-the-art' and is the first factory designed for the new 'GSK Production Systems', whereby it will deliver, by first design intent, the concepts of zero accidents, zero defects and zero waste. A major focus has been to ensure that we employ a diverse workforce, as such, the design ensures easy access and support for those with disabilities, externally recognised as 'best in class'. Gender diversity and local employment is also a key part of the operational strategy.

The site has been designed with the future in mind; an innovative design will support easy expansion well into the future as the need arises. Initially, the site will supply a range of solid dose form products. Start-up of production is planned early in 2019 with validation batches then followed by commercial supplies in Quarter three 2019. Focusing on "Make in India", the factory will produce 8 billion tablets and 1 billion capsules per year for the Indian market. In 2018, the site has received various permits and licenses. The site was awarded "GOLD" in

Arogya Health assessment which is a phenomenal achievement for a greenfield site which is transitioning from Project to Operations.

End-to-End Supply Chain & Logistics

Your company has initiated Warehouse Network Optimisation which will make your company's distribution set up lean and yet enhance the service capability in the route and speed to the market. There is significant progress in making the distribution process robust, flexible and efficient with the implementation of CERPS, Track & trace mechanisms, temperature maintenance during transit of your products right from site till they reach the wholesalers. Beyond this, the supply chain focuses strongly in ensuring on time and in full service to customer's demand and has also taken up measures to reduce any type of wastage.

We have been the leaders in incorporating digital capabilities in our packaging with the implementation of the Quick Response (QR) code instead of physical leaflets on all our packs. With effective use of technology, we will be able to provide most updated patient information and at the same time, demonstrate our responsibility to the environment by Going Green through the elimination of physical paper inserts.

Employee Health & Safety and Environment

Environmental, Health, Safety and Sustainability (EHSS) strategy has been implemented across the entire value chain, from raw materials to product delivery. The policy on EHSS conforms to local laws as well as GSK's global standards. As our Company grows its business to bring innovative medicines to people across the world, environmental sustainability continues to be a priority and we remain committed to reducing any adverse impact to our environment. Your Company has also initiated collection of post consumed Multi-layered plastic from the market in a phased manner, which is brand and geography neutral.

Various initiatives for Environment, Health, Safety & Sustainability were undertaken at our sites. In 2018, the Nashik site was recognised for its Safety Standards by the National Safety Council and Department of Industrial Safety and Health Maharashtra, where we won three awards in the Management and Non-Management staff categories. On the Health and Hygiene front, the Nashik site was awarded "Gold" in the Healthy Workplace assessment by 'Arogya World', which recognises our work in leading the way in Health and Wellness programmes for employees.

At our greenfield manufacturing site at Vemgal, Karnataka, environmental considerations have been at the forefront of the factory design and future operation. The site is designed and built to obtain LEED (Leadership in Energy and Environmental Design) Gold certification (as per the US Green building council) by adopting environment friendly design and using environmentally responsible resources like recyclable material for construction, efficient processes throughout its life cycle etc. Also, any green building certified to reduce overall impact on environment & human health by reducing pollution and degradation of environment, efficiently using water, energy & other resources, protecting occupant health and improving productivity. In addition, our company has invested in renewable energy in the form of a 0.5 MW Photovoltaic array, which will contribute to the site's energy requirement.

(h) Corporate Social Responsibility

Your Company has a rich legacy of partnering with the communities in which we live and operate. Strong partnerships with community groups are critical, as local organisations have the greatest insights into the needs of their people and the strategies that stand the greatest chance of success. Your Company's focus is on making life-changing, long-term differences in human health by addressing the healthcare burdens of accessibility, affordability and awareness. Your Company works to fulfill this and other social change efforts, through our Corporate Social Responsibility programmes (CSR). During the last year, the CSR programme touched the lives of over a million people across India, with our lead CSR project on Partnering India for Eliminating Lymphatic Filariasis'. Pursuant to the provisions of Section 135 and rules made thereunder of the Companies Act, 2013, the Company has constituted a CSR committee to monitor CSR activities of the Company. The CSR policy of the Company may be accessed on the Company website at the link: https://india-pharma.gsk.com/en-in/about-us/policies-codes-and-standards/.The CSR report on the activities undertaken during the year, given in Annexure 'A', forms a part of this Report.

5. DIRECTORS

Mr. D. S. Parekh resigned as a Non-Executive Director and Chairman of the Company with effect from 31st March 2019. Mr. R. R. Bajaaj, Independent Director and Mr. M. Jones, Non-Executive Director resigned as Directors from the Company with effect from

24th July 2018. The Board thanked Mr. Parekh for his invaluable contribution and guidance to the Company as Director for more than 25 years and as Chairman for more than 20 years. Further Board places on record its appreciation of the valuable services rendered by Mr. R. R. Bajaaj & Mr. M. Jones during their tenure and for their contribution to the deliberations of the Board.

The Board of Directors has appointed Ms. R. S. Karnad as Non - Executive, Non - Retiring Director & Chairperson with effect from 1st April 2019.

In terms of the provisions under Section 149 of the Companies Act, 2013, the Board and Shareholders have approved the appointment of all the existing Independent Directors viz Ms. A. Bansal, Mr. P.V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram for a term for five years from 30th March 2015.

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in sub-section (6).

During the year ended 31st March 2019, six Board & Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Remuneration Policy and Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and Regulation 27 of the Listing Obligations & Disclosures Regulations (LODR), the Board of Directors on the recommendation of the Nomination & Remuneration Committee, adopted a Policy on remuneration of Directors and Senior Management. The Remuneration Policy is stated in the Corporate Governance Report. Performance evaluation of the Board was carried out during the period under review. The details are given in the Corporate Governance Report.

Familiarisation programmes for the Independent Directors

In Compliance with the requirements of SEBI Regulations, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibility as Directors, the working of the Company nature of the industry in which the Company operates business model, etc. It is also available on the Company website: http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

6. PARTICULARSOFCONTRACTSANDRELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and LODR, your Company has formulated a policy on Related Party Transactions. All related party transactions that are entered during the year ended were on arm's length basis and were in ordinary course of business. There were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of Interest of the Company at large. The Policy of related party transactions can be accessed on Company website:http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and LODR.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) that the Directors 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 as on 31st March 2019 and of the profit of the Company for the year ended on that date;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the annual accounts on a going concern basis;

(v) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively and

(vi) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

8. ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company and can be accessed at http://india-pharma.gsk.com/en-in/investors/shareholder-information/Annual Return.

9. CORPORATE GOVERNANCE & BUSINESS SUSTAINABILITY REPORT

Your Company is part of the GlaxoSmithKline Plc group and conforms to norms of Corporate Governance adopted by them. As a Listed Company, necessary measures are taken to comply with the Listing Obligations & Disclosures Regulations, 2015 (LODR) with the Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, given in Annexure 'B', forms a part of this Report. Further, a Business Responsibility Report, describing the initiatives taken by your Company from an environmental, social and governance perspective, is given in Annexure 'C', which forms a part of this Report.

10. AUDITORS

As per the provisions of section 139 of the Companies Act 2013, Deloitte Haskins and Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for the period of five years at the Ninety second Annual General Meeting held on 25th July 2017 to hold office from the conclusion of the said Meeting till the conclusion of the Ninety Seven Annual General Meeting to be held in 2022 on a renumeration to be determined by the Board of Directors. Their appointment was subject to ratification for their appointment by the Members of the Company at every Annual General Meeting. Pursuant to the amendments made to section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May 2018 the requirement of seeking ratification of the Members for the appointment of the statutory Auditors has been withdrawn from the statue. In view of above, ratification of the members at Annual General Meeting is not being sought.

Pursuant to the provisions of section 204 of the Act, and the Rules made there under, the Company has appointed Parikh & Associates, practicing Company Secretaries, to undertake secretarial audit of the Company. The Report of the Secretarial Auditor is annexed to the Board Report as Annexure "D" which forms a part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of Audit Committee have appointed. R. Nanabhoy & Co., Cost Accountants for conducting the audit of the cost accounting records maintained by the Company for its Formulations for 2019-20. The Committee recommended ratification of remuneration for year 2018-19 to the Shareholders of the Company at the ensuing Annual General Meeting. As required by section 92(3) of the Act and the Rules framed there under, the extract of the Annual Return in Form MGT 9 is enclosed as Annexure "E" and also forms a part of this Report.

11 TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO INVESTOR EDUCATION PROTECTION FUND

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund (IEPF) set up by the Government of India, equity shares in respect of which dividend had remained unpaid/ unclaimed for a period of seven consecutive years within the time lines laid down by the MCA. Unpaid/unclaimed dividend for seven years of more has also been transferred to the IEPF pursuant to the requirements under the Act.

12 COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

13. GENERAL

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134(3) M of the Companies Act, 2013 and the rules framed there under is attached herewith as Annexure "F" which forms a part of this Report. The Disclosures pertaining to the remuneration and other details as required under section 197(12) of the Companies Act, 2013 and the rules made thereunder is enclosed as Annexure "G" which forms a part of this Report. Pursuant to section 129(3) of the Companies Act, 2013 a statement in form "AOC-1" containing salient features of the Financial Statements of the Subsidiary Company is attached.

Although the audited statements of accounts, relating to Company's Subsidiary are no longer required to be attached to the Company's Annual Report the same is enclosed as and in way of better disclosure practice.

The information relating to top ten employees in terms of remuneration and employees who were in receipt of remuneration of not less than ₹ 1.02 cores during the year or ₹ 8.5 lakhs per month during any part of the year forms part of this report and will be provided to any Shareholder on a written request to the Company secretary. In terms of Section 136 of the Act, the report entitled at the registered office of the Company during the business on working day of the Company up to date of Annual General Meeting.

14. ACKNOWLEDGMENTS

The Directors express their appreciation for the contribution made by the employees to the significant improvement in the operations of the Company and for the support received from all other stakeholders, including Shareholders, Doctors, Medical Professionals, Customers, Suppliers, Business Partners and the Government.

The Board and the Management of your Company are indeed appreciative of the substantial support being received from GSK Plc, the parent organization, in providing new healthcare solutions which are products of its discovery labs and the technology improvements which benefits your Company immensely.

On behalf of the Board of Directors

Mumbai, 20th May 2019

Ms. R.S. Karnad
Chairperson

Annexure "A" to Director's Report

Corporate Social Responsibility report

Healthy communities are the backbone of strong, sustainable societies. But there are still millions of people without access to basic healthcare. Your company wants to help change this. So, to improve access and support people in vulnerable communities, your company initiates targeted corporate social responsibility (CSR) projects, run by local partners. These projects are designed to be sustainable in the long-term and cater to identified national priorities. In 2018-19, your company's CSR programmes touched the lives of over a million people across India.

Your Board of Directors has appointed a CSR Committee to review and recommend CSR projects. Mr. D.S. Parekh – Chairman (upto 31st March 2019), Mr. A.N. Roy – Chairman (with effect from 1st April 2019), Ms. A. Bansal and Mr. A. Vaidheesh are the members of this Committee.

The CSR Policy of your company is available on the website – www.gsk-india.com and can be accessed by following the link: https://india-pharma.gsk.com/en-in/about-us/policies-codes-and-standards/. Your Company's net profit for the preceding three financial years and two per cent of its average, for calculation of the CSR budget is given in the table below:

₹ in lakhs

	2017-18	2016-17	2015-16
Profit before tax and after exceptional items	541,58.35	511,07.91	575,93.67
Average net profit			542,86.64
CSR @ 2% of average net profit			10,85.73

Accordingly, the CSR Budget for financial year 2018-19 was ₹ 10.86 crores. Against this budget, your company has spent ₹ 10.94 crores on CSR projects, including overheads. This spend amounts to 2% of the average of net profits for preceding three financial years. Your company's CSR projects are aligned to the Schedule VII of the Companies Act and focus on promoting health care, including preventive health care and education.

Detail of the CSR spends in financial year 2018-19 is given in the table below:

(Amount in ₹)

Sr. No.	CSR Project	Project area (local area, state and district)	Project-wise outlay (budget)**	Direct expenditure in reporting period	Cumulative expenditure upto reporting period**	Implementation agencies called 'CSR Partners'
Partnering India to eliminate Lymphatic Filariasis (LF - also known as Elephant Foot)						
1	Albendazole donation for supporting mass drug administration for elimination of LF	Pan-India	50,00,00,000	7,15,09,469	34,09,61,075	World Health Organisation
Mother and child healthcare						
2	Addressing child nutrition through a holistic approach, extending from pre-conception care, through pregnancy, childbirth and the postnatal period, into early childhood	Mumbai, Maharashtra	1,37,00,000	70,00,000	1,23,00,000	Society for Nutrition, Education and Health Action

(Amount in ₹)

Sr. No.	CSR Project	Project area (local area, state and district)	Project-wise outlay (budget)**	Direct expenditure in reporting period	Cumulative expenditure upto reporting period**	Implementation agencies called 'CSR Partners'
3	Awareness building on ante and post-natal care; child and maternal nutrition and newborn care	Kolkata, West Bengal	50,00,000	10,00,000	34,50,000	BITAN Institute for Training, Awareness and Networking
Skilling our youth						
5	Employability enhancement through skills training	Vemgal, Kolar district, Karantaka	4,58,55,000	1,10,00,000	3,53,15,000	Bal Raksha Bharat (Save the Children) and Don Bosco Tech Society
School sanitation						
6	WASH facilities in schools with behaviour change communication	Nashik, Maharashtra	1,20,67,000	36,35,000	1,20,67,000	Bal Raksha Bharat (Save the Children)
Holistic care for the vulnerable						
7	Holistic care for vulnerable underserved girls	Patna, Bihar	50,00,000	10,00,000	36,29,000	Nai Dharti
8	Holistic care for children affected with cancer and their parents	Mumbai, Maharashtra	1,72,00,000	36,00,000	1,36,00,000	St. Jude India ChildCare Centres
Product donation						
9	Product donation and contribution towards disaster relief	Kerala		15,19,634		Americares India Foundation and Chief Minister Disaster Relief Fund
	Total project expense on CSR in FY18-19, including monitoring and evaluation			10,40,22,210		
	Total administrative expense on CSR FY18-19			54,28,650		
	Total CSR expense in FY18-19			**10,94,50,860**		

**Programme budgets and cumulative spends date back furthest to FY14-15 or as applicable.

CSR committee responsibility statement

Your CSR committee confirms that the implementation and monitoring of CSR Policy, is compliant with CSR objectives and policy of your company.

A. Vaidheesh
Managing Director

A. N. Roy
Chairman, CSR Committee

Mumbai, 20th May 2019

Annexure 'B' to the Director's Report

Report on Corporate Governance

(Pursuant to Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Obligations & Disclosures Regulations, 2015 (LODR) entered into with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practice, as well as meets all the relevant legal and regulatory requirements. All Directors and employees are bound by Code of Conduct and the associated standards of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

2. BOARD OF DIRECTORS

- **Composition and size of the Board**

  The present strength of the Board is ten Directors. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Three Directors, including the Managing Director are Whole-time Directors. There are seven Non-Executive Directors, of which, five are Independent Directors.

  Glaxo Group Limited, U.K., have rights enshrined in the Articles of Association relating to the appointment and removal of Directors not exceeding one-third of the total number of retiring Directors.

- **Board meetings and attendance**

  Six Board meetings were held during the year ended 31st March 2019 and the gap between two Board meetings did not exceed four months. The annual calendar of Board meetings is agreed upon at the beginning of each year.

  The information as required under Schedule V (C) of the Listing Obligations & Disclosures Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated at least seven days prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

  The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	6th April 2018	12	9
2.	24th May 2018	12	9
3.	24th July 2018	12	11
4.	22nd October 2018	10	9
5.	4th February 2019	10	10
6.	27th March 2019	10	9

Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of companies and committees where he/she is a Director / Member (as on 31st March, 2019)

Name of Director	Category of Directorship	Number of Board Meetings attended	Attendance at the last AGM held on 24th July 2018	*Number of Director-ships in other companies (including GSK)	**Number of mandatory committee positions held in other companies	
					Chairman	Member
Mr. D. S. Parekh Chairman (up to 31.03.2019)	Non-Executive	6	Yes	9	4	2
Ms. R. S. Karnad Chairperson (w.e.f. 01.04.2019)	Non-Executive	NA	NA	8	3	5
Mr. R. R. Bajaaj (up to 24.07.2018)	Non-Executive & Independent	3	No	NA	NA	NA
Ms. A. Bansal	Non-Executive & Independent	5	Yes	9	Nil	1
Mr. P. V. Bhide	Non-Executive & Independent	5	Yes	9	3	7
Mr. N. Kaviratne	Non-Executive & Independent	6	Yes	1	Nil	1
Mr. R. Krishnaswamy	Executive	5	Yes	2	Nil	Nil
Mr. A. N. Roy	Non-Executive & Independent	6	Yes	4	Nil	Nil
Mr. D. Sundaram	Non-Executive & Independent	6	Yes	7	5	2
Mr. A. Vaidheesh Managing Director	Executive	6	Yes	2	Nil	1
Mr. M. Jones (up to 24.07.2018)	Non-Executive	0	No	NA	NA	NA
Mr. S. Williams	Non-Executive	3	Yes	1	Nil	Nil
Ms. P. Thakur	Executive	6	Yes	2	Nil	Nil

*Excludes directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies;

** Committees considered are Audit Committee and Stakeholders' Relationship Committee as per Listing Regulations.

Mr. R. R. Bajaaj, Independent Director of the Company has resigned from the Board with effect from 24th July 2018 due to other professional commitments. Further, he has given confirmation there are no other material reason for his resignation.

Mr. Deepak Parekh - Non-Executive Director & Chairman

(DIN: 00009078) (up to 31.03.2019)

Mr. Deepak Parekh spearheads India's premier housing finance company, HDFC Ltd. He has taken HDFC beyond housing finance and built it into a formidable financial conglomerate that offers services in banking, asset management, life insurance, general insurance, and education finance, including a Real Estate Venture Fund. He is also associated with international organizations in an advisory capacity, including the Indo-US CEO Forum, City of London, and Indo- German Chamber of Commerce (IGCC). He was recently appointed as London's 'International Ambassador', tasked with championing the UK capital across the globe. He has been awarded the Padma Bhushan, the third-highest civilian award in India for distinguished service in any field of a high order, in 2006. France conferred him with the honour, "Knight in the Order of the Legion of Honour" in 2010. In addition, he is the first international recipient of the Institute of Chartered Accountants in England and Wales Outstanding Achievement Award in 2010.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr No	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	Siemens Limited	Independent Director	Finance, Treasury, M&A, Governance, Risk Management, Housing Finance, Real Estate, & Infrastructure
2	HDFC Life Insurance Company Limited	Non - Executive Director	
3	HDFC Asset Management Company Limited	Non - Executive Director	
4	Housing Development Finance Corporation Limited	Non - Executive Director	
5	The Indian Hotels Company Limited	Independent Director	
6	HDFC Ergo General Insurance Company Limited	Non - Executive Director	
7	Network18 Media & Investments Ltd.	Independent Director	
8	National Investment and Infrastructure Fund Limited	Non - Executive Director	

Ms. Renu Sud Karnad- Non - Executive Director & Chairperson

(DIN: 00008064) (w.e.f. 01.04.2019)

Ms. Renu Sud Karnad was appointed as Non- Executive, Non-Retiring Director and chairperson of the Company with effect from 1st April 2019. Ms. Karnad is a Managing Director of HDFC Limited and in-charge of the lending operations of the company and is responsible for spearheading HDFC's expansion. A Post Graduate in Economics from the University of Delhi and a degree holder of Law from the University of Mumbai, Ms. Karnad brings with her rich experience and enormous knowledge in the mortgage sector, having been part of the nascent real estate & mortgage sectors in India. She is also a Parvin Fellow - Woodrow Wilson School of International Affairs, Princeton University, U.S.A. Additionally, she has under her fold the Human Resources and Communications functions. Apart from being HDFC's brand custodian, she is the guiding force behind formulation of the organization's communication strategy and public image. Owing to her successful spell with the mortgage sector, Ms. Karnad has served as the President of the International Union for Housing Finance (IUHF), an association of housing finance firms present across the globe. She is a Member of Audit Committee, Risk Management Committee, Nomination & Remuneration Committee and Chairperson of Stakeholders Committee.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr. No.	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	ABB India Limited	Independent Director	Housing & Real Estate, Finance and Human Resources
2	Maruti Suzuki India Limited	Independent Director	
3	HDFC Life Insurance Company Limited	Non - Executive Director	
4	HDFC Asset Management Company Limited	Non - Executive Director	
5	Housing Development Finance Corporation Limited	Managing Director	
6	Bangalore International Airport Limited	Independent Director	
7	HDFC Ergo General Insurance Company Limited	Non - Executive Director	

Mr. Damodarannair Sundaram – Independent Director

(DIN: 00016304)

Mr. Damodaran Sundaram's experience spans corporate finance, business performance, monitoring operations, governance, mergers & acquisitions, talent / people management and strategy. Mr. Sundaram joined Hindustan Unilever Limited (HUL), the Indian listed subsidiary of Unilever Plc, as a management trainee in June 1975 and served in various capacities including six years in Unilever, London as Commercial Officer, Africa and Middle East (1990-1993) and as Sr. Vice President for South Asia and Middle East (1996-1999). He was the Chief Finance Officer of HUL from April 1999 to March 2008 and as the Vice Chairman and CFO from April 2008 to July 2009. He is a two-time winner of the prestigious "CFO of the Year for FMCG Sector" award by CNBC TV18 (2006 and 2008).

Mr. Sundaram is currently the Vice Chairman and Managing Director of TVS Capital Funds Ltd., managing a growth capital Private Equity Fund (TVS Shriram Growth Fund). He is a Post-Graduate in Management Studies (MMS) from Chennai, Fellow of the Institute of Cost Accountants, and has completed an Advanced Management Program (AMP) from the Harvard Business School. He is member of the Board of KREA University. He is Chairman of the Audit and the Risk Management Committee of our Company.

Mr. Sundaram is Chairman of the Audit Committee of Infosys Limited, ACC Limited & Crompton Greaves Consumer Electricals Limited. He is also the Chairman of Stakeholders Relationship Committee of TVS Electronics Limited. He is a Member of Audit and Corporate Social Responsibility Committee of TVS Electronics Limited. He is also a Member of Nomination and Remuneration, Corporate Social Responsibility, Stakeholder Relationship & Risk Management Committee of Crompton Greaves Consumer Electricals Limited. Mr. Sundaram is a Member of Nomination and Remuneration & Risk Management Committee of Infosys Limited.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr. No.	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	ACC Limited	Independent Director	Commercial, Finance, IT, Corporate Governance M&A & Treasury
2	TVS Electronics Limited	Independent Director	
3	Crompton Greaves Consumer Electricals Limited	Independent Director	
4	Infosys Limited	Independent Director	
5	TVS Capital Funds Limited	Managing Director	
6	SBI General Insurance Company Limited	Independent Director	

Mr. Nihal Kaviratne – Independent Director

(DIN: 00032473)

Mr. Nihal Kaviratne, CBE has an Honours degree in Economics from Mumbai University. His global career with Unilever spanned 40 years. He joined them in India as a Management Trainee in 1966 and held a series of increasing senior roles including Head of Marketing Research and Economics and General Manager of Export Division. In 1984, he moved to Indonesia as Managing Director of the Detergents Division and later became Regional Leader for Latin America and South Asia at Corporate Headquarters in London, Managing Director in Argentina, and Chairman in Indonesia. He was appointed Senior Vice President - Development and Environmental Affairs, Unilever Asia, based in Singapore and Chairman of Unilever's Home and Oral Care businesses in Asia. He was awarded the CBE for services to UK business interests and for sustainable development in Indonesia. He is Chairman of Nomination & Remuneration Committee and member of Audit Committee & Risk Management Committee of GlaxoSmithKline Pharmaceuticals Ltd. He is an Independent, Non-Executive Director of several Temasek-linked companies including StarHub Limited, DBS Group Holdings Limited, DBS Bank Limited, DBS Foundation Limited and Olam International Limited. He is a Member of the Private Sector Portfolio Advisory Committee in India for the UK Government's Department for International Development (DFID). He serves on the Advisory Board of Bain & Company for SEA/ Indonesia and was appointed a member of the Global Corporate Resilience Advisory Council of McKinsey effective January 2018. He is also the Chairman of Caraway Pte Ltd, Singapore. His expertise is in the field of Marketing, Strategy, General Management, Environmental Affairs, Governance, Audit and Risk Management.

Mr. Anami N. Roy – Independent Director

(DIN: 01361110)

Mr. Anami Roy holds a master's degree in history and is a retired civil servant. During his 38 years long career in the Indian Police Service ("IPS"), he held with great distinction a range of assignments including some of the challenging and sensitive ones, both in the Maharashtra state and Government of India. He retired in May 2010 as the Director General of Police (DGP), Maharashtra, heading a police force of over 2,00,000. As DGP Maharashtra, he was the advisor to the state government for internal security, law and order and crime administration. Mr. Roy, as Police Commissioner of Mumbai for over three years has evolved many instruments and schemes for making Police services more accessible to citizens and people-friendly. Citizen Facilitation Centers for providing time-bound, transparent, hassle-free solutions to people's expectations from the Police was highly appreciated by people and media. As Managing Director of Police Housing Corporation, he galvanized the work of planning, financing and executing projects of housing and office building construction for Police and other organizations under Home Department of Government of Maharashtra. As the Director General of Anti-Corruption Bureau, he initiated a policy document on Vigilance matters for Government of Maharashtra and took many steps for checking corruption in Government working. He was responsible for all operational matters in the elite Special Protection Group, charged with the responsibility of the proximate security of the Prime Minister and former Prime Ministers. He has very wide knowledge and experience of security and Intelligence matters at the state and national level. He is Chairman of Corporate Social Responsibility Committee.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr. No.	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	Bajaj Auto Limited	Independent Director	Human Resource, Administration, Security and Intelligence matters, Anti-Corruption & Vigilance
2	Bajaj Holdings & Investment Limited*	Independent Director	
3	Bajaj Finance Limited*	Independent Director	
4	Bajaj Finserv Limited	Independent Director	
5	Mayar Health Resorts Limited	Director	

*Appointed w.e.f. 1st April 2019

Mr. Pradeep V. Bhide- Independent Director

(DIN: 03304262)

Mr. Pradeep V. Bhide, Science and Law graduate from Delhi University, has done his Master's in Business Administration from IGNOU. He is enrolled as an Advocate with Delhi Bar Council. Mr. Bhide joined the Indian Administrative Service in 1973 and has served for 37 years. He held a series of increasingly senior positions at the State and Central levels. He worked as Secretary for Department of Finance and then Department of Energy of Andhra Pradesh. He was a Deputy Secretary / Director in the Department of Economic Affairs, Ministry of Finance and served as Advisor to India's Whole-time Director to the International Board for Reconstruction and Development, Washington. Mr. Bhide then served as Additional Secretary / Special Secretary in the Ministry of Home Affairs of the Government before being appointed as Secretary in the Department of Disinvestment with the Ministry of Finance. Mr. Bhide retired as Secretary, Department of Revenue, Ministry of Finance in January 2010, a position which he held from June 2007.He is members of Audit Committee, Risk Management Committee and Stakeholders Relationship Committee of the Company.

Mr. Bhide is Chairman of Audit Committee of L & T Finance Limited & Tube Investments of India Limited. He is also Chairman of Stakeholders Relationship Committee of L & T Finance Holdings Limited and Chairman of Risk Management Committee of Tube Investments of India Limited. Mr. Bhide is a Member of Nomination and Remuneration Committee of L & T Finance Limited, L & T Finance Holdings Limited & VST Industries Limited. He is also a Member of the Audit Committee, Risk Management and Corporate Social Responsibility Committee of VST Industries Limited.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr. No.	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	Gujarat Borosil Limited*	Independent Director	Finance, Administration & Taxation
2	VST Industries Limited	Independent Director	
3	Tube Investments of India Limited	Independent Director	
4	L&T Finance Holdings Limited	Independent Director	
5	NOCIL Limited	Independent Director	
6	L&T Housing Finance Limited	Independent Director	
7	L&T Finance Limited	Independent Director	
8	Heidelberg Cement India Ltd**	Independent Director	
9	Quick Heal Technologies Ltd**	Independent Director	

*Appointed w.e.f. 1st April 2019

** Resigned w.e.f. 31st March 2019

Ms. Anjali Bansal - Independent Director

(DIN: 00207746)

Ms. Anjali Bansal is former Non-Executive Chairperson of Dena Bank. She heads NITI Aayog Investment Council for Fintech and Women Entrepreneurship.

Ms. Bansal is founder of Avaana Capital, a fund platform that invests in the scaling up of growth stage startups. She was previously global Partner and Managing Director with TPG Growth PE, Spencer Stuart India Founder-CEO, and strategy consultant with McKinsey and Co in New York and India. She started her career as an Engineer.

She serves as an Independent Non-Executive Director on the boards of Siemens Ltd, Tata Power, Voltas, Bata, and Delhivery. She is on the Advisory Board of the Columbia University Global Centers, South Asia. Previously, she chaired the India board of Women's World Banking, a leading global livelihood-promoting institution and continues to be an advisor to SEWA.

An active contributor to the dialogue on corporate governance and diversity, Ms. Bansal co-founded and chaired the FICCI Center for Corporate Governance program for Women on Corporate Boards. She serves on the managing committee of the Bombay Chamber of Commerce and Industry. She is a member of the Young Presidents' Organization.

She has been listed as one of the "Most Powerful Women in Indian Business" by India's leading publication, Business Today, and by Fortune India. Ms. Bansal is a frequent speaker at forums like Harvard, Stanford, Columbia, IVCA, BSE and jury member for awards including ET 40 Under 40, Women Ahead, CEO Awards, VC Circle, AIWMI Wealth Awards and others.

She is BE in Computer Engineering from Gujarat University and Master's in International Finance and Business from Columbia University. She is a member of Nomination & Remuneration Committee & Corporate Social Responsibility Committee.

List of Directorship excluding directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Sr. No.	Directorship in listed entities	Category of Directorship	Expertise in Specific Functional Areas
1	Dena Bank*	Non-Executive Chairperson	Human Resource, Digital Marketing and Technologies & Strategy
2	Bata India Ltd	Independent Director	
3	Apollo Tyres Limited	Independent Director	
4	The Tata Power Company Limited	Independent Director	
5	Siemens Limited**	Independent Director	
6	Voltas Limited	Independent Director	
7	Tata Power Solar Systems Limited	Independent Director	
8	Tata Power Renewable Energy Limited	Independent Director	
9	Kotak Mahindra Asset Management Company Limited	Independent Director	

* Merged with Bank of Baroda & Vijaya Bank w.e.f. 1st April 2019

**Appointed w.e.f. 1st April 2019

Mr. Annaswamy Vaidheesh – Managing Director

(Din: 01444303)

Mr. Annaswamy Vaidheesh, is a successful senior business leader with over 3 decades of diverse experience in healthcare and FMCG domain. He has a strong track record of leadership development and building leading brands/ franchises across various categories and multi-cultural locations in Asia-Pacific region. In December 2016, Vaidheesh was recognised as one of the "Most Influential Leaders of Asia" by Economic Times at the Asian Business Leaders Conclave held in Malaysia.

He is a Bachelor of Physics, from Madras University and has done his Master's Degree in Marketing Management from Bombay University. He is an Honorary Fellow of The Association of Minimal Access Surgeons of India and is a certified Process Excellence Black Belt.

Prior to his current role, he was Vice President, Corporate Government Affairs, Asia-Pacific for Johnson & Johnson based out of Singapore and a member of Global Leadership team for healthcare advocacy and policy. Before that, he was Managing Director of Johnson & Johnson Medical India (JJMI) and Vice President, Asia-Pacific- Diabetes franchise for five years. His expertise is in field of Business Strategy, Market Creation, Advocacy & Policy making and Organization Development.

He is currently the President of the Organisation of Pharmaceutical Producers of India (OPPI), the Chairman of Healthcare Committee of Confederation of Indian Industry (CII) and on the Board of UK India Business Council (UKIBC).

Mr. Annaswamy Vaidheesh was appointed as Managing Director from 3rd August, 2015 to 30th September, 2019. He does not hold any shares in the Company and is also not related to any Directors of the Company. He is a Director in Biddle Sawyer Limited. He is a member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

Ms. Puja Thakur – Whole-time Director & CFO

(DIN: 07971789)

Ms. Puja Thakur is a Chartered Accountant and joined GSK in February 2004 from PWC. She has done various roles and has an all-round experience of managing an integrated business between Commercial and Supply Chain both in India and in international markets. Prior to joining the Company, she was Finance Director for GSK Consumer, MEA Region. She was appointed with effect from 1st January 2018 and she is Director in Biddle Sawyer Limited. She has expertise in the fields of Finance & Treasury.

Mr. Raju Krishnaswamy – Whole-time Director

(DIN: - 03043004)

Mr. Raju Krishnaswamy, has completed his B. Pharm from JSS College of Pharmacy, Ooty and has done his MBA from ICFAI. He has 32 years of experience. Prior to joining the Company, Raju worked as a Senior Vice President, Global Manufacturing with Wockhardt Limited. In this capacity, he was leading the manufacturing operations of Wockhardt in India, U.S.A. and Ireland. He also headed the contract manufacturing services and the R&D formulation for India and rest of the world countries. Earlier, he has also had successful stints with organizations like Cipla Limited and Ranbaxy Laboratories Limited. He was also actively working on the Boards of Wockhardt Infrastructure Development Limited and Wockhardt Biopharm Limited. Mr. Raju Krishnaswamy was appointed as Whole-time Director from 1st August 2011 in the Company. His expertise is in the field of Supply Chain, Logistics & Manufacturing operations. He does not hold any shares in the Company and is also not related to any Directors of the Company. He is Director in Biddle Sawyer Limited.

Mr. Subesh Williams – Non - Executive Director

(DIN: 07786724)

Mr. Subesh Williams, aged, 57, is a Chartered Accountant and Senior Vice President, Global Corporate Development at GSK Plc, a role he was appointed to in September 2013. In his current role, Subesh is responsible for M&A and Business Development across GSK's commercial businesses and has been involved in executing a number of transactions, including the creation of ViiV Healthcare (a HIV JV with Pfizer and Shionogi) and the 3 - part deal with Novartis which involved the acquisition of Novartis' vaccines business, the creation of a JV in Consumer Healthcare and the sale of GSK's oncology business. In 2016, Subesh was appointed to the Board of Galvani Bioelectronics, a joint venture between GSK and Verily (a subsidiary of Alphabet). From 2009- 2013, Subesh was Chief Financial Officer of ViiV Healthcare, with responsibility for Finance, Business Development, IT and Supply. Subesh joined GSK in 1994 and has had roles of increasing responsibility in Finance and Corporate Development. Prior to joining GSK, he was a Manager at PWC. He was appointed as a Director in the Company with effect from 7th April 2017. His expertise is in the field of Finance, Business Development, and Merger & Acquisitions. He does not hold any shares in the Company nor is he a Director in any other Company and is also not related to any Directors of the Company.

- Independent Directors have confirmed that they meet the criteria of independence as laid down under the Companies Act and the SEBI Listing Regulations as amended.

- Company has obtained certificate from Practicing Company Secretaries Parikh & Associates, confirming that none of the Directors on Board is debarred or disqualified from being appointed or continuing as Director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

- In the opinion of the Board, both the existing Independent Directors and those who are proposed to be appointed as a Director at the Annual General Meeting, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

- Meeting of Independent Directors was held on 24th May 2018 where all the Independent Directors were present except Mr. P. V. Bhide, including Mr. D.S. Parekh as an invitee.

- **Directors with materially significant related party transactions, pecuniary or business relationship with the Company:**

  The Board of Directors has approved a policy for related party transactions and has been uploaded on the Company's website http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/. There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc; that may have potential conflict with the interests of the Company at large. All transactions entered with the related parties during the year ended 31st March 2019 as mentioned under the Companies Act 2013 and Regulation 23 and 27(2)(b) of the Listing Obligations and Disclosures Regulations (LODR) were in the ordinary course of business and at on arm's length pricing basis. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

  The Company has adopted policy for determination of 'Material Subsidiary' and the same has been posted on the Company website http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

  None of the Directors are related to each other.

- **Dividend Distribution Policy**

  The Board of the Directors of the Company had approved the Dividend Distribution Policy on 27th October 2016 and the policy is available on the Company website http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

- **Directors Induction and Familiarization**

  The Board members are provided with necessary reports and internal policies to enable them to familiarize with company procedures and practices. Web link giving details of familiarization program is avaliable on the Company website http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

- **Details of Directors being appointed /re-appointed**

  As per the Statute, two-third of the Directors excluding Independent Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

  Mr. Subesh Williams will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for his re-appointment.

  A brief resume of Directors appointed / eligible for re-appointment along with the additional information required under Clause 36(3) of the Listing Obligations & Disclosures Regulations, 2015 as required is provided above.

3. AUDIT COMMITTEE

Terms of Reference

The terms of reference of this Committee are wide enough to cover the matters specified for audit committee under Section 177 of the Companies Act, 2013 and Clause 18 of the Listing Obligations & Disclosures Regulations, 2015 with Stock Exchanges and are as follows:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b) to review with Management, the financial statements at the end of a quarter, half year and the annual financial statements thereon before submission to the Board for approval, focusing particularly on:

(i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub Section 3 of Section 134 of the Companies Act, 2013;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by management;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions; and

(vii) qualifications in the draft audit report.

c) to consider the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;

d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management where necessary);

e) reviewing, with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;

f) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

g) discussion with internal auditors on any significant findings and follow up thereon;

h) reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

i) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;

j) to review the functioning of the Whistle Blower mechanism;

k) to approve any subsequent modification of transactions of the Company with related parties; (explanation): The term "related party transactions" shall have the same meaning as provided in Clause 2(1)(zc) of the Listing Obligations & Disclosures Regulations, 2015 ;

l) to scrutinize inter-corporate loans and investments;

m) to evaluate internal financial controls and risk management systems;

n) to do valuation of Undertakings or assets of the Company, wherever it is necessary;

o) to approve appointment of CFO (i.e. the Executive Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

p) to review the external auditor's audit reports and presentations and management's response;

q) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;

r) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;

s) to review policies and procedures with respect to directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the external auditors;

t) to review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

u) the Auditors of the Company and the Key Managerial Personnel shall have right to be heard in the meetings of the Audit Committee when it considers the Auditor's Report but shall not have the right to vote;

v) to consider other topics, as defined by the Board;

w) to carry out any other function as is mentioned in the terms of reference of the Audit Committee;

x) review the following information by Audit Committee

The Audit Committee shall mandatorily review the following information:

i) Management discussion and analysis of financial condition and results of operations;

ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;

iv) Internal audit reports relating to internal control weaknesses; and

v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

vi) Cyber security policy of the Company.

vii) The utilization of loans and / or advances from / investments by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- **Details of the composition of the Audit Committee and attendance of Members are as follows:**

Six Audit Committee meetings were held during the year ended 31st March 2019. The Committee comprises of Independent and Non-Executive Directors and their meetings were held on 6th April 2018, 23rd May 2018, 24th July 2018, 22nd October 2018, 18th December 2018 and 4th February 2019.

Name of the Members	Designation	Category of Directorship	Attendance out of six meetings held
Mr. D. Sundaram	Chairman	Non-Executive & Independent	6
Mr. D.S. Parekh*	Member	Non-Executive	5
Mr. N. Kaviratne	Member	Non-Executive & Independent	5
Mr. P. V. Bhide	Member	Non-Executive & Independent	6

*Mr. D.S. Parekh resigned with effect from 31st March 2019.

Ms. R. S. Karnad was appointed as member of the committee with effect from 1st April 2019.

All the members of Audit Committee are financially literate. The Managing Director, Chief Financial Officer, other Whole-time Directors, the Statutory Auditors and Internal Auditors are invitees to the meetings. The Company Secretary is Secretary to the Committee.

The Chairman of the Audit Committee, Mr. D. Sundaram, was present at the Annual General Meeting of the Company held on 24th July 2018.

Risk Management Committee

The Risk Management Committee consists of the same members as Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE

- **Terms of Reference**

The terms of reference of this Committee cover the matters specified for Nomination & Remuneration Committee under Section 178 of the Companies Act, 2013 and Clause 19 of the Listing Obligations & Disclosures Regulations, 2015 with Stock Exchanges and are as follows:

a) Formulation of the criteria for determining qualification, positive attributes and independence of a Director and they recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

While formulating the policy as mentioned above the Committee will ensure that;

1) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;

3) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

e) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

The composition of the Nomination & Remuneration Committee is as follows:

Name of the Member	Designation	Category of Directorship
Mr. N. Kaviratne	Chairman	Non-Executive & Independent
Mr. D. S. Parekh*	Member	Non-Executive
Ms. A. Bansal	Member	Non-Executive & Independent

*Mr. D.S. Parekh resigned with effect from 31st March 2019.

Ms. R. S. Karnad was appointed as member of the committee with effect from 1st April 2019.

During the year under review, the Committee met on 4th February 2019 and 27th March 2019. All the members attended the meeting.

Remuneration Policy & Evaluation Criteria

The Nomination & Remuneration Committee has adopted Policy on Remuneration to the Senior Management and Whole-time Directors of the Company and a Policy on composition, diversity and evaluation of the Board of the Company. The major terms of both policies are as under:

Remuneration Policy for Senior Management & Whole-time Directors

a) All the Whole-time Directors including the Managing Director is paid such remuneration as may be mutually agreed between the Company and the Whole-time Directors within the overall limits prescribed under the Companies Act, 2013 and is subject to approval by the Shareholders of the Company.

b) The remuneration for the Senior Management and Whole-time Directors mainly consists of salary, benefits, perquisites and retirement benefits which are fixed components and the annual performance bonus and long-term incentives are the variable components.

c) When determining remuneration levels, individual’s role, experience and performance and independently sourced data for relevant comparator groups are considered.

d) Ordinarily, salary increases will be broadly in line with the average increases for the wider GlaxoSmithKline workforce. However, increases may be higher to reflect a change in the scope of the individual’s role, responsibilities or experience.

e) The overall performance of the individual is a key consideration when determining salary increases.

f) The Company has adopted remuneration policy and the same has been posted on Company website http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies.

Performance Evaluation of the Board

In terms of the provisions of the Companies Act, 2013 and Schedule II-part D of the Listing Obligations & Disclosures Regulations, 2015, the Board has carried out the annual performance evaluation of its own including the various Committee and the individual Directors with a detailed questionnaire covering various aspects of Board’s functioning like composition of the Board and its Committees, Board culture, performance of specific duties and obligations.

A similar process with a separate exercise was carried out to evaluate the performance of the individual Directors including the Chairman of the Board, who were evaluated on parameters such as the independence of judgement, level of engagement, their contribution, safeguarding the interests of the Company and minority members.

Remuneration to Non - Executive Directors

a. Independent and Non-Executive Directors other than Directors who are in the employment of the GlaxoSmithKline Group Companies are entitled for sitting fees of ₹ 50,000 per meeting of Board or Committee thereof. They will also be entitled for reimbursement of expenses incurred for participation in the Board or Committee Meetings.

b. All the Directors of the Company, excluding the Managing Director, Directors in the Executive employment of the Company and Directors who are in the employment of the GlaxoSmithKline Group Companies are entitled to receive commission collectively up to a maximum of one percent of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 for such period and such amount as may be decided by the Board of Directors from time to time.

c. The Independent Directors of the Company are not entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

The details of the remuneration paid to the Directors during the year ended 31st March 2019 are given below:

(₹ in lakhs)

Whole-time Directors	Salary	Performance Bonus	Perquisites and Allowances	GSK Plc -Share Value Plan	Contribution to Provident Fund and Superannuation Fund	Total
Mr. A. Vaidheesh	274.43	124.89	101.78	204.65	74.10	779.84
Mr. R. Krishnaswamy	79.76	35.50	74.81	48.36	21.53	259.97
Ms. P. Thakur	100.73	N.A.*	90.45	26.71	18.33	236.22

*Relates to performance bonus for the period ended January to December 2017. She was appointed as a Director w.e.f. 1st January 2018.

(₹ in lakhs)

Independent Directors and Non-Executive Directors	Commission#	Sitting Fees	Total
Mr. D. S. Parekh*	70.00^	24.00^^	94.00
Mr. R. R. Bajaaj**	5.00	2.50	7.50
Ms. A. Bansal	15.00	5.00	20.00
Mr. P. V. Bhide	15.00	6.00	21.00
Mr. N. Kaviratne	15.00	7.00	22.00
Mr. A. N. Roy	15.00	5.00	20.00
Mr. D. Sundaram	15.00	7.00	22.00

payable in 2019
* Resigned with effect from 31st March 2019.
^ Includes one-off one-time additional commission of ₹ 50 lakhs.
^^ Sitting fees for meetings held in March 2018 was paid in April 2018.
** Mr. R. R. Bajaaj resigned with effect from 24th July 2018.

Notes:

(a) The agreement between the Company and Whole-time Directors is;

a) Mr. A. Vaidheesh for a period from 3rd August 2015 to 30th September 2019:
b) Mr. R. Krishnaswamy for a period from 1st August 2016 to 31st July 2019:
c) Ms. P. Thakur for period from 1st January 2018 to 31st December 2020:

The terms of the agreement are valid up to the expiry of agreement or normal retirement date, whichever is earlier. Either party to the agreement is entitled to terminate the agreement by giving not less than three month's notice (six month's notice in case of Managing Director) in writing to the other party.

(b) Performance bonus is paid as a percentage of salary, based on certain pre-agreed performance parameters.

(c) The above figures do not include provision for encashable leave, gratuity and premium paid for health insurance.

(d) There is no separate provision for payment of severance fees.

(e) None of the Directors other than those listed above are paid remuneration.

(f) None of the other Directors hold any shares of the Company except Mr. D. S. Parekh who holds 1224 equity shares & Ms. R. S. Karnad who holds 600 equity shares of the Company.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013, the composition of the Corporate Social Responsibility Committee is as follows:

Name of the Member	Designation	Category of Directorship
Mr. D. S. Parekh*	Chairman	Non-Executive
Mr. A.N. Roy	Member	Non-Executive & Independent
Ms. A. Bansal	Member	Non-Executive & Independent
Mr. A. Vaidheesh	Member	Managing Director

*Mr. D.S. Parekh resigned with effect from 31st March 2019.

During the year under review, the Committee met on 8th May 2018 & 25th January 2019 and all the members attended the meeting except Mr. D.S. Parekh & Mr. A. Vaidheesh did not attend on 25th January 2019 meeting. Please refer to the Board's Report and its annexures for details regarding CSR activities.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and clause 20 of the Listing Obligations & Disclosures Regulations, 2015, the composition of the Investors / Shareholders Grievance Committee is as follows:

Name of the Member	Designation	Category of Directorship
Mr. D. S. Parekh*	Chairman	Non-Executive
Mr. R. R. Bajaaj**	Member	Non-Executive & Independent
Mr. P. V. Bhide	Member	Non-Executive & Independent
Mr. A. Vaidheesh	Member	Managing Director

*Mr. D.S. Parekh resigned with effect from 31st March 2019.

**Mr. R. R. Bajaaj resigned with effect from 24th July 2018.

Ms. R.S. Karnad was appointed as Chairperson of the committee with effect from 1st April 2019.

During the year under review, the Committee met on 18th December 2018 and except Mr. D.S. Parekh all the members attended the meeting.

Name, designation and address of the Compliance Officer:

Mr. Ajay Nadkarni
Company Secretary
Dr. Annie Besant Road
Worli, Mumbai - 400 030
Phone : (022) 2495 9433
Fax : (022) 2498 1526
Email ID : ajay.a.nadkarni@gsk.com

The complaints received during the year under review are as follows:

Sr. No	Particulars	No. of Complaint
1	At the beginning of the year	01
2	Received during the year	124
3	Resolved during the year	125
4	Pending at the end of the year	00

During the year under review, the above complaints regarding non-receipt of shares sent for transfer, demat queries and non-receipt of dividend warrants and annual reports were received from the members, all of them were resolved. The Company had no transfers pending at the close of the financial year.

7. GENERAL BODY MEETINGS

Details of the location of the last three Annual General Meetings (AGM) and details of the resolutions passed or to be passed by Postal Ballot:

Date	Year	Venue	Time	Special Resolution
24th July 2018	1st April 2017 to 31st March 2018	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai – 400 020	2.30 p.m.	None
25th July 2017	1st April 2016 to 31st March 2017		3.00 p.m.	None
28th July 2016	1st April 2015 to 31st March 2016		3.00 p.m.	Commission to Independent Directors

All the resolutions, including special resolutions set out in the respective Notices were passed by the members. One Postal Ballot was held during the year under review. No Special Resolution is proposed to be passed through Postal Ballot at the forthcoming Annual General Meeting.

Postal Ballot

During FY 2018-2019, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and any other applicable provisions of the Companies Act, 2013, below mentioned resolution was passed by the members through postal ballot. The notice of the postal ballot dated 30th July 2018 was sent to all members of the Company along with postage prepaid envelopes. Parikh & Associates, Practicing Company Secretary, was appointed as the Scrutinizer for the Postal Ballot and submitted his report to Chairman, Mr. Deepak Parekh. The results of the Postal Ballot were announced on 5th September 2018, and the details are as follows:

- **ORDINARY - Increase in authorized share capital of the Company**

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public-Institutions	E-Voting	10626908	9856757	92.75	8974371	882386	91.05	8.95
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.00	0.00
Public- Non Institutions	E-Voting	10548847	141907	1.34	141336	571	99.60	0.40
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	49166	0.46	48593	573	98.84	1.16
	Total	84703017	7357509	86.86	72691562	883530	98.80	1.20

- **SPECIAL - Alteration of Clause V of Memorandum of Association of the Company.**

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public-Institutions	E-Voting	10626908	9856757	92.75	8974371	882386	91.05	8.95
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.00	0.00
Public-Non Institutions	E-Voting	10548847	141344	1.33	141054	290	99.80	0.20
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	48777	0.46	48708	69	99.86	0.14
	Total	84703017	73574140	86.86	72691395	882745	98.81	1.19

- **SPECIAL - Alteration of Clause 4 of Article of Association of the Company.**

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public-Institutions	E-Voting	10626908	9856757	92.75	8974371	882386	91.05	8.95
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.00	0.00
Public-Non Institutions	E-Voting	10548847	141344	1.33	141054	290	99.80	0.20
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	48802	0.46	48516	286	99.42	0.58
	Total	84703017	73574165	86.86	72691203	882962	98.80	1.20

ORDINARY - Approval for the issue of bonus shares

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public- Institutions	E-Voting	10626908	9856757	92.75	8974371	882386	91.05	8.95
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.00	0.00
Public- Non Institutions	E-Voting	10548847	142698	1.35	141735	963	99.33	0.67
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	49106	0.46	49087	19	99.97	0.03
	Total	84703017	73575823	86.86	72692455	883368	98.80	1.20

SPECIAL - Approval of members to the continuation of Mr. D S. Parekh as a Non-Executive Director of the Company after his attaining the age of seventy five years

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public- Institutions	E-Voting	10626908	9856757	92.75	9787256	69501	99.30	0.70
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.00	0.00
Public- Non Institutions	E-Voting	10548847	140978	1.33	140564	414	99.71	0.29
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	48502	0.45	46392	2110	95.65	4.35
	Total	84703017	73573499	86.86	73501474	72025	99.91	0.09

- **SPECIAL - Approval of members to the continuation of Mr. N. Kaviratne as an Independent Director of the Company after his attaining the age of seventy five years**

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	63527262	63527262	100.00	63527262	0	100.00	0.00
	Poll	63527262	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	63527262	0	0.00	0	0	0.00	0.00
Public-Institutions	E-Voting	10626908	9856757	92.75	9856757	0	100.00	0.00
	Poll	10626908	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10626908	0	0.00	0	0	0.0000	0.00
Public-Non-Institutions	E-Voting	10548847	140402	1.33	139987	415	99.71	0.29
	Poll	10548847	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	10548847	48454	0.45	45722	2732	94.37	5.63
	Total	84703017	73572875	86.85	73569728	3147	99.99	0.01

8. MEANS OF COMMUNICATION

The quarterly and half-yearly results are published in widely circulating national and local dailies such as The Economic Times and Business Standard, in English and Maharashtra Times, in Marathi. These are not sent individually to the members.

The Company's results and official news releases are displayed on the Company's website. The Company's website address www.gsk-india.com. The Company had six meetings and made a presentation to institutional investors and analysts during the year.

The Management Discussion and Analysis Report form a part of this Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

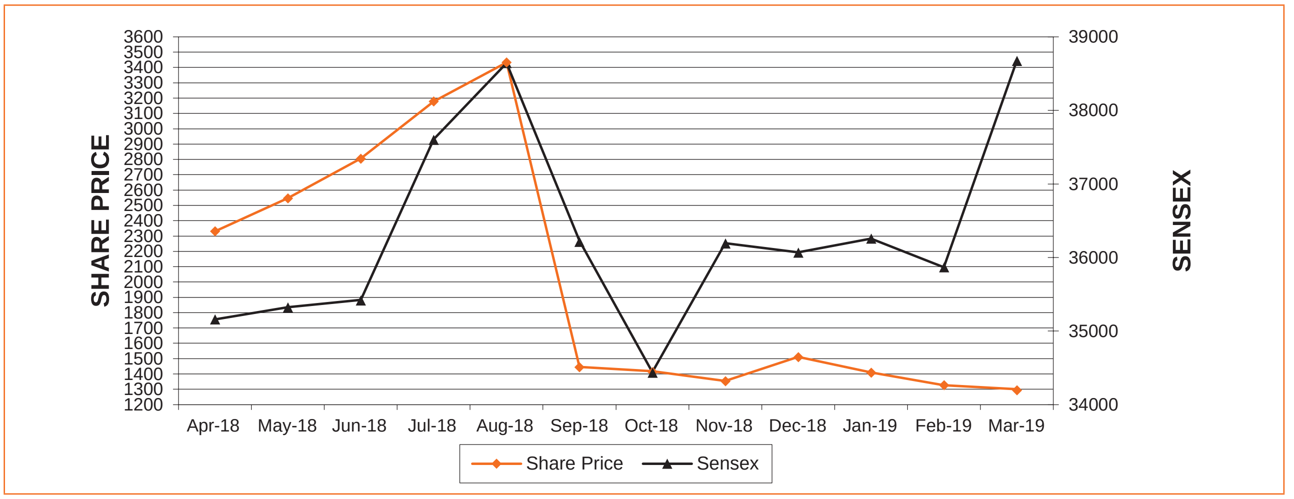
AGM: Date, Day, Time and Venue	22nd July 2019, Monday at 2.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai - 400 020
Financial Year	i) April to March ii) First Quarter Results – July 2019 iii) Half-Yearly Results – October 2019 iv) Third Quarter Results – February 2020 v) Results for the year ending 31st March 2020 - May 2020
Date of Book Closure	15th July 2019 to 22nd July 2019 (both days inclusive)
Dividend Payment date(s)	on and after 22nd July 2019
Listing on Stock Exchange	The BSE Limited, Mumbai and the National Stock Exchange of India Limited. The Company has paid the listing fees for the financial year 2018-19 and 2019-20.
Stock Code	500660 on BSE GLAXO on The National Stock Exchange (NSE)
Demat ISIN Number for NSDL and CDSL	INE 159A01016

- High/low of market price of the Company's shares traded along with the volumes on The Stock Exchange, Mumbai and on the National Stock Exchange during the year April 2018 to March 2019 is furnished below:

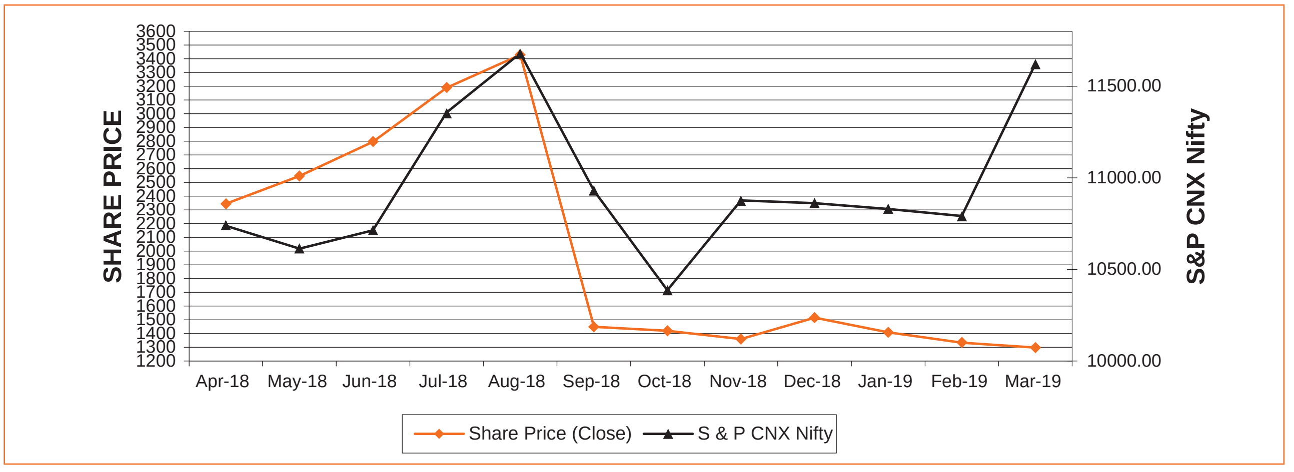
Month & Year	BSE			NSE		
	High (Rupees)	Low (Rupees)	Volume (No. of Shares)	High (Rupees)	Low (Rupees)	Volume (No. of Shares)
April 2018	2449	2085	18121	2450	2020	187106
May 2018	2560	2272	25058	2553	2308	215074
June 2018	2864	2500	213978	2870	2501	353568
July 2018	3249	2706	81647	3249	2732	603882
August 2018	3470	3155	68796	3475	3159	476271
September 2018	3595	1418	91009	3600	1420	667345
October 2018	1478	1253	54052	1483	1251	407096
November 2018	1452	1315	37503	1460	1313	228675
December 2018	1520	1313	35073	1520	1324	294912
January 2019	1545	1380	27008	1512	1378	261967
February 2019	1465	1306	22182	1420	1311	321750
March 2019	1365	1270	42283	1342	1270	402099

Note: Share price is rounded off to nearest rupee

- **Share Performance of the Company in comparison to BSE Sensex**



- **Share Performance of the Company in comparison to NSE S&P CNX Nifty**



Equity History

Particulars	No. of shares issued (of ₹ 10 each)	Year of issue
Original Holding	18,00,000	1924
Bonus Issue	2,00,000	1947
Bonus Issue	10,00,000	1962
Bonus Issue	24,00,000	1968
Public Issue	18,00,000	1969
Bonus Issue	36,00,000	1977
Bonus Issue	36,00,000	1980
Public cum Rights Issue	56,00,000	1983
Shares allotted to Group Companies	44,89,800	1993
Rights Issue	53,97,700	1993
Bonus Issue	2,98,87,500	1995
Shares issued pursuant to the amalgamation of SmithKline Beecham Pharmaceuticals (India) Limited (SBPIL) with the Company in the ratio of one share of the Company for every two shares of SBPIL issued on 30th November 2001	1,47,00,000	2001
Shares issued pursuant to the amalgamation of Burroughs Wellcome (India) Limited (BWIL) with the Company in the ratio of fourteen shares of the Company for every ten shares of BWIL issued on 29th October 2004	1,28,47,546	2004
Buy back of equity shares	(26,19,529)	2005
Bonus Issue	8,47,03,017	2018
Total	**16,94,06,034**	

List of top ten members of the Company other than Glaxo Group Limited, GlaxoSmithKline Pte Limited, Eskaylab Limited and Burroughs Wellcome International Limited who hold 35.99%, 28.10%, 6.94% and 3.97% shares respectively are as follows:

Sr. No.	Name of Shareholder	% to Equity
1.	Life Insurance Corporation of India	6.36
2.	Aditya Birla Sun Life Trustee Company Private Limited	2.57
3.	General Insurance Corporation of India	1.14
4.	Aberdeen Global Indian Equity (Mauritius) Limited	0.62
5.	Investor Education and Protection Fund Authority	0.44
6.	The Oriental Insurance Company Limited	0.42
7.	Vanguard Emerging Markets Stock Index Fund	0.28
8.	The India Fund Inc	0.19
9.	L &T Mutual Fund Trustee Limited	0.18
10.	The New India Assurance Company Limited	0.17

- **The distribution of shareholding as on 31st March 2019 is as follows:**

No. of Equity Shares held	Folios	%	Shares	%
Up to 25	25856	26.24	287460	0.17
26 to 50	12024	12.20	493156	0.29
51 to 100	15059	15.28	1282012	0.76
101 to 500	38506	39.08	9557533	5.64
501 to 1000	4742	4.81	3363523	1.99
1001 to 10000	2253	2.29	4498304	2.66
10001 and above	84	0.10	149924046	88.49
Grand Total	**98524**	**100.00**	**169406034**	**100.00**

- **Shareholding pattern as on 31st March 2019 is as follows:**

Category	No. of Shares	%
Promoter & Promoter Group		
• Glaxo Group Limited, U.K.	6,09,70,500	35.99
• GlaxoSmithKline Pte Limited, Singapore	4,76,04,024	28.10
• Eskaylab Limited, U.K.	1,17,60,000	6.94
• Burroughs Wellcome International Limited, U.K.	67,20,000	3.97
Mutual Funds	49,46,655	2.92
Financial Institutions / Banks/ Insurance Companies	1,38,21,851	8.16
Foreign Institutional Investors/ NRI/ OCB	30,98,037	1.83
Bodies Corporates	9,09,222	0.54
Foreign Nationals	150	0.00
Individuals	1,83,81,696	10.85
Others	11,93,899	0.70
Total	**16,94,06,034**	**100.00**

- Registrars and Share Transfer Agents

Karvy Fintech Private Limited
Unit: GlaxoSmithKline Pharmaceuticals Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad, Telangana – 500032
Tel No.: 040 - 67162222
Fax No.: 040 - 23001153
Contact Person: Mr. Premkumar Nair
Email ID: einward.ris@karvy.com

- Share transfer system

All the transfers received are processed by the Registrars and Share Transfer Agents and are approved by the Share Transfer Committee, which normally meets two times in a month or more depending on the volume of transfers. Share transfers are registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respects.

❍ Dematerialisation of shares and liquidity	98.40% of the paid-up capital has been dematerialised as on 31.03.2019. Glaxo Group Limited, GlaxoSmithKline Pte Limited, Eskaylab Limited and Burroughs Wellcome International Limited, who jointly hold 75.00% of the paid-up share capital of the Company, hold their shares in the dematerialised form.
❍ Outstanding GDRs/ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity	Not issued.
❍ Address for correspondence	Shareholders' correspondence should be addressed to the Company's Registrars and Share Transfer Agents at the address mentioned above. Shareholders may also contact Mr. Ajay Nadkarni, Company Secretary, at the Registered office of the Company for any assistance. Tel. Nos. 022- 24959595 Extension 433/434/415 Email ID: ajay.a.nadkarni@gsk.com Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.
❍ Plant	A-10, M I D C Area - Ambad, Nashik - 422001, Maharashtra

10. OTHER DISCLOSURES

- Transactions with related parties are disclosed in Note 52 to the standalone financial statements in the Annual Report.
- Company has not obtained any credit rating for the financial year ended 31st March 2019.
- Company has not raised any funds through preferential allotment or QIP for the financial year ended 31st March 2019.
- Company has paid ₹ 97.75 lakhs as total fees for all services provided by Deloitte Haskins & Sells LLP, Statutory Auditors of the Company.
- Policy for related party transactions has been uploaded on the Company's website http://india- pharma.gsk.com/en-in/investors/shareholder-information/policies/.
- There was one Sexual harassment complaint which was reported and closed during the year.
- During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Codes of Conduct applicable to all Directors and employees of the Company have been posted on the Company's website. For the year under review, all Directors and Senior Management personnel of the Company have confirmed their adherence to the provisions of the said Codes.
- The Company has put in place a whistle blower policy/ vigil mechanism pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company and no one has been denied access to the Audit Committee.
- The Company has in place Risk Management Policy for Risk Assessment and Mitigation and it is periodically reviewed by the Board Members.
- The Company is not dealing in commodity and hence disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

- The Company has sent first reminder for the shares which are lying unclaimed with the Company as per Listing Regulations.
- There is no Non- Compliance of any requirement of Corporate Governance Report of Sub para (2) to (10) of Part C of Schedule V of the Listing Regulations.

The Company has complied with all mandatory items of the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 with schedule II and V of Listing Regulations.

NON - MANDATORY REQUIREMENTS

A. The Board

The Chairman of the Board does not maintain a Chairman ‘s office at the Company’s expense.

B. Shareholders Right

The quarterly and half-yearly results are published in widely circulating national and local dailies such as The Economic Times and Business Standard, in English and Maharashtra Times, in Marathi. These are not sent individually to the members but hosted on the website of the Company.

C. Audit Qualification

There are no qualifications contained in Audit Report.

D. Separate post of Chairman and Managing Director

The posts of Chairman and Managing Director are separate.

E. Reporting of Internal Auditors

The Internal Auditor of the Company reports to the Audit Committee and makes detailed presentations at quarterly meetings.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, May 20, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated April 25, 2019.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GlaxoSmithKline Pharmaceuticals Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

In accordance with Regulation 26(3) of the SEBI Listing Obligations & Disclosures Requirements (LODR), Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the year ended March 31, 2019.

For GlaxoSmithKline Pharmaceuticals Limited

Annaswamy Vaidheesh
Managing Director

Mumbai, May 20, 2019

Annexure ‘C’ to the Director’s Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L24239MH1924PLC001151
2. Name of the Company : GlaxoSmithKline Pharmaceuticals Limited
3. Registered Address : Dr. Annie Besant Road, Worli, Mumbai - 400030
4. Website : www.gsk-india.com
5. E-mail id : in.investorqueries@gsk.com
6. Financial Year reported : 1st April 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code wise):

Group	Class	Sub class	Description
210	2100	21001	Manufacture of medicinal substances used in the manufacture of pharmaceuticals: antibiotics, endocrine products, basic vitamins; opium derivatives; sulpha drugs; serums and plasmas; salicylic acid, its salts and esters; glycosides and vegetable alkaloids; chemically pure sugar

8. List three key product/services that the Company manufactures. provides (as in balance sheet) : Betamethasone, Potassium Clavulanate with Amoxycillin & Pneumococcal Polysaccharide Conjugate Vaccine (adsorbed) Ph. Eur.
9. Total number of locations where business activity is undertaken by the Company:
   i. Number of international locations : Nil
   ii. Number of national locations : 1 Manufacturing Plant at Nashik
Head Office at Mumbai
10. Markets served by the Company : Pan India across all markets in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (₹ in lakhs) : 169,40.60
2. Total turnover (₹ in lakhs) : 3128,53.46
3. Total profit after taxes (₹ in lakhs) : 425,36.05
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : The Company’s total spending on CSR is 2.02% of the average net profit in the previous three financial years.
5. List of activities in which expenditure in 4 above has been incurred :

   Please refer to Annexure ‘A’ to Directors Report for the details

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes, the Company has one subsidiary, Biddle Sawyer Limited.

2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?**

   Business responsibility initiatives of the parent company are applicable to all subsidiary companies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

The GSK Code of Conduct is applicable to all the business entities who do business with the Company. The business associates do not directly participate in Business Responsibility Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Director Identification Number (DIN): 03043004

Name: Mr. Raju Krishnaswamy

Designation: Whole-time Director

b) Details of the BR Head:

1	DIN (if applicable)	:	03043004
2	Name	:	Mr. Raju Krishnaswamy
3	Designation	:	Whole-time Director
4	Telephone No	:	+91 22 24959650
5	E mail ID	:	raju.x.krishnaswamy@gsk.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

2a. Details of Compliance (Reply Y/N)

	Question	Business Ethics	Product Responsibility	Wellbeing of Employee	Stakeholder Engagement and CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / guidelines for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Have the policy/guidelines been formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the policy/guidelines conform to any national / international standards? If yes, specify?	Most of the company's policies/guidelines are aligned with GSK Plc's global best practices. The Company adhered to Indian laws and regulations, in cases where it is more stringent.								
4	Have the policy/guidelines been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	N.A.	Y	N.A.	Y	Y	Y	Y
		Standards and Policies adopted by our global parent have been put in place in India. Being in the healthcare business, our standards are more stringent.								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy/guidelines?	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Question	Business Ethics	Product Responsibility	Wellbeing of Employee	Stakeholder Engagement and CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	http://india-pharma.gsk.com/en-in/about-us/policies-codes-and-standards/ https://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/								
7	Has the policy/guidelines been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies/guidelines?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies / guidelines to address stakeholders' grievances related to the policy / policies / guidelines?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy / guidelines by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2b. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not understood the principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The Company does not have financial or manpower resources available for the task	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done within next six months	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done within next one year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Governance related to BR:

The Board of Directors of the Company assesses business responsibility initiatives annually. The Company publishes a Business Responsibility Report in its Annual Report once a year.http://india-pharma.gsk.com/en-in/investors/financial-results/annual-reports/.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Ethics, transparency and responsibility

Good governance and transparent reporting are part of our commitment to be open about our business activities. Our commitment to responsible, value-based business underlies everything we do, including our sales and marketing practices, policy activities and our relationships with suppliers and how we conduct and report our research. We have a strong values-based culture and our actions are supported by robust policies and compliance processes.

We conduct our business in an ethical way. We also engage stakeholders directly to understand and prioritise the issues that are important to them. Our policies on ethics, bribery and corruption cover all our stakeholders, including suppliers, vendors, contractors, NGOs, etc.

As a global corporation, we have a common Code of Conduct across the globe. This code sets out fundamental standards for all employees and is supported by the Employees Guide to Business Conduct, which helps employees take ethical decisions and emphasises our values: transparency, respect for people, integrity, and focus on the patient. Every employee at the time of induction is taken through the code of business conduct and specialised training is provided for employees working in manufacturing, sales and marketing, where there are additional requirements. In addition, all managers and employees are required to confirm their compliance with the code on an annual basis. This Code is not just for all employees, but also extends to anyone who works for and on behalf of GSK. At GSK, we ensure that everything we do is guided by our commitment to our values and our commitment to being in compliance with the regulations within which we have to operate. The foundations of these commitments are laid out in our Code of Conduct and each employee must take personal responsibility to abide by our Code.

We market our prescription medicines and vaccines to healthcare professionals, hospitals and the government. Our policies and updated Global Code of Practice for Promotion and Customer Interactions prescribe the nature of our practices. This code, as the name suggests, is applicable worldwide. Our regional and local policies, standard operating procedures and other codes provide additional guidance to employees. In addition, we are also a signatory to the OPPI (Organisation of Pharmaceutical Producers of India) code of marketing conduct.

We also have in place The Anti-Bribery and Corruption (ABAC) Programme. ABAC is a part of GSK's response to the threat and risk of bribery and corruption. The programme includes the ABAC Handbook, which has been designed to assist internal and external parties, understand corruption risk, and identify people's responsibilities to actively combat both real and perceived corruption.

Speak Up - Our whistleblowing initiative

We have a culture of disclosure which is enabled by a strong grievance redressal body and supportive ecosystems. In addition, specific processes and mechanisms to facilitate reporting of unethical conduct or violation of laid down guidelines as well as for protection of employees that report unethical conducts are in place. All GSK employees have access to whistle blowing that they can use to get advice, and to report suspected cases of misconduct anonymously, if required. (For more details, please see the Director's Report).

Safety & Sustainable products and services

Sustainability in our business is critically important if we are to deliver continued innovation and success through our products. Our commercial success depends on growing a diverse business, creating innovative new products that people value, making them widely accessible and operating efficiently. In the process, we are able to grow our business and add value to our patients, consumers, employees, our members and society. Through our wide range of products and services, GSK touches the lives of millions of patients every day. In the best interest of the patient, we endeavour to work with responsible suppliers who adhere to the same quality, social and environmental standards as GSK and its affiliates worldwide. At GSK, the interest of the patient is of prime importance at every stage from development until the final distribution.

Being a global company, most of GSK's products are approved by major international regulators like USFDA and UKMHRA. Besides, there are mandatory regulatory approvals required in India endorsing the safety of the product.

A significant proportion of ingredients for our products and packaging material are sourced locally from third party manufacturers belonging to Micro, Small and Medium Enterprises. A qualified team is in place to build capacity and capability, to educate and raise the standard of these vendors. The Company has a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply.

To ensure compliance to GSK's standards, all these vendors have to go through the GSK Audit and Approval process which are based on global guidelines. Our quality team trains and guides these vendors to ensure that they have infrastructure, facilities, systems and controls in line with GSK's global standards. In addition, periodic quality audits are held to ensure that the manufacturing processes, both internally as well as with contract manufacturing partners, remain compliant with our quality standards. These are over and above the specific quality checks with respect to each batch of finished products as well as inputs in the form of raw materials.

As our products are related to health, we cannot recycle our products. However, there is a mechanism to segregate the waste given to the authorised vendor for recycling, wherever appropriate. We reuse some paper packaging material.

We follow the GMP guidelines with respect to our product packaging. Our products have barcodes and other features to avoid pilferage. To validate the authenticity of the product, we have started a unique QR code for one of our products. This feature was introduced as an anti-counterfeit measure.

EHS & Environment

Environmental, Health, Safety and Sustainability (EHSS) strategy has been implemented across the entire value chain, from raw materials to product delivery. The policy on EHSS conforms to local laws as well as GSK's global standards. As our Company grows its business to bring innovative medicines to people across the world, environmental sustainability continues to be a priority and we remain committed to reducing any adverse impact to our environment. Our company has also initiated collection of post consumed multi-layered plastic from the market in a phased manner, which is brand and geography neutral.

Various initiatives for Environment, Health, Safety & Sustainability were undertaken at our sites. In 2018, the Nashik site was recognised for its Safety Standards by the National Safety Council and Department of Industrial Safety and Health – Maharashtra, where we won three awards in the Management and Non-Management staff categories. On the Health and Hygiene front, the Nashik site was awarded “Gold” in the Healthy Workplace assessment by ‘Arogya World’, which recognises our work in leading the way in Health and Wellness programmes for employees.

In 2018, the Nashik site received the Pharma Supply Chain (PSC) Energy Trophy, which is a recognition for the best manufacturing site across the GSK Pharma Supply Chain network for energy performance and use of renewable energy. The site has also achieved reduction in water consumption year on year.

At our greenfield manufacturing site at Vemgal, Karnataka, environmental considerations have been at the forefront of the factory design and future operation. The site is designed and built to obtain LEED (Leadership in Energy and Environmental Design) Gold certification (as per the US Green building council) by adopting environment friendly design and using environmentally responsible resources like recyclable material for construction, efficient processes throughout its life cycle etc.

Also, any green building certified to reduce overall impact on environment & human health by reducing pollution and degradation of environment, efficiently using water, energy & other resources, protecting occupant health and improving productivity. In addition, our company has invested in renewable energy in the form of a 0.5 MW Photovoltaic array, which will contribute to the site's energy requirement.

Employee Wellness & Wellbeing

Our wellness and wellbeing initiatives have a fundamental underpinning in the understanding that when we focus on our wellbeing and balance our work and personal lives, we can thrive and do great things at work and home. We have a range of health and wellbeing programmes and support services to help employees understand how to feel healthier, happier and more energised at work and at home.

Your Company has a range of health and wellbeing programmes and support services to help employees understand how to feel healthier, happier and more energised at work and at home, under the categories, Health& Wellbeing, Energy & Resilience and the Employee Assistance Programme. (For more details, check #FeelGood in the Human Resources section of the Director's Report).

Your Company's aim is to create an inclusive and engaging working environment that empowers employees to contribute and help us achieve our strategic business objectives. (For more details on initiatives, please check #BeYou in the Human Resources section of the Director's Report.)

In addition, we are committed to conducting our operations in a responsible manner to protect our employees, the environment and community in which we operate. Extensive work has been carried out at our Nashik site as well as amongst our sales force to train and create awareness on Employee Health and Safety.

Safety training has been given to all employees in the last year, including permanent women employees, temporary employees and those with disabilities at the company's Nashik, Maharashtra and Vemgal, Karnataka sites.

The Company also encourages its employees to go for regular health checkups and immunisation towards preventive healthcare, leveraging the Partnership for Prevention or P4P initiative for the preventive healthcare of our employees and their families, in addition to the existing GSK medical plan. GSK has also developed a global driver safety programme, 'Safe Driving: Every Journey Counts' for the safety of our employees in the field force. This initiative aims at increasing awareness on road and motor vehicle safety, with tips that can be put into practice in our employees' daily lives.

GSK places its Values (Transparency, Respect for People, Integrity and Patient Focus) at the heart of everything it does. In addition, our expectations (Courage, Accountability, Development, Teamwork) together with our Values and Innovation Performance Trust priorities contribute to the culture of the company.

Stakeholder engagement

Engagement and dialogue enables us to understand the needs and views of key stakeholders. This engagement and feedback helps us to identify important issues and shape our response in the interest of our members and wider society.

Many of our engagements take place during the routine course of business, in day-to-day interactions with customers, employees, suppliers and other partners. Besides, we carry out formal and structured engagement, including through meetings, consultations and participation in conferences.

Examples of how we engage with our stakeholders are outlined here.

- *Healthcare Professionals (HCPs)*
  - Sales representative meetings
  - Interactions during clinical studies and at conferences
  - Engagement with professional organisations
  - Patients
  - Market research to understand patient needs
  - Governments and regulators
  - Our public policy work
  - Input to policy makers based on our global experience on key issues such as healthcare

- *Investors*
  - Meetings with investors

- *Employees*
  - Regular employee surveys
  - Consultation with employee representatives on changes to the business

- *Local communities*
  - Our community development programmes
  - Our non-governmental organisation partners for our CSR projects
  - Partnering in community for engagement development programmes

- *Suppliers*
  - Global and regional supplier review meetings
  - Meetings for diverse suppliers

- *Peer companies*
  - Pharmaceutical industry organisation meetings
  - Joint projects, such as the Pharmaceutical Supply Chain Initiative

Human Rights

GSK conforms to national laws as well as the global GSK policies. We comply and adhere to all the human rights laws and guidelines of the Constitution of India, national laws and policies and the content of the International Bill of Human Rights.

We have direct control over human rights in our own operations and aim to act responsibly across all our spheres, which includes our employees, suppliers, local communities and more broadly, the society.

Our approach to human rights

Employees - Our employment standards cover issues including diversity, equal opportunities, health & safety and protection of employees' human rights.

Suppliers - Our Third Party Code of Conduct requires suppliers, contractors and business partners to meet GSK guidelines for ethical standards and human rights. Environmental, Health and Safety (EHS) audits help us identify potential breaches of our human rights clauses.

Communities - GSK aims to have good relationships with all the communities around our sites and to operate in ways that do not infringe their human rights.

Society - We can have an influence on human rights beyond our own operations. Our efforts to improve access to healthcare support society more broadly to fulfill its right to health.

Read more on our positions online including: Our Human Rights Statement; (Click on the tab, Responsibility' on www.gsk.com Principle 5: Businesses should respect and promote human rights).

Environment

At GSK, we continue to support environmental initiatives through our environmental sustainability strategy that is implemented across the entire value chain – from raw materials to product disposal. As we grow our business to bring innovative medicines to people across the world, environmental sustainability continues to be a priority and we remain committed to reducing our environmental impact.

Our policy on environment conforms to local laws as well as GSK's global standards. Various initiatives for energy efficiency and renewable energy were undertaken at our Nashik site during the year.

During the year, the site has also undertaken initiatives for reducing water consumption on principles of reduction, recycling and re-use in applications across the site.

Over and above these measures, there have been continued efforts to monitor noise levels, recycling of waste and monitoring of gaseous emissions from the boiler that have resulted in sustaining a high level of energy efficiency. (For more on these initiatives, please read Director's Report).

The emissions generated by the Company are within the limit specified by the Maharashtra Pollution Control Board. With regard to waste management, our waste is segregated and given to government approved vendors for recycling, wherever appropriate. Nashik site runs on zero discharge basis with respect to water. Treated site effluent is used for site gardening.

We publish our positions on our intranet "EHS Manager – Entropy" on the following:

- Climate change
- The impact of climate change on health

Besides, we publish our positions on our website which include:

- Climate change
- Impact of climate change on health
- Genetically modified micro-organisms and EHS
- Pharmaceuticals in the environment
- Ozone depletion and metered-dose inhalers for asthma
- Ozone depleting substances in plant and equipment

The Company is aligned to Parent for global environmental initiatives and link for the same is as follows https://www.gsk.com/en-gb/responsibility/environment.

Public policy and patient advocacy

GSK is a member of various industrial and trade bodies like Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Bombay Chamber of Commerce and Industries (BCCI), Organization of Pharmaceutical Producers of India (OPPI), the India Business Councils of UK & US and Pharmaceutical Research and Manufacturers of America (PHRMA). We are a part of various task forces, sub-committees on critical issues, such as health insurance and drug pricing, and forums within these chambers and work closely with the industry bodies in devising strategies to improve healthcare access in the country as well to participate in advocacy for creating a business-friendly environment in the country.

Inclusive growth & equitable development

GSK India has a long legacy of giving and partnering with the communities in which we live and operate. We focus on making life-changing, long-term differences in human health by addressing some of the major health-related concerns. We work to fulfill this and other philanthropic efforts, through community-based partnerships. Strong partnerships with community groups are critical, as local organisations have the greatest insights into the needs of their people and the strategies that stand the greatest chances of success. For more details on our CSR projects, please refer to our Annual CSR Report 2018-2019 https://india-pharma.gsk.com/media/846520/annual-csr-report-2018-19.

We also encourage employee volunteering through programmes, such as Orange Day and the PULSE initiatives (For more details, please see the Human Resources' section of the Director's Report)

Patient engagement

Patients are at the core of our business. They are our most important stakeholders. We are constantly seeking new ways of delivering healthcare and making our products available and affordable to people who need them, wherever they live.

In our effort to expand access to our products, we have led the industry by adopting a flexible pricing approval to pricing our medicines and vaccines based on a country's ability to pay. This has resulted in significant reduction in prices, representing a good outcome for the patients.

We adhere to national and international standards with respect to product safety and code of engaging with customers.

On our product packaging, we provide all the information as required under the Drugs & Cosmetics Act & Rules.

As on 31st March 2019, from a quality perspective, 47 complaints that were made directly to the company are pending, and our response is awaited. Investigation is in progress in these cases. As on 31st March 2019, there are 5 consumer complaints pending in before the court and consumer forums.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 20th May 2019

Annexure 'D' to the Director's Report

Secretarial Audit Report for the Financial year ended 31st March, 2019

FORM No. MR-3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

GlaxoSmithKline Pharmaceuticals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GlaxoSmithKline Pharmaceuticals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

- (1) Pharmacy Act, 1948,
- (2) Drugs and Cosmetics Act, 1940,
- (3) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954,
- (4) Narcotic Drugs and Psychotropic Substances Act, 1985,
- (5) Drug Pricing Control Order, 2013

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Whole-time Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

1. The Company made an issue of Bonus shares in the ratio of 1:1 to the members of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Mumbai 20th May, 2019

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,

GlaxoSmithKline Pharmaceuticals Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Mumbai 20th May, 2019

Annexure “E” to Director’s Report

Extract of Annual Return

FORM MGT - 9

As on financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L24239MH1924PLC001151
Registration Date	November 13, 1924
Name of the Company	GlaxoSmithkline Pharmaceuticals Limited
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office and contact details	Dr. Annie Besant Road, Worli, Mumbai 400030 Tel :022-24959595 Fax:022-24959494 Email: askus@gsk.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serillingampally, Hyderabad, Telangana – 500032 Tel no: 040- 67162222 Fax No: 040-23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals	21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary/ associate	% of shares held	Applicable section
1	Biddle Sawyer Limited 252, Dr. Annie Besant Road, Worli, Mumbai 400030	U51900MH1948PLC006218	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1st April, 2018				No. of Shares held at the end of the year 31st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	63527262	0	63527262	75.00	127054524	0	127054524	75.00	0
Sub-total (A)(2):	**63527262**	**0**	**63527262**	**75.00**	**127054524**	**0**	**127054524**	**75.00**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**63527262**	**0**	**63527262**	**75.00**	**127054524**	**0**	**127054524**	**75.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2079017	10821	2089838	2.47	4925613	21042	4946655	2.92	0.45
b) Banks / FI	7050110	15346	7065456	8.34	13793627	28224	13821851	8.16	-0.18
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	1375816	1640	1377456	1.63	2451486	800	2452286	1.45	-0.18
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	10504943	27807	10532750	12.43	21170726	50066	21220792	12.53	0.10
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	403411	14439	417850	0.49	880829	28393	909222	0.54	0.05
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual members holding nominal share capital up to ₹ 1 lakh	7770788	1624781	9395569	11.09	15666080	2607003	18273083	10.79	-0.30

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1st April, 2018				No. of Shares held at the end of the year 31st March, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual members holding nominal share capital in excess of ₹1 lakh	138622	0	138622	0.16	411765	10480	422245	0.25	0.09
c) Others (specify)									
NBFCs Registered with RBI	7728	0	7728	0.01	87372	0	87372	0.05	0.04
Non - Resident Indian Repatriable	0	1434	1434	0	0	2848	2848	0.00	0.00
Trusts	15929	0	15929	0.02	32970	0	32970	0.02	0.00
Non- Resident Indians	67617	0	67617	0.08	125593	98	125691	0.07	-0.01
Clearing Members	12726	0	12726	0.02	9255	0	9255	0.01	-0.01
Non - Resident Companies	0	0	0	0.00	0	0	0	0.00	0.00
Non - Resident Indian Non Repatriable	255659	3656	259315	0.31	511028	6184	517212	0.31	0.00
Directors	612	0	612	0.00	1224	0	1224	0.00	0.00
Foreign Nationals	2875	0	2875	0.00	150	0	150	0.00	0.00
IEPF	322728	0	322728	0.38	749446	0	749446	0.44	0.06
Sub-total(B)(2):	8998695	1644310	10643005	12.57	18475712	2655006	21130718	12.47	-0.10
Total Public Shareholding (B)=(B)(1)+(B)(2)	**19503638**	**1672117**	**21175755**	**25.00**	**39646438**	**2705072**	**42351510**	**25.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	**83030900**	**1672117**	**84703017**	**100**	**166700962**	**2705072**	**169406034**	**100**	**0.00**

*Company issued Bonus shares on 18th September 2018 in ratio of 1:1

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2018			Shareholding at the end of the year 31st March, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Glaxo Group Limited	30485250	35.99	0	60970500	35.99	0	0
2	Eskaylab Limited	5880000	6.94	0	11760000	6.94	0	0
3	Burroughs Wellcome International Limited	3360000	3.97	0	6720000	3.97	0	0
4	GlaxoSmithKline Pte Limited	23802012	28.10	0	47604024	28.10	0	0
	Total	**63527262**	**75.00**	**0**	**127054524**	**75.00**	**0**	**0**

iii. Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of promoters	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Glaxo Group Limited Bonus Shares allotted on 18th September 2018 in ratio of 1:1	30485250	35.99	60970500	35.99
2	Eskaylab Limited Bonus Shares allotted on 18th September 2018 in ratio of 1:1	5880000	6.94	11760000	6.94
3	Burroughs Wellcome International Limited Bonus Shares allotted on 18th September 2018 in ratio of 1:1	3360000	3.97	6720000	3.97
4	GlaxoSmithKline Pte Limited Bonus Shares allotted on 18th September 2018 in ratio of 1:1	23802012	28.10	47604024	28.10

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Date	Remarks	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA						
		01/04/2018	At the beginning of the year	5424940	6.40	5424940	6.40
		06/04/2018	Sale	-2659	0.00	5422281	6.40
		21/09/2018	Bonus Issue	5422281	0.00	10844562	6.40
		18/01/2019	Sale	-10829	0.00	10833733	6.40
		25/01/2019	Sale	-4720	-0.01	10829013	6.39
		01/02/2019	Sale	-15962	-0.01	10813051	6.38
		08/02/2019	Sale	-10671	0.00	10802380	6.38
		15/02/2019	Purchase	10000	0.00	10812380	6.38
		15/02/2019	Sale	-25171	-0.01	10787209	6.37
		22/02/2019	Sale	-10500	-0.01	10776709	6.36
		01/03/2019	Sale	-2000	0.00	10774709	6.36
		08/03/2019	Sale	-5780	0.00	10768929	6.36
		31/03/2019	At the end of the year	10768929	6.36	10768929	6.36

Sr. No.	Name of the Shareholder	Date	Remarks	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED						
		01/04/2018	At the beginning of the year	1936287	2.29	1936287	2.29
		06/04/2018	Purchase	18450	0.02	1954737	2.31
		13/04/2018	Purchase	21310	0.01	1976047	2.33
		20/04/2018	Purchase	14373	0.02	1990420	2.35
		27/04/2018	Purchase	7920	0.01	1998340	2.36
		04/05/2018	Purchase	9540	0.01	2007880	2.37
		11/05/2018	Purchase	15480	0.02	2023360	2.39
		18/05/2018	Purchase	15734	0.02	2039094	2.41
		25/05/2018	Purchase	19937	0.02	2059031	2.43
		25/05/2018	Sale	-4207	0.00	2054824	2.43
		01/06/2018	Purchase	14632	0.01	2069456	2.44
		08/06/2018	Purchase	10948	0.02	2080404	2.46
		08/06/2018	Sale	-177000	-0.21	1903404	2.25
		15/06/2018	Purchase	12873	0.01	1916277	2.26
		22/06/2018	Purchase	13133	0.02	1929410	2.28
		29/06/2018	Purchase	11745	0.02	1941155	2.29
		06/07/2018	Purchase	8775	0.01	1949930	2.30
		13/07/2018	Purchase	5352	0.01	1955282	2.31
		20/07/2018	Purchase	7844	0.01	1963126	2.32
		27/07/2018	Purchase	4571	0.00	1967697	2.32
		03/08/2018	Purchase	6172	0.01	1973869	2.33
		10/08/2018	Purchase	1215	0.00	1975084	2.33
		21/09/2018	Bonus issue	1975084	0.00	3950168	2.33
		28/09/2018	Purchase	8910	0.01	3959078	2.34
		05/10/2018	Purchase	7290	0.00	3966368	2.34
		12/10/2018	Purchase	11202	0.01	3977570	2.35
		19/10/2018	Purchase	4860	0.00	3982430	2.35
		19/10/2018	Sale	-18126	-0.01	3964304	2.34
		26/10/2018	Purchase	29438	0.02	3993742	2.36
		02/11/2018	Purchase	13580	0.01	4007322	2.37
		09/11/2018	Purchase	9190	0.00	4016512	2.37
		16/11/2018	Purchase	12240	0.01	4028752	2.38
		23/11/2018	Purchase	6300	0.00	4035052	2.38
		30/11/2018	Purchase	13860	0.01	4048912	2.39
		07/12/2018	Purchase	8820	0.01	4057732	2.40
		14/12/2018	Purchase	9396	0.00	4067128	2.40
		21/12/2018	Purchase	21240	0.01	4088368	2.41

Sr. No.	Name of the Shareholder	Date	Remarks	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		28/12/2018	Purchase	11860	0.01	4100228	2.42
		31/12/2018	Purchase	3618	0.00	4103846	2.42
		04/01/2019	Purchase	10251	0.01	4114097	2.43
		11/01/2019	Purchase	22847	0.01	4136944	2.44
		11/01/2019	Sale	-7200	0.00	4129744	2.44
		18/01/2019	Purchase	18387	0.01	4148131	2.45
		25/01/2019	Purchase	16281	0.01	4164412	2.46
		01/02/2019	Purchase	15075	0.01	4179487	2.47
		08/02/2019	Purchase	24579	0.01	4204066	2.48
		15/02/2019	Purchase	31762	0.01	4235828	2.50
		15/02/2019	Sale	-11368	-0.01	4224460	2.49
		22/02/2019	Purchase	23234	0.02	4247694	2.51
		01/03/2019	Purchase	18180	0.01	4265874	2.52
		08/03/2019	Purchase	12330	0.01	4278204	2.53
		15/03/2019	Purchase	27202	0.01	4305406	2.54
		15/03/2019	Sale	-2874	0.00	4302532	2.54
		22/03/2019	Purchase	14670	0.01	4317202	2.55
		29/03/2019	Purchase	40900	0.02	4358102	2.57
		29/03/2019	Sale	-5941	0.00	4352161	2.57
		31/03/2019	At the end of the year	4352161	2.57	4352161	2.57
3	**GENERAL INSURANCE CORPORATION OF INDIA**						
		01/04/2018	At the beginning of the year	965718	1.14	965718	1.14
		21/09/2018	Bonus issue	965718	0.00	1931436	1.14
		31/03/2019	At the end of the year	1931436	1.14	1931436	1.14
4	**ABERDEEN GLOBAL INDIAN EQUITY LIMITED**						
		01/04/2018	At the beginning of the year	626279	0.74	626279	0.74
		24/08/2018	Sale	-6772	-0.01	619507	0.73
		31/08/2018	Sale	-32518	-0.04	586989	0.69
		07/09/2018	Sale	-50000	-0.06	536989	0.63
		14/09/2018	Sale	-10710	-0.01	526279	0.62
		21/09/2018	Bonus issue	526279	0.00	1052558	0.62
		31/03/2019	At the end of the year	1052558	0.62	1052558	0.62

Sr. No.	Name of the Shareholder	Date	Remarks	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	THE ORIENTAL INSURANCE COMPANY LIMITED						
		01/04/2018	At the beginning of the year	405109	0.48	405109	0.48
		22/06/2018	Sale	-6000	-0.01	399109	0.47
		29/06/2018	Sale	-10153	-0.01	388956	0.46
		06/07/2018	Sale	-10017	-0.01	378939	0.45
		13/07/2018	Sale	-6822	-0.01	372117	0.44
		20/07/2018	Sale	-11030	-0.01	361087	0.43
		27/07/2018	Sale	-5079	0.00	356008	0.42
		21/09/2018	Bonus issue	354001	0.00	710009	0.42
		31/03/2019	At the end of the year	710009	0.42	710009	0.42
6	INVESTOR EDUCATION & PROTECTION FUND						
		01/04/2018	At the beginning of the year	322728	0.39	322728	0.39
		08/06/2018	Transfer	51863	0.05	374591	0.44
		15/06/2018	Transfer	205	0.00	374796	0.44
		21/09/2018	Bonus issue	374796	0.00	749592	0.44
		14/12/2018	Investors Claimed	-146	0.00	749446	0.44
		31/03/2019	At the end of the year	749446	0.44	749446	0.44
7	L AND T MUTUAL FUND TRUSTEE LIMITED						
		01/04/2018	At the beginning of the year	0	0	0	0
		08/06/2018	Purchase	155332	0.18	155332	0.18
		15/06/2018	Purchase	4502	0.01	159834	0.19
		29/06/2018	Purchase	8366	0.01	168200	0.20
		06/07/2018	Purchase	4869	0.00	173069	0.20
		21/09/2018	Bonus issue	173069	0.00	346138	0.20
		29/03/2019	Sale	-40384	-0.02	305754	0.18
		31/03/2019	At the end of the year	305754	0.18	305754	0.18
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES						
		01/04/2018	At the beginning of the year	250303	0.30	250303	0.30
		06/07/2018	Sale	-3871	-0.01	246432	0.29

Sr. No.	Name of the Shareholder	Date	Remarks	Shareholding at the beginning of the year 1st April, 2018		Cumulative Shareholding during the year 31st March, 2019	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		27/07/2018	Sale	-747	0.00	245685	0.29
		21/09/2018	Bonus issue	243191	0.00	488876	0.29
		30/11/2018	Sale	-145	0.00	488731	0.29
		28/12/2018	Sale	-1939	0.00	486792	0.29
		04/01/2019	Sale	-510	0.00	486282	0.29
		11/01/2019	Sale	-1784	0.00	484498	0.29
		22/02/2019	Sale	-4163	-0.01	480335	0.28
		01/03/2019	Sale	-2385	0.00	477950	0.28
		29/03/2019	Sale	-1331	0.00	476619	0.28
		31/03/2019	At the end of the year	476619	0.28	476619	0.28
9	**THE INDIA FUND INC**						
		01/04/2018	At the beginning of the year	187107	0.22	187107	0.22
		24/08/2018	Sale	-1557	0.00	185550	0.22
		31/08/2018	Sale	-7480	-0.01	178070	0.21
		07/09/2018	Sale	-11500	-0.01	166570	0.20
		14/09/2018	Sale	-2463	0.01	164107	0.19
		21/09/2018	Bonus issue	164107	0.00	328214	0.19
		31/03/2019	At the end of the year	328214	0.19	328214	0.19
10	**THE NEW INDIA ASSURANCE COMPANY LIMITED**						
		01/04/2018	At the beginning of the year	141093	0.17	141093	0.17
		21/09/2019	Bonus issue	141093	0.00	282186	0.17
		31/03/2019	At the end of the year	282186	0.17	282186	0.17

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	None of Directors and KMP hold shares in the Company except Mr. Deepak Parekh, Chairman who holds 1224 equity shares in the Company which remain unchanged throughout the year.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the End of the year				

V INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	98.90	0	98.90
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	98.90	0	98.90
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	40.60	0	40.60
Net Change	0	40.60	0	40.60
Indebtedness at the end of the financial year				
i) Principal Amount	0	58.30	0	58.30
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	58.30	0	58.30

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. A Vaidheesh	Mr. R. Krishnaswamy	Ms. P. Thakur	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	348.52	101.29	119.06	568.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	101.78	74.81	90.45	267.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify GSK Plc Share Value plan	204.65	48.36	26.71	279.72
5	Others Performance Bonus	124.89	35.50	N.A.*	160.39
	Total (A)	779.84	259.97	236.22	1276.03
	Ceiling as per the Act (@10 % of profits calculated under section 198 of the Companies Act, 2013)				6,767.00

* Relates to performance Bonus for the period January to December 2017. She was appointed as a Director w.e.f. 1st January 2018.

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Mr. R. R. Bajaaj*	2.50	5.00	-	7.50
	Ms. A. P. Bansal	5.00	15.00	-	20.00
	Mr. P. V. Bhide	6.00	15.00	-	21.00
	Mr. N. Kaviratne	7.00	15.00	-	22.00
	Mr. A. N. Roy	5.00	15.00	-	20.00
	Mr. D. Sundaram	7.00	15.00	-	22.00
	Total (1)	32.50	80.00	-	112.50
2	Other Non-Executive Director				
	Mr. D. S. Parekh**	24.00	20	50^	94.00
	Total (2)	24.00	20	50	94.00
	Total Managerial Remuneration (1+2)	56.50	100.00	50	206.50
	Overall Ceiling as per the Act(@1% of profits calculated under section 198 of the Companies Act, 2013)				677.00

* Mr. R. R. Bajaaj resigned with effect from 24th July 2018.

** Mr. D. S. Parekh resigned with effect from 31st March 2019.

^ Include one-off one-time additional commission of ₹ 50 lakhs.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. A. Nadkarni Company Secretary	**Total**
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.37	42.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	31.22	31.22
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit	Nil	Nil
	- others, GSK Plc Share Value plan	9.09	9.09
5	Others Performance Bonus	9.13	9.13
	Total	91.80	91.80

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2019.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 20th May 2019

Annexure "F" to Director's Report

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

a) Conservation of Energy

The Nashik site has undertaken various initiatives for energy and water conservation in the year 2018 to reduce energy consumption at site. These include Operation of a Furnace Oil Boiler converted to Biomass, Installation of 500 kW of Solar PV System, Energy efficient screw air compressors, VFD and control systems for air handling units and a Vapour Absorption Chiller. The initiatives have yielded an overall benefit of about 1818 T of CO2 in the year. This is despite additional production volumes delivered during the year, i.e. from 7882 Mn units as compared to 7668 Mn units in the previous year for the same period. In overall CO2 terms, this is a net 12% reduction. Similarly, with initiatives like upgradation and recycled use of effluent water and Rain water harvesting, the water consumption has also reduced by 15% in 2018 as compared to 2017.

The emissions generated by the Company are within limits specified by Maharashtra Pollution Control Board. With regard to waste management, our waste is segregated and given to government approved vendors for recycling, wherever appropriate. Nashik site runs on zero discharge basis with respect to water. Treated site effluent is used for site gardening.

(b) Technology absorption:

The following major projects have been completed during the period using new technologies at the Nashik Site.

- Installation of 2 new manufacturing vessels in Ointments, of 1.65T capacity, replacing old vessels, thereby debottlenecking manufacturing capacity.
- Installation of a motorized system for Heavy Ointment Bowls, to reduce Ergonomic risk during manual movement.
- Electrical upgrades including replacement of 1 x 2500 kVA Transformer.
- Installation of 400 TR Vapour Absorption Chiller.
- Installation of a Bottle Unscrambler for the Albendazole Line.
- Site received an Award for the Best & Efficient Liquid Boiler in the region from the Ministry of Labour & Directorate of Boilers.

The following major projects have been completed during the period using new technologies at the Vemgal Site:

- Factory premises is designed & built to obtain LEED Gold certification by adopting environment friendly design and using environmentally responsible resources like recyclable material for construction, efficient processes throughout its life cycle etc. The certification is as per the US Green building council and any green building certified reduce overall impact on environment & human health by reducing pollution and degradation of environment, efficiently using water, energy & other resources, protecting occupant health and improving productivity. Green building reduces carbon emission up to 30% by employing innovative technologies like heat resistant glasses which pass natural light yet stopping heat transfer, thermal insulation to reduce load on refrigeration etc.
- Chiller plant manager is the new technological advancement implemented at GSK Vemgal factory which ensures optimum loading of each chiller, each compressor in chiller & chilled water pumps as per the control logic.
- Cast resin dry type transformers provide maintenance free service with minimum service interruptions.
- Power changeover is through DG synchronizing panel and load management system ensures underloading, overloading, cascading effect of tripping unnecessary fuel wastage.
- Roof top Solar installation of 0.4 MW
- Zero liquid discharge ETP/STP
- LED lightning with motion sensors in all areas
- Building Management system and Energy Management system for optimized utilities operations.
- VRF- Variable Refrigerant Flow system for Air conditioning of non-critical areas.

c) Foreign exchange earnings and Outgo:

The foreign exchange earnings for the year ended 31st March 2019 was ₹ 53,38 lakhs and foreign exchange outgo for the year ended 31st March 2018 was ₹ 709,05 lakhs. The foreign exchange earnings for the period ended 31st March 2018 was ₹ 56,37 lakhs and foreign exchange outgo for the period ended 31st March 2018 was ₹ 742,89 lakhs.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 20th May 2019

Annexure "G" to the Director's Report

Disclosure under Section 197 (12) of the Companies Act, 2013 and other disclosures as per Rule 5 of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Non - Executive / Independent Directors to the median remuneration of the employees of the Company for the financial year ended 31st March 2019.

Sr. No.	Name of Directors	Designation	Remuneration of Directors in the financial year in (₹ in lakhs)@	Ratio to Median Remuneration
1	Mr. D. S. Parekh*	Non - Executive Director, Chairman	94.00	9.03
2	Mr. R. R. Bajaaj***	Independent Director	7.50	0.72
3	Ms. A. Bansal**	Independent Director	20.00	1.92
4	Mr. P. V. Bhide**	Independent Director	21.00	2.02
5	Mr. N. Kaviratne**	Independent Director	22.00	2.11
6	Mr. A. N. Roy**	Independent Director	20.00	1.92
7	Mr. D. Sundaram**	Independent Director	22.00	2.11

* Commission to Chairman increased from ₹ 14 lakhs to ₹ 20 Lakhs per year from 2018.

* Mr. D. S. Parekh resigned with effect from 31st March 2019.

* Include one-off one-time additional commission of ₹ 50 lakhs.

** Commission to Independent Directors increased from ₹ 10 lakhs to ₹ 15 Lakhs per year from 2018.

*** Mr. R. R. Bajaaj resigned with effect from 24th July 2018.

@ Remuneration includes Commission paid.

2. Ratio of Remuneration of Whole-time Directors & Key Managerial Personnel (KMP) against the Company.

Sr No	Whole-time Directors & KMP	Designation	Remuneration of Directors/ KMP in the financial year (₹ in lakhs)	Ratio to median Remuneration	(%)Increase in remuneration in the financial year
1	A. Vaidheesh	Managing Director	779.84	74.91	7.00
2	R. Krishnaswamy	Whole-time Director	259.97	24.97	8.10
3	P. Thakur	Whole-time Director & CFO	236.22	22.73	23.00*
4	A. Nadkarni	Company Secretary	91.80	8.77	10.00

*This includes 17% increase on promotion & 6% merit increase on increased base.

3. There was 9.63 % increase in the median remuneration of employees.
4. There were 4960 permanent employees on the rolls of the Company as on 31st March 2019.
5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

   The average percentile increase made in the salaries of employees and managerial personnel was 9.63% in 2018-19 in line with market and Business growth.
6. We affirm that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 20th May 2019

Independent Auditor's Report

TO THE MEMBERS OF GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GlaxoSmithKline Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis For Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Information Technology (IT) systems which impact financial reporting**	**Principal audit procedures performed with the assistance of our IT specialists:**
	The IT systems of the Company form a critical component of the Company's financial reporting activities and impact all account balances. IT controls, in the context of our scope for the financial audit, primarily relate to access security and change control. The purpose of such controls is to prevent inappropriate changes being made to IT systems in relation to application functionality, transactional processing and direct changes to underlying data.	• We identified the IT risks for each IT system based on our understanding of the flows of transactions and the IT environment. • We determined whether each general IT control, individually or in combination with other controls, is appropriately designed to address the associated IT risk. • We tested the design, implementation and operating effectiveness of the relevant general IT controls. • We tested the mitigating manual controls for the IT control deficiencies noted around privilege access for certain scoped-in IT systems and the associated infrastructure.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Uncertain tax positions**	**Principal audit procedures performed:**
	The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for multi-national transactions entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. **Refer notes 40A(ii)(a) and 40A(iii) to the standalone financial statements**	• We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. • With the assistance of our tax specialists, we evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Company's tax provisions. • In understanding and evaluating management's judgements, we considered the status of recent and current tax authority audits and enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment.
3	**Litigations**	**Principal audit procedures performed:**
	The Company operates in an industry which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal actions, including pricing matters and labour matters. **Refer notes 40A(ii)(d) and 41 to the standalone financial statements.**	• We evaluated and tested the design and operating effectiveness of the Company's controls in respect of the determination of the provisions to ensure that they operate effectively. • We read the summary of litigation matters provided by management and held discussions with the Company's legal counsel. We requested confirmations from some of the Company's external legal advisors with respect to the matters included in the summary. • We examined correspondence connected with the cases. To evaluate the valuation and completeness of the provision recognized by the Company, we tested the calculation of the provisions. • We also evaluated adjustments to legal provisions along with the Probable, Possible and Remote analysis prepared by the Company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has long term contracts as of March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GLAXOSMITHKLINE PHARMACEUTICALS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of acquired land and buildings that are freehold/leasehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments, provided guarantees or security and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of the provisions of Sections 73 and 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 and amended Companies (cost records and audit) Amendment Rules, 2016 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statue	Nature of Dues	Forum where dispute is pending	Period to which the amount relates#	Amount (₹ in Lakhs)
Income - tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	2006-07, 2007-08, 2011-12 to 2014-15	76,37.59
		Income Tax Appellate Tribunal	1989-90	36.92
		High Court	1993-94	20.43
Sub-total				76,94.94*
The Central Excise Act, 1944	Excise Duty	Appellate Authority - up to Commissioners / Revisional authorities Level	1991-92 to 1993-94, 1995-96 to 1997-98	14.89
		Customs, Excise and Service Tax Appellate Tribunal	1996-97 to 2002-03, 2007-08, 2010-11 to 2012-13	4,38.95
		High Court	1976-77 to 1980-81, 1987-88 to 1991-1992	1,60.83
Sub-total				6,14.67
Custom Act, 1962	Custom Duty	Appellate Authority - up to Commissioners / Revisional authorities Level	1992-93, 1993-94	10.71
		Customs, Excise and Service Tax Appellate Tribunal	1994-95	66.53
Sub-total				77.24
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2000-01, 2002-03	1,29.20
Sub-total				1,29.20
Sales Tax and Laws as per statues applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners / Revisional authorities Level	1983-84, 1987-88 to 1994-95, 1996-97 to 2006-2017	36,22.71
		Appellate Authority - Tribunal	1990-91, 1998-1999, 1999-2000, 2001-02, 2002-03, 2005-06 to 2007-08, 2009- 10, 2010 -2011, 2012-13, 2006-07 to 2009-10	107,79.77
		High Court	1990-91, 1999-2000, 2001-02 to 2005-06	1,20.12
		Supreme Court	1993-94, 1994-95	42.14
Sub-total				**145,64.74^**
Total				**230,80.79**

generally, the year refers to financial year i.e. April to March

* Net of ₹ 12,67.20 Lakhs paid under protest

^ Net of ₹ 22,31.14 Lakhs paid under protest

Out of the total disputed amounts of ₹ 230,80.79 Lakhs as above, ₹ 136,16.75 Lakhs has not been deposited due to stay orders.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence the provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

Standalone Balance Sheet

as at March 31, 2019

(₹ in lakhs)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	364,45.26	250,12.67
Capital work-in-progress	3	1002,64.42	922,89.71
Investment property	4	1,61.63	1,76.01
Intangible assets	5	65,54.00	72,68.18
Financial assets			
(i) Investments	6	24,54.98	47,66.97
(ii) Loans	7	11,43.05	14,58.05
(iii) Other financial assets	8	4,06.30	27.76
Current tax assets (net)	48	308,22.77	297,43.98
Deferred tax assets (net)	45	60,48.06	103,05.28
Other non-current assets	9	75,00.11	91,47.76
		1918,00.58	**1801,96.37**
Current assets			
Inventories	10	486,49.35	500,18.33
Financial assets			
(i) Trade receivables	11	120,48.73	146,95.89
(ii) Cash and cash equivalents	12	97,77.88	199,39.66
(iii) Bank balances other than (ii) above	13	1057,55.47	1080,29.43
(iv) Other financial assets	14	89,62.62	57,91.44
Other current assets	15	135,91.39	173,36.67
		1987,85.44	**2158,11.42**
Assets classified as held for sale	16	3,32.71	4,93.74
		1991,18.15	**2163,05.16**
TOTAL ASSETS		**3909,18.73**	**3965,01.53**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	169,40.60	84,70.30
Other equity	18	1973,00.99	1995,24.51
Total equity		**2142,41.59**	**2079,94.81**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	17.70	58.30
(ii) Other financial liabilities	20	2,19.47	2,24.47
Provisions	21 & 26	313,52.37	286,19.56
		315,89.54	**289,02.33**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	4,28.23	7,30.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	398,67.88	495,21.82
(ii) Other financial liabilities	23	231,11.60	267,10.69
Other current liabilities	24	571,47.86	575,22.75
Provisions	25 & 26	91,88.75	97,10.07
Current tax liabilities (net)	48	153,43.28	154,08.28
		1450,87.60	**1596,04.39**
Total liabilities		**1766,77.14**	**1885,06.72**
TOTAL EQUITY AND LIABILITIES		**3909,18.73**	**3965,01.53**

The accompanying notes 1 to 56 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in lakhs)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	27	3128,53.46	2895,88.02
Other income	28	101,47.84	53,52.01
Total income		**3230,01.30**	**2949,40.03**
Expenses			
Cost of materials consumed	29	682,07.04	510,26.96
Purchases of stock-in-trade		645,89.28	788,42.22
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	25,56.55	(57,93.99)
Excise duty		-	24,19.48
Employee benefits expense	31	537,19.59	523,39.85
Finance costs	32	55.43	18.91
Depreciation and amortisation expense	33	48,59.07	37,98.58
Other expenses	34	631,32.59	599,09.52
Total expenses		**2571,19.55**	**2425,61.53**
Profit before exceptional items and tax		**658,81.75**	**523,78.50**
Exceptional items (net)	38	4,88.88	17,79.85
Profit before tax		**663,70.63**	**541,58.35**
Tax expense:			
Current tax	45	192,82.27	204,33.82
Deferred tax	45	45,52.31	(14,74.24)
		238,34.58	**189,59.58**
Profit for the year		**425,36.05**	**351,98.77**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	45	(8,44.47)	8,58.80
Income tax relating to items that will not be reclassified to profit or loss	45	2,95.09	(3,00.10)
		(5,49.38)	**5,58.70**
Total comprehensive income for the year		**419,86.67**	**357,57.47**
Profit for the year attributable to owners of the Company		425,36.05	351,98.77
Other comprehensive income / (loss) attributable to owners of the Company		(5,49.38)	5,58.70
Total comprehensive income for the year attributable to owners of the Company		419,86.67	357,57.47
Earnings per equity share			
Basic and diluted earnings per share	47	25.11	20.78

The accompanying notes 1 to 56 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Standalone Cash Flow Statement

for the year ended March 31, 2019

(₹ in lakhs)

			Year ended March 31, 2019	Year ended March 31, 2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before exceptional items and tax		658,81.75	523,78.50
	Adjustments for :			
	(Gain) / Loss on disposal of property, plant and equipment (net)		(1,41.39)	2,42.50
	Interest income		(76,44.45)	(51,56.99)
	Rental income		(48.00)	(71.97)
	Finance costs		55.43	18.91
	Depreciation and amortisation expense		48,59.07	37,98.58
	Allowance for doubtful debts and advances		(1,33.10)	54.06
	Change in operating assets and liabilities			
	Decrease / (increase) in inventories		13,68.98	(74,70.19)
	Decrease in trade receivables		26,89.19	23,16.03
	Decrease / (increase) in other assets		13,84.87	(85,27.56)
	(Decrease) / increase in trade payables		(99,56.49)	226,60.37
	Increase in provisions		13,67.02	72,63.38
	(Decrease) / increase in other liabilities		23,88.24	1,27.41
	Cash generated from operations		**620,71.12**	**676,33.03**
	Income taxes paid (net of refunds)		(204,26.06)	(201,81.79)
	Cash flow before exceptional items		**416,45.06**	**474,51.24**
	Exceptional items:			
	Sale of brands		4,69.50	3.79
	Redundancy costs		(20,07.75)	-
	Others		-	21.58
	Net cash inflow from operating activities	**A**	**401,06.81**	**474,76.61**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payments to acquire property, plant and equipment and other intangible assets		(291,28.17)	(403,38.41)
	Advance received towards disposal of land		-	552,00.00
	Proceeds from sale of property, plant and equipment		4,65.39	47.23
	Proceeds from sale of property (Exceptional item)		43,39.13	17,60.18
	Margin money deposits		1,64.30	(2,13.52)
	Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(1241,00.00)	(1069,00.00)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		1261,00.00	735,00.00
	Rent received		48.00	71.97
	Interest received		75,69.02	61,91.63
	Changes in earmarked balances		1,09.66	(19.93)
	Net cash outflow from investing activities	**B**	**(144,32.67)**	**(107,00.85)**

Standalone Cash Flow Statement

for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(40.60)	(60.60)
Interest paid		(55.43)	(18.91)
Dividend paid to company's shareholders		(296,46.06)	(254,10.91)
Tax on distributed profit		(60,93.83)	(51,73.06)
Net cash outflow from financing activities	**C**	**(358,35.92)**	**(306,63.48)**
Net (decrease) / increase in cash and cash equivalents	**(A + B + C)**	**(101,61.78)**	**61,12.28**
Cash and cash equivalents at the beginning of the financial year		199,39.66	138,27.38
Cash and cash equivalents at the end of the financial year		97,77.88	199,39.66
Net (decrease) / increase in cash and cash equivalents		**(101,61.78)**	**61,12.28**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		60,48.43	89,38.66
Term deposits with original maturity period of less than three months		30,03.00	110,01.00
Cheques on hand		7,26.45	-
Total		**97,77.88**	**199,39.66**

The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 'Statement of Cash Flows'.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting period	84,70.30	84,70.30
Changes in equity share capital during the year:		
Bonus Shares issued (Refer Note (i))	84,70.30	-
Balance at the end of the reporting period	**169,40.60**	**84,70.30**

(b) Other equity

Particulars	Reserves and Surplus				Items of Other comprehensive income	Total Other Equity
	Capital reserve (ii)	General reserve (iii)	Retained earnings (iv)	Capital redemption reserve (v)	Remeasurements of the net defined benefit Plans	
Balance as at April 1, 2018	1,65.51	875,44.44	1113,21.12	2,61.95	2,31.49	1995,24.51
Total comprehensive income						
Profit for the year	-	-	425,36.05	-	-	425,36.05
Other comprehensive loss for the year	-	-	-	-	(5,49.38)	(5,49.38)
Bonus shares issued	-	(84,70.30)	-	-	-	(84,70.30)
Transactions with owners of the company						
Dividend on equity shares (₹ 35 per share)	-	-	(296,46.06)	-	-	(296,46.06)
Dividend distribution tax	-	-	(60,93.83)	-	-	(60,93.83)
Balance as at March 31, 2019	**1,65.51**	**790,74.14**	**1181,17.28**	**2,61.95**	**(3,17.89)**	**1973,00.99**
Balance as at April 1, 2017	1,65.51	875,44.44	1067,06.32	2,61.95	(3,27.21)	1943,51.01
Total comprehensive income						
Profit for the year	-	-	351,98.77	-	-	351,98.77
Other comprehensive income for the year	-	-	-	-	5,58.70	5,58.70
Transactions with owners of the company						
Dividend on equity shares (₹ 30 per share)	-	-	(254,10.91)	-	-	(254,10.91)
Dividend distribution tax	-	-	(51,73.06)	-	-	(51,73.06)
Balance as at March 31, 2018	**1,65.51**	**875,44.44**	**1113,21.12**	**2,61.95**	**2,31.49**	**1995,24.51**

(i) The Company has allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the quarter ended September 30, 2018 pursuant to a bonus issue in 1:1 ratio approved by shareholders through postal ballot. The bonus shares were issued by capitalisation of profits transferred from general reserve. Record date fixed by the Company was September 13, 2018. The earnings per share have been adjusted for previous periods presented in accordance with Ind AS - 33 'Earnings per share'.

(ii) Capital reserve includes Central Government subsidy and capital profit on reissue of shares forfeited of erstwhile Burroughs Wellcome (India) Limited and is not available for distribution.

(iii) General reserve represents the transfer of profits from retained earnings.

(iv) Retained earnings represents the cumulative profits of the Company which can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) Capital redemption reserve is on account of buy back of equity shares and it is not available for distribution.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Notes to the Standalone Financial Statements
for the year ended March 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL INFORMATION

GlaxoSmithKline Pharmaceuticals Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the BSE Ltd. (Bombay Stock Exchange) and the National Stock Exchange of India Ltd. (NSE). The registered office of the Company is located at Dr. Annie Besant Road, Worli, Mumbai 400 030.

The Company is engaged interalia, in the business of manufacturing, distributing and trading in pharmaceuticals.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time).

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except where otherwise indicated.

b) Revenue recognition

With effect from April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The effect of adoption of Ind AS 115 was insignificant. The following is revised significant accounting policies related to revenue recognition.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods have been passed on to the buyer as per contractual terms, at which time all the following conditions are satisfied:

- the company is recognizing revenue as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains control of the same;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Income from clinical research and data management services is recognised in the accounting period in which the services are rendered based on terms of the agreement.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability.

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (g) Financial instruments.

Dividends

Dividend is recognised when the Company's right to receive the payment is established, it is probable that economic benefit associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

Interest Income

Interest income is recorded using the Effective Interest Rate (EIR). Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets as per the rates prescribed under Schedule II to the Companies Act, 2013 or re-assessed useful life based on technical evaluation as under:

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

• Factory Buildings	30 to 50 years
• Other Buildings	60 years
• Plant and Equipment	10 to 15 years
• Personal Computers and Laptops	3 to 5 years
• Other Computer Equipment	4 years
• Furniture and Fixtures	10 years
• Office Equipment	5 years
• Vehicles	5 years

Depreciation is provided pro-rata for the number of months available for use. Depreciation on sale / disposal of assets is provided pro-rata up to the end of the month of sale / disposal.

An asset purchased where the actual cost does not exceed ₹ 5,000 is depreciated at the rate of 100%.

Leasehold building, leasehold land and leasehold improvements are amortised over the period of the lease.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Cost of items of property, plant and equipment not ready for intended use as on the balance sheet date is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Software expenditure have been amortised over a period from 8 to 10 years. Distribution rights are amortised over the agreement / contract period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

e) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

f) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where assets cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other expenses/ income. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other expenses/ income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss statement are recognised in other income/ expense in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

h) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost basis. The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

k) Foreign currency transactions

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Standalone Financial Statements are presented in Indian Rupee (INR), which is Company’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses/ income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

l) Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax charge is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company’s liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

m) Employee benefits

(a) Short Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Post-Employment Benefits

(i) Defined Contribution Plans

The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's contributions to these plans are charged to the statement of profit and loss as incurred.

(ii) Defined Benefits Plans

"Liability for defined benefit plans is provided on the basis of valuations, as at the balance sheet date, carried out by an independent actuary."

Gratuity and Post-Retirement Medical

The actuarial valuation method used for measuring the liability for gratuity and post-retirement medical is projected unit credit method. Actuarial gains and losses are recognised in the statement of other comprehensive income in the period of occurrence of such gains and losses. The obligations for gratuity and post-retirement medical are measured as the present value of estimated future cashflows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the balance sheet date.

Provident Fund

Provident fund contributions are made to a Trust administered by the Company. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The actuarial valuation method, carried out by an independent actuary, used for measuring the liability for provident fund is projected accrued benefit method. This approach determines the present value of the interest rate guarantee under three interest rate scenarios: base case scenario, rising interest rate scenario and falling interest rate scenario. The defined benefit obligation of the interest rate guarantee is set equal to the average of the present values determined under these scenarios in respect of accumulated provident fund contributions as at the valuation date.

(c) Other Long Term Benefit Plans

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(d) The expenditure on voluntary retirement schemes is charged to the statement of profit and loss in the year in which it is incurred.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(e) Share Based Payment Arrangements

In terms of a long-term incentive plan, the eligible members of the senior management are entitled to receive cash settled awards at the end of a three year 'restricted period', provided they remain in continuous employment with the Company for the aforesaid period. The value of such incentive is based on the price of shares of GlaxoSmithKline Plc, U.K.

The fair value of the amount payable to employees in respect of long term incentive plan, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the shares of GlaxoSmithKline Plc, U.K. Any changes in the liability are recognised in the statement of profit and loss.

n) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Based on technical evaluation the following is the best estimate of period over which investment property is depreciated on a straight-line basis.

Asset	Management estimate of useful life
Factory Building	30 Years
Freehold Land	-

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

o) Investment in subsidiary

Investment in subsidiary is carried at cost less impairment loss, if any, in the separate Standalone Financial Statements.

p) Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the owners of the Company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

q) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

r) Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head “Exceptional items”.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director of the Company has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decisions.

The Company has identified one reportable segment “Pharmaceuticals” based on the information reviewed by the CODM. Refer note 51 for segment information presented.

t) Provision and contingent liabilities

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as an interest expense.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Standalone Financial Statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) First and Second Amendment Rules, 2019 to amend/insert the following:

Ind AS 116 Leases

Ind AS 116, ‘Leases’ was notified by Ministry of Corporate Affairs on March 30, 2019 and it replaces Ind AS 17 including appendices thereto. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single lessee accounting model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases for which underlying asset is of low value and short-term leases i.e., leases with a lease term of 12 months or less.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation charge on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17.

Effective date for application of Ind AS 116 is annual period beginning on or after April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Standalone Financial Statements.

Amendment to Ind AS 19 - Plan amendments, curtailments and settlements

Amendment to Ind AS 19, ‘Employee Benefits’ was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the impact of this amendment on its Standalone Financial Statements.

Amendment to Ind AS 12 - Accounting for dividend distribution tax

Amendment to Ind AS 12, ‘Income Taxes’ was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for dividend distribution tax.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the impact of this amendment on its Standalone Financial Statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12, ‘Income Taxes’, was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for uncertainty over income tax treatments.

The Appendix is to be applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of Appendix C to Ind AS 12 is annual period beginning on or after April 1, 2019. The Company is currently evaluating the impact of the Appendix on the Standalone Financial Statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 2 : CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Standalone Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

a Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

b Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the management. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

c Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	Charge for the Year	On Disposals	As at March 31, 2019	As at March 31, 2019
Freehold land	2.00	-	-	2.00	-	-	-	-	2.00
Leasehold land	55,87.47	11.66	-	55,99.13	1,55.48	56.10	-	2,11.58	53,87.55
Freehold buildings	25,37.16	29.43	-	25,66.59	1,30.42	52.75	-	1,83.17	23,83.42
Leasehold buildings	39,76.81	33,67.71	-	73,44.52	4,40.97	2,97.46	-	7,38.43	66,06.09
Plant and equipment (Refer Note (a) below)	182,20.62	115,43.19	48.17	297,15.64	60,89.72	29,74.47	17.36	90,46.83	206,68.81
Furniture and fixtures	6,96.54	1,25.37	26.30	7,95.61	3,05.31	1,00.43	13.09	3,92.65	4,02.96
Vehicles	15,05.12	2,59.12	3,24.40	14,39.84	5,79.80	3,03.50	2,09.35	6,73.95	7,65.89
Office equipment	4,06.17	1,28.45	11.08	5,23.54	2,17.52	84.66	7.18	2,95.00	2,28.54
Total	**329,31.89**	**154,64.93**	**4,09.95**	**479,86.87**	**79,19.22**	**38,69.37**	**2,46.98**	**115,41.61**	**364,45.26**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	Charge for the Year	On Disposals	As at March 31, 2018	As at March 31, 2018
Freehold land	2.00	-	-	2.00	-	-	-	-	2.00
Leasehold land	55,87.47	-	-	55,87.47	99.46	56.02	-	1,55.48	54,31.99
Freehold buildings	24,66.11	77.10	6.05	25,37.16	86.68	43.98	0.24	1,30.42	24,06.74
Leasehold buildings	37,57.25	2,19.60	0.04	39,76.81	2,30.74	2,10.24	0.01	4,40.97	35,35.84
Plant and equipment (Refer Note (a) below)	158,80.33	23,70.51	30.22	182,20.62	34,80.98	26,37.81	29.07	60,89.72	121,30.90
Furniture and fixtures	6,80.89	27.67	12.02	6,96.54	2,00.44	1,08.99	4.12	3,05.31	3,91.23
Vehicles	11,71.81	4,60.71	1,27.40	15,05.12	3,75.12	2,71.96	67.28	5,79.80	9,25.32
Office equipment	3,62.72	47.35	3.90	4,06.17	1,64.21	55.09	1.78	2,17.52	1,88.65
Total	**299,08.58**	**32,02.94**	**1,79.63**	**329,31.89**	**46,37.63**	**33,84.09**	**1,02.50**	**79,19.22**	**250,12.67**

Note:-

(a) Plant and equipment includes computers.

Capital work-in-progress:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance	922,89.71	573,21.68
Additions	234,39.64	383,83.57
Less:		
Capitalisation	(154,64.93)	(32,02.94)
Write off	-	(2,12.60)
Closing Balance	**1002,64.42**	**922,89.71**

Capital work-in-progress as at March 31, 2019 and March 31, 2018 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	2,24.33	6,13.24
Additions	-	-
Transfer*	-	(3,88.91)
Closing gross carrying amount	2,24.33	2,24.33
Accumulated Depreciation		
Opening Accumulated Depreciation	48.32	80.88
Depreciation	14.38	25.27
Transfer*	-	(57.83)
Closing Accumulated Depreciation	62.70	48.32
Net carrying amount	**1,61.63**	**1,76.01**

* Freehold Land and Building at Thane has been transferred to assets held for sale (Refer Note 16).

(i) Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income	48.00	71.10
Depreciation	(14.38)	(25.27)
Amount recognised in the Statement of Profit and Loss (net)	33.62	45.83

(ii) Premises given on operating lease

The company had an apartment given on operating lease on cancellable terms which has been sold during the year, the carrying value of which was nil. Rental income of ₹ 48.00 lakhs (Previous Year: ₹ 71.10 lakhs) is disclosed under Other Income.

(iii) Estimation of fair value

The Company has two properties (March 31, 2018: three properties) that have been considered as Investment Properties. These comprise of two vacant land sites (March 31, 2018: two vacant land sites) that are not in operational use at present. In the previous year it included an apartment that was leased at commercial rates which has been sold during the current year.

In the view of the management, the fair market value of the land sites is not reliably measurable as there are very few recent transactions of comparable composition of these properties in the market. Further, the fair market value will be subject to numerous municipal deductions dependent upon the current use and intended use of the property. Based on the above, it is not possible to ascertain and disclose the range of fair market value. The estimated Ready Reckoner value at year end, based on latest published data and on current stated use, totals ₹ 304,08.91 lakhs (March 31, 2018: ₹ 312,04.00 Lakhs). Ready Reckoner rates are the prices of residential property, land or commercial property for a given area that is published and regulated by the respective State Governments as a guide towards payment of stamp duty at the time of transaction. The Ready Reckoner Value is regarded as a gross value and does not represent the underlying fair market value of the properties. The company will further detail the fair value of its investment properties upon entering a committed Agreement with a third party, unless an alternative reliable estimate of the fair value is attainable.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	for the Year	On Disposals	As at March 31, 2019	As at March 31, 2019
Intangible Assets									
Software	76,57.40	2,61.14	-	79,18.54	3,89.22	9,75.32	-	13,64.54	65,54.00
Total	**76,57.40**	**2,61.14**	**-**	**79,18.54**	**3,89.22**	**9,75.32**	**-**	**13,64.54**	**65,54.00**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	for the Year	On Disposals	As at March 31, 2018	As at March 31, 2018
Intangible Assets									
Software	-	76,57.40	-	76,57.40	-	3,89.22	-	3,89.22	72,68.18
Total	**-**	**76,57.40**	**-**	**76,57.40**	**-**	**3,89.22**	**-**	**3,89.22**	**72,68.18**

Intangible assets under development:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance	-	32,24.73
Additions	2,61.14	44,32.67
Less:		
Capitalisation	(2,61.14)	(76,57.40)
Closing Balance	**-**	**-**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 6 : INVESTMENTS		
Unquoted Equity Instruments		
In Subsidiary		
Biddle Sawyer Limited	47,61.31	47,61.30
9,60,000 Equity Shares of ₹ 10 each fully paid		
Less: Provision for Impairment	(23,12.00)	-
	24,49.31	**47,61.30**
Note:		
During the year the company based on its evaluation, impaired Investment in Subsidiary, Biddle Sawyer Limited.		

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
In Others (Measured at Fair Value through OCI)		
Biotech Consortium India Limited	5.00	5.00
50,000 Equity Shares of ₹ 10 each fully paid		
Dinette Exclusive Club Private Limited	0.50	0.50
500 Equity Shares of ₹ 100 each fully paid		
Other Unquoted Investments (Measured at Amortised cost)		
National Savings Certificate (Lodged with Government authorities)	0.17	0.17
	24,54.98	**47,66.97**
Aggregate of Unquoted Investments	**24,54.98**	**47,66.97**

NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS

(Unsecured considered good)		
Security Deposits	11,43.05	14,58.05
	11,43.05	**14,58.05**

NOTE 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS

Margin money / Deposit against bank guarantee	4,06.30	27.76
	4,06.30	**27.76**

NOTE 9 : OTHER NON-CURRENT ASSETS

Capital advances	3,85.83	13,25.67
Less : Allowance for doubtful advances	(2,83.17)	(3,74.24)
	1,02.66	9,51.43
Balances with Government Authorities	27,08.31	35,41.48
Sundry Deposits	43,11.29	42,07.69
Remittances in transit (Refer Note 42 (iii))	-	5.92
Others	3,77.85	4,41.24
	75,00.11	**91,47.76**

NOTE 10 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

Raw and Packing materials	115,53.92	103,21.08
Work-in-progress	22,08.98	22,77.40
Finished goods	174,06.81	148,18.01
Stock-in-trade (includes in-transit as on March 31, 2019: ₹ 10,58.70 lakhs; March 31, 2018: ₹ 8,43.61 lakhs)	171,54.28	222,31.21
Stores and spares	3,25.36	3,70.63
	486,49.35	**500,18.33**

The cost of inventories recognised as an expense during the year ended March 31, 2019 is ₹ 2.10 lakhs (March 31, 2018: ₹ 1,43.17 lakhs) in respect of write-downs of inventory to net realisable value.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 11 : TRADE RECEIVABLES		
Unsecured, Considered good	120,48.73	146,95.89
Receivables which have significant increase in Credit Risk (Refer Note 49 C)	15,26.94	15,68.97
Less : Allowance for doubtful receivables	(15,26.94)	(15,68.97)
	120,48.73	**146,95.89**

During the year ended March 31, 2019 the Company has reversed the allowance for doubtful debts by ₹ 42.03 lakhs (Previous Year: additional allowance for doubtful debts created ₹ 67.75 lakhs).

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 12 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	60,48.43	89,38.66
Term deposit with original maturity period of less than three months	30,03.00	110,01.00
Cheques on hand	7,26.45	-
	97,77.88	**199,39.66**
NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unpaid dividend accounts	22,25.03	23,34.69
Term deposit with original maturity period of more than three months but less than twelve months	1034,00.00	1054,00.00
Margin money	1,30.44	2,94.74
	1057,55.47	**1080,29.43**
NOTE 14 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	67,02.64	35,65.70
Interest accrued on deposits with banks	22,15.36	21,39.93
Advances recoverable	44.62	85.81
	89,62.62	**57,91.44**
NOTE 15 : OTHER CURRENT ASSETS		
Balances with Government Authorities	88,61.04	126,84.94
Advance to Creditors	27,77.55	28,71.31
Sundry advances	7.31	15.75
Import advances	-	1,12.84
Prepayments and Prepaid Expenses	11,13.02	10,66.07
Others	8,32.47	5,85.76
	135,91.39	**173,36.67**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building (Refer Note (a) below)	3,31.08	3,31.08
Plant and Machinery (Refer Note (b) and (c) below)	1.63	1,62.66
	3,32.71	**4,93.74**

Notes:-

(a) The amount is the Written Down Value of the property at Thane which is being sold and advance received against such has been classified as Current Liability, as documents for sale of property are yet to be executed. The transfer will conclude after obtaining all relevant statutory and other approvals / consents / permissions as required in law (Refer Note 24).

(b) The amount includes Plant and Machinery from Mysore and Bangalore site held for sale.

(c) During the year plant and machinery of ₹ 29.75 Lakhs at Nashik have been transferred to asset held for sale from property, plant and equipment.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 17 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2018: 9,00,00,000) equity shares of ₹ 10 each	180,00.00	90,00.00
Issued		
16,94,15,420 (March 31, 2018: 8,47,07,710) equity shares of ₹ 10 each	169,41.54	84,70.77
Subscribed and Paid-Up		
16,94,06,034* (March 31, 2018: 8,47,03,017) equity shares of ₹ 10 each, fully paid up	169,40.60	84,70.30
	169,40.60	**84,70.30**

* excludes 9,386 (March 31, 2018: 4,693) equity shares of ₹ 10 each of the Company (3,352 equity shares of ₹ 10 each of erstwhile Burroughs Wellcome (India) Limited) held in abeyance.

The Company has allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the quarter ended September 30, 2018 pursuant to a bonus issue in 1:1 ratio approved by shareholders through postal ballot. The bonus shares were issued by capitalisation of profits transferred from general reserve. Record date fixed by the Company was September 13, 2018. The earnings per share have been adjusted for previous periods presented in accordance with Ind AS - 33 'Earnings per share'.

		As at March 31, 2019		As at March 31, 2018	
		Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
a)	Reconciliation of the number of shares				
	Balance at the beginning of the year	84,703,017	84,70.30	84,703,017	84,70.30
	Bonus shares issued during the year	84,703,017	84,70.30	-	-
	Balance at the end of the year	**169,406,034**	**169,40.60**	**84,703,017**	**84,70.30**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

b) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by subsidiaries of ultimate holding company in aggregate

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Equity shares of ₹ 10 each (representing 75.00% of total shareholding)	127,054,524	127,05.46	63,527,262	63,52.73

d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company:

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Glaxo Group Limited, U.K.	60,970,500	35.99%	30,485,250	35.99%
GlaxoSmithKline Pte Limited, Singapore	47,604,024	28.10%	23,802,012	28.10%
Eskaylab Limited, U.K.	11,760,000	6.94%	5,880,000	6.94%
Life Insurance Corporation of India	10,768,929	6.36%	5,424,940	6.40%

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 18 : OTHER EQUITY		
Capital redemption reserve	2,61.95	2,61.95
General reserve	790,74.14	875,44.44
Capital reserve	1,65.51	1,65.51
Retained earnings (Including Other Comprehensive Income)	1177,99.39	1115,52.61
	1973,00.99	**1995,24.51**
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Unsecured		
Interest free deferred sales tax incentive	17.70	58.30
	17.70	**58.30**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2019 of ₹ 58.30 lakhs (March 31, 2018: ₹ 98.90 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in six instalments as at March 31, 2019 (March 31, 2018 - nine instalments) and closing on April 30, 2021. The current maturity amount as at March 31, 2019 is ₹ 40.60 lakhs (March 31, 2018: ₹ 40.60 lakhs) of the loan has been disclosed under Note 23.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 20 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received	2,19.47	2,24.47
	2,19.47	**2,24.47**
NOTE 21 : NON-CURRENT PROVISIONS		
For Pricing matters (Refer Note 41 and 26)	122,70.82	122,70.82
For employee benefits (Refer Note 39)		
Gratuity	79,67.51	72,87.84
Leave encashment and compensated absences	28,85.36	24,19.06
Post retirement medical and other benefits	36,68.49	35,48.37
For long term incentive plan (Refer Note 26 and 53)	2,27.76	1,70.95
For divestment / restructuring (Refer Note 26)	12,02.83	12,02.83
For others (Refer Note 26)	31,29.60	17,19.69
	313,52.37	**286,19.56**
NOTE 22 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 44)	4,28.23	7,30.78
Due to others	398,67.88	495,21.82
	402,96.11	**502,52.60**
NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer Note 19)	40.60	40.60
Unclaimed dividends *	22,25.03	23,34.70
Salaries, wages, bonus and employee benefits payable	117,33.52	93,41.84
Creditors for capital goods	76,71.93	140,39.16
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	13,10.24	8,24.11
	231,11.60	**267,10.69**
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
NOTE 24 : OTHER CURRENT LIABILITIES		
Statutory dues including provident fund and tax deducted at source	15,05.14	19,89.82
Advance from Customers	4,42.72	3,32.93
Advance received towards disposal of land (Refer Note (a) below)	552,00.00	552,00.00
	571,47.86	**575,22.75**

Note:-

(a) During the previous year, the company has received the money in advance towards disposal of Thane Land. The transfer will conclude after obtaining all relevant statutory and other approvals / consents / permissions as required in law (Refer Note 16).

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 25 : CURRENT PROVISIONS		
For employee benefits (Refer Note 39)		
Leave encashment and compensated absences	3,65.64	3,22.68
Post retirement medical and other benefits	2,14.66	2,02.83
For long term incentive plan (Refer Note 26 and 53)	5,85.88	8,15.41
For rationalisation relating to a manufacturing site (Refer Note 26)	31.43	31.43
For expected sales returns (Refer Note 26)	39,69.13	41,35.97
For others (Refer Note 26)	40,22.01	42,01.75
	91,88.75	**97,10.07**

NOTE 26 : MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	Rationalisation relating to a manufacturing site Refer note (i)	Pricing matters Refer note (ii)	Long term Incentive Plan Refer note (iii)	Divestment / Restructuring Refer note (ii)	Expected Sales Returns Refer note (iv)	Others
Balance as at April 01, 2018	**31.43**	**122,70.82**	**9,86.36**	**12,02.83**	**41,35.97**	**59,21.44**
Add: Provision during the year	-	-	3,90.15	-	63.50	20,06.93
Less: Amounts utilised/reversed during the year	-	-	5,62.87	-	2,30.34	7,76.76
Balance as at March 31, 2019	**31.43**	**122,70.82**	**8,13.64**	**12,02.83**	**39,69.13**	**71,51.61**
Balance as at April 01, 2017	**47.45**	**122,70.82**	**6,03.77**	**12,02.83**	**37,67.67**	**10,64.53**
Add: Provision during the year	-	-	7,35.04	-	38,04.89	50,83.11
Less: Amounts utilised/reversed during the year	16.02	-	3,52.45	-	34,36.59	2,26.20
Balance as at March 31, 2018	**31.43**	**122,70.82**	**9,86.36**	**12,02.83**	**41,35.97**	**59,21.44**

Notes:

(i) Rationalisation relating to a manufacturing site: This represents an estimated amount of cost required to be incurred to rationalise closed manufacturing site of the Company which it expects to utilise as and when actual costs are incurred. It is expected to be utilised within 12 months from the end of the year.

(ii) Pricing matters, Divestment/ Restructuring and other matters: Provision for pricing matters, Divestment/ Restructuring and other matters made for probable liabilities/ claims arising out of pending dispute, litigations/ commercial transactions with statutory authorities/ third parties. The outflow with regard to the said matters depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow. Also refer notes 41, 42 and 43.

(iii) Long term incentive plan: Refer note 53.

(iv) Expected sales returns: This represents provision made for expected sales returns. Revenue is adjusted for the expected value of returns. It is expected to be utilised within 12 months from the end of the year.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 27 : REVENUE FROM OPERATIONS		
A. Sale of products (including excise duty)		
Sale of products	3089,48.40	2820,03.24
	3089,48.40	**2820,03.24**
Consequent to the introduction of Goods and Service Tax (GST) with effect from July 01, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed under GST. In accordance with Ind AS 115 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended March 31, 2019 are not comparable with the previous year.		
B. Other operating revenue		
Service income	25,61.62	62,05.80
Consignment sales commission	-	13.17
Manufacturing charges recovery	9,22.62	10,38.19
Others	4,20.82	3,27.62
	39,05.06	**75,84.78**
Total Revenue from operations (A + B)	**3128,53.46**	**2895,88.02**
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the Country of Domicile- India	3102,72.94	2839,50.57
Revenue from foreign countries	25,80.52	56,37.45
	3128,53.46	**2895,88.02**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3242,46.83	3018,93.48
Less: Trade discounts, volume rebates, etc.	113,93.37	123,05.46
Net revenue recognised from contracts with customers	**3128,53.46**	**2895,88.02**
NOTE 28 : OTHER INCOME		
Interest income on:		
Deposits with banks	66,27.55	51,13.54
Income Tax Refund	9,90.77	-
Loans	20.26	24.08
Others	5.87	19.37
Gain on disposal of Property, Plant and Equipment (net)	1,41.39	-
Rental Income	48.00	71.97
Liabilities Written Back payable to group Company	23,14.00	-
Others	-	1,23.05
	101,47.84	**53,52.01**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 29 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	682,07.04	510,26.96
	682,07.04	**510,26.96**
NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
Finished goods	148,18.01	157,50.37
Stock-in-trade	222,31.21	144,48.35
Work-in-progress	22,77.40	33,33.91
	393,26.62	**335,32.63**
Less: Closing stock		
Finished goods	174,06.81	148,18.01
Stock-in-trade	171,54.28	222,31.21
Work-in-progress	22,08.98	22,77.40
	367,70.07	**393,26.62**
	25,56.55	**(57,93.99)**
NOTE 31 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	478,26.63	458,88.58
Contributions to : Provident and pension funds (Refer Note 39)	24,06.65	23,75.18
Gratuity funds (Refer Note 39)	12,46.93	22,69.11
Staff welfare expense	22,39.38	18,06.98
	537,19.59	**523,39.85**
NOTE 32 : FINANCE COSTS		
On Security deposits	22.19	14.83
Others	33.24	4.08
	55.43	**18.91**
NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSE		
On Property, Plant and Equipment (Refer Note 3)	38,69.37	33,84.09
On Investment Properties (Refer Note 4)	14.38	25.27
On Other Intangible assets (Refer Note 5)	9,75.32	3,89.22
	48,59.07	**37,98.58**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 34 : OTHER EXPENSES		
Sales promotion	120,36.40	81,71.34
Stock point commission	19,49.41	17,61.34
Freight	62,95.36	55,05.50
Travelling	74,29.86	68,40.66
Loss on disposal of Property, Plant and Equipment (net)	-	2,42.50
Exchange loss (net)	4,37.33	6,32.01
Manufacturing charges	86,49.79	86,52.84
Repairs:		
Buildings	5,82.13	4,46.32
Plant and Machinery	14,63.48	13,43.60
	20,45.61	**17,89.92**
Consumption of stores and spares	8,23.35	6,11.87
Power, fuel and water	27,93.93	26,43.85
Rent	34,41.95	35,10.37
Rates and taxes	7,82.05	35,00.21
Printing, postage and telephones	9,72.77	9,12.70
Sales training, briefing and conference	22,47.41	17,56.83
Insurance	4,37.59	3,74.96
Remuneration to auditors :		
Statutory audit fees (Refer Note (a) and (d) below)	88.00	79.00
In other capacity in respect of :		
Tax audit fees	6.00	6.00
Other services (Refer Note (b) below)	-	8.95
Reimbursement of expenses (Refer Note (c) below)	3.75	2.55
	97.75	**96.50**
Cost audit fees	10.47	6.87
Corporate social responsibility (Refer Note 37)	10,40.08	10,69.90
Commission to non whole-time Directors	1,50.00	73.96
Directors' sitting fees	57.84	65.00
Legal and professional fees	22,22.87	32,05.33
Miscellaneous	66,68.01	61,23.30
Reimbursement of expenses (net) (Refer Note 36)	25,42.76	23,61.76
	631,32.59	**599,09.52**

Notes:-

(a) For the year ended March 31, 2018, this amount includes ₹ 5.50 lakhs towards remuneration of previous auditor Price Waterhouse & Co Bangalore LLP.

(b) For the year ended March 31, 2018, this amount includes ₹ 8.25 lakhs towards other services of previous auditor Price Waterhouse & Co Bangalore LLP.

(c) For the year ended March 31, 2018, this amount of ₹ 2.55 lakhs is towards reimbursement of expenses of previous auditor Price Waterhouse & Co Bangalore LLP.

(d) For the year ended March 31, 2019, this amount includes ₹ 9.00 lakhs towards additional billing done on account of cost over-runs for the previous year.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

35 The recurring expenditure on research and development charged off to revenue amounts to ₹ 2,32.66 lakhs (Previous Year: ₹ 2,25.22 lakhs)

36 Reimbursement of expenses (net) are towards the value of costs apportioned, in accordance with the agreements on allocation of expenses with the group companies.

37 Expense towards activities relating to Corporate Social Responsibility in compliance with Section 135 of the Companies Act, 2013 is as under:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
a) Amount spent		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	10,94.36	11,26.15
Total amount spent	**10,94.36**	**11,26.15**
The above includes allocation of ₹ 54.28 lakhs (Previous Year ₹ 56.25 lakhs) towards Corporate Social Responsibility which are shown under Employee Benefits Expenses in note 31.		
(b) Gross amount required to be spent by the Company	10,85.73	11,24.94

NOTE 38 : EXCEPTIONAL ITEMS (NET)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit on sale of property	43,39.13	17,54.48
Sale of Brands	4,69.50	3.79
Redundancy Costs (Refer Note below)	(20,07.75)	-
Provision for Impairment of Investment in Subsidiary	(23,12.00)	
Others	-	21.58
	4,88.88	**17,79.85**

Note:-

₹ 20,07.75 Lakhs is on account of restructuring of the commercial and manufacturing organisation.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 39 : EMPLOYEE BENEFIT OBLIGATIONS

The company obtained actuarial reports as required by IND AS 19 (Employee Benefits) based on which disclosures have been made in the financial statement for the year ended March 31, 2019. The disclosures as required by the IND AS 19 are as below.

(i) Defined Contribution Plan

The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,44.61	5,45.56
Employees' pension scheme	5,76.63	6,20.29

(ii) Defined Benefit Plan

Gratuity

The Company makes annual contributions to an income tax approved irrevocable trust gratuity fund to finance the plan liability, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Post - Retirement medical benefit

The Company earmarks liability towards unfunded Post - Retirement medical benefit and provides for payment to vested employees. The benefits under the plan are in form of a medical benefit paid to employees post their employment with the Company.

Provident Fund

The liability of the Company on the exempt Provident Fund managed by the trustees is restricted to the interest shortfall if any.

Leave Encashment and compensated absences

The scheme is a non-contributory defined benefit arrangement providing benefits expressed in terms of a multiple of final monthly salary. The liability for leave encashment and compensated absences as at year end is ₹ 32,50.99 lakhs. (March 31, 2018: ₹ 27,41.74 lakhs).

Based on the actuarial valuations obtained, the following table sets out the status of the gratuity plan, post retirement medical benefits and provident fund and the amounts recognised in the Company's Standalone Financial Statements as at balance sheet date:

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019			Year ended March 31, 2018		
		Gratuity	Post retirement medical and other benefits	Provident Fund	Gratuity	Post retirement medical and other benefits	Provident Fund
		(Funded plan)	(Non-funded plan)	(Funded plans)	(Funded plan)	(Non-funded plan)	(Funded plans)
(i)	**Change in Defined Benefit Obligation**						
	Opening defined benefit obligation	**92,67.21**	**37,51.20**	**501,16.98**	**75,96.54**	**41,82.18**	**449,05.18**
	Amount recognised in Statement of profit and loss/Capitalised						
	Current service cost	6,93.46	24.78	13,52.18	5,27.44	62.06	12,83.13
	Past service cost	-	-	-	13,43.16	-	-
	Interest cost	6,78.68	2,73.47	38,41.05	5,26.23	2,85.55	32,19.89
		13,72.14	**2,98.25**	**51,93.23**	**23,96.83**	**3,47.61**	**45,03.02**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	2,40.45	82.50	-	(3,47.19)	(2,36.17)	-
	Demographic assumptions	(4.57)	(94.97)	-	1,69.15	(38.78)	-
	Experience adjustment	2,99.37	2,11.65	(11,37.30)	(93.30)	(1,80.11)	(4,47.87)
		5,35.25	**1,99.18**	**(11,37.30)**	**(2,71.34)**	**(4,55.06)**	**(4,47.87)**
	Contributions by employee	-	-	34,39.86	-	-	31,61.73
	Liabilities assumed on acquisition/(settled on divestiture)	(12.53)	-	(12,34.71)	(1.13)	-	3,04.79
	Benefits paid	(14,34.08)	(3,65.48)	(31,70.88)	(4,53.69)	(3,23.53)	(23,09.87)
	Closing defined benefit obligation	**97,27.99**	**38,83.15**	**532,07.18**	**92,67.21**	**37,51.20**	**501,16.98**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	**19,79.37**	**-**	**501,16.98**	**19,72.94**	**-**	**449,05.17**
	Amount recognised in the Statement of Profit and Loss/Capitalised	-	-	-	-	-	-
	Expected return on plan assets	1,25.22	-	38,41.05	1,27.72	-	32,19.89
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	(1,10.03)	-	(11,37.30)	1,32.40	-	(4,47.87)
	Contributions by employer	12,00.00	-	13,52.18	2,00.00	-	12,83.13
	Contributions by employee	-	-	34,39.86	-	-	31,61.73
	Assets acquired on acquisition/(settled on divestiture)	-	-	(12,34.71)	-	-	3,04.80
	Benefits paid	(14,34.08)	-	(31,70.88)	(4,53.69)	-	(23,09.87)
	Closing fair value of plan assets	**17,60.48**	**-**	**532,07.18**	**19,79.37**	**-**	**501,16.98**
	Actual return on plan assets	15.19	-	27,03.75	2,60.12	-	27,72.02

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019			Year ended March 31, 2018		
		Gratuity	Post retirement medical and other benefits	Provident Fund	Gratuity	Post retirement medical and other benefits	Provident Fund
		(Funded plan)	(Non-funded plan)	(Funded plans)	(Funded plan)	(Non-funded plan)	(Funded plans)
(iii)	**Amount recognised in the Statement of Profit and Loss**						
	Service Cost:						
	Current service cost	6,93.46	24.78	13,52.18	5,27.44	62.06	12,83.13
	Past service cost	-	-	-	13,43.16	-	-
	Net interest expense	5,53.46	2,73.47	-	3,98.51	2,85.55	-
	Less : Employee Cost Capitalised for Vemgal	-	-	(66.77)	-	-	(73.80)
	Components of defined benefit costs recognised in the Statement of Profit and Loss	**12,46.92**	**2,98.25**	**12,85.41**	**22,69.11**	**3,47.61**	**12,09.33**
(iv)	**Amount recognised in Other Comprehensive Income**						
	Remeasurement on the net defined benefit liability:						
	Return on plan assets (excluding amounts included in net interest expense)	(1,10.03)	-	(11,37.30)	1,32.40	-	4,47.87
	Acturial gain / (loss) arising from changes in demographic assumptions	4.57	94.97	-	(1,69.15)	38.78	-
	Acturial gain / (loss) arising from changes in financial assumptions	(2,40.45)	(82.50)	-	3,47.19	2,36.17	-
	Acturial gain / (loss) arising from changes in experience adjustments	(2,99.37)	(2,11.65)	11,37.30	93.30	1,80.11	(4,47.87)
	Components of defined benefit costs recognised in Other Comprehensive Income	**(6,45.28)**	**(1,99.18)**	**-**	**4,03.74**	**4,55.06**	**-**
(v)	**Amount recognised in the Balance Sheet**						
	Present value of obligations as at year end	97,27.99	38,83.15	532,07.18	92,67.21	37,51.20	501,16.98
	Fair value of plan assets as at year end	17,60.48	-	532,07.18	19,79.37	-	501,16.98
	Net (asset) / liability recognised as at year end	**79,67.51**	**38,83.15**	**-**	**72,87.84**	**37,51.20**	**-**
(vi)	**The major categories of plan assets are as follows:**						
	Government of India Securities	47%		46%	52%		46%
	Corporate Bonds	41%		44%	36%		46%
	Special Deposit Scheme	0%		0%	0%		0%
	Others	12%		10%	12%		8%
(vii)	**Principal actuarial assumptions used**						
	Discount rate (p.a.)	7.50%	7.50%	7.50%	7.70%	7.70%	7.70%
	Expected rate of return on plan assets (p.a.)	7.50%		9.12%	13.00%		9.02%
	Salary escalation rate	5.00% - 7.00%			5.00% - 7.00%		
	Annual increase in health care premiums (p.a.)		5%			5%	

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended March 31, 2019		Year ended March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	-3.99%	4.29%	-3.94%	4.23%
Future salary growth (0.5% movement) - Gratuity	3.85%	-3.67%	3.84%	-3.67%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.27%	5.82%	-5.30%	5.85%
Health care cost rate (1% movement)	10.73%	-8.89%	10.74%	-8.89%
Life expectancy +/- 1 year	2.42%	-2.76%	2.37%	-2.46%

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When one variable is changed, it affects others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Expected contribution to post employment benefit plans for the year ended March 31, 2020 is ₹ 79,67.52 lakhs (March 31, 2019: ₹ 2,00.00 lakhs)

The weighted average duration of defined benefit obligation is 8.27 years (March 31, 2018: 8.17 years)

The expected maturity analysis of un-discounted Gratuity and Post employment medical benefits is as below:

(₹ in lakhs)

March 31, 2019	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	10,19.44	8,66.43	28,12.26	53,51.62	100,49.75
Post employment medical benefits	2,14.66	2,27.87	7,55.29	113,56.08	125,53.90
Total	**12,34.10**	**10,94.30**	**35,67.55**	**167,07.70**	**226,03.65**

(₹ in lakhs)

March 31, 2018	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	9,06.38	7,91.98	28,53.64	163,41.47	208,93.47
Post employment medical benefits	2,02.83	2,14.63	7,17.29	115,10.63	126,45.38
Total	**11,09.21**	**10,06.61**	**35,70.93**	**278,52.10**	**335,38.85**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
A. Contingent Liabilities not provided for:		
(i) Cheques discounted with banks	1,05.60	4,70.84
(ii) In respect of claims made against the Company not acknowledged as debts by the Company		
(a) Sales tax matters	147,97.22	146,75.95
(b) Excise and custom matters	7,30.36	7,30.36
(c) Service tax matters	1,29.20	1,29.20
(d) Labour matters	58,50.00	57,57.80
(e) Other legal matters	25,08.23	25,08.23
(f) Other matters	23,14.00	-
which net of current tax amount to -	171,28.60	154,84.33
(iii) Income-tax matters in respect of which appeals are pending		
Tax on matters in dispute	248,45.05	240,27.97
Notes:		
Future cash outflows in respect of (i) above are dependant on the return of cheques by banks. Future cash outflows in respect of (ii) above are determinable on receipt of decisions / judgements pending with various forums / authorities, hence it is not practicable for the Company to estimate the timing of cash outflow, if any. The Company does not expect any reimbursement in respect of above contingent liabilities.		
B. Commitments		
(i) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for (Refer Note (a) below)	60,71.85	67,06.83
(ii) Uncalled liability on partly paid shares:		
- in Hill Properties Limited	0.04	0.08
Note:		
Future cash outflow is dependent on the call to be made by Hill Properties Limited.		

Note

(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at March 31, 2019 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru and corporate office renovations and as at March 31, 2018 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru.

(b) The Company, based on legal opinion, is of the view that the Ruling issued on February 28, 2019 by the Honourable Supreme Court, clarifying the definition of basic wages under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is applicable from the date of the said Ruling. Accordingly, the Company has given effect to the said Ruling on a prospective basis. The impact determined on a prospective basis is insignificant.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

41 The demand of ₹ 71,79 lakhs made by the Central Government on the Company in respect of Betamethasone bulk drugs and formulations made therefrom during the period May 1981 to August 1987 has been under litigation for a period spanning nearly 30 years. Pursuant to the special leave petition of the Central Government in the Supreme Court of India against the Delhi High Court's Judgment and Order dated October 19, 2001 which was held in favour of the Company, the Supreme Court has, vide its Judgement and Order dated March 31, 2011, upheld the demand. The Company had accrued a liability of ₹ 18,68 lakhs in earlier years and a further provision of ₹ 53,11 lakhs was accrued in 2011.

Based on legal advice, the Company has filed an Application in the Supreme Court seeking, inter alia, clarifications on some aspects of the Judgement and directions for recomputation of the demand. Simultaneously, the Company without prejudice to and subject to the outcome of the Application filed in the Supreme Court, has tendered as a further deposit, an amount of ₹ 63,60 lakhs, which together with the amount of ₹ 8,19 lakhs previously deposited with the Government, aggregates the demand of ₹ 71,79 lakhs made by the Government in November 1990. The Company filed a Review Petition in the Supreme Court which was rejected in March 2012.

In October 1996, the Government had claimed interest of ₹ 117,66 lakhs for the period May 12, 1981 to October 17, 1996, for which no provision was made in earlier years. The Government has vide letter dated May 4, 2011 called upon the Company to discharge the entire liability, including upto date interest calculated at 15% p.a., and has vide letter dated October 10, 2011, raised a demand on the Company for the interest amount amounting to ₹ 247,44 lakhs. Without prejudice to the position that interest is not payable, the Company has recognized a provision of ₹ 247,44 lakhs in respect of the Government's claim for interest in 2011. The Company has filed a writ petition at Delhi High Court against the above demand which has been admitted. The Company also filed stay applications which have been dismissed and has filed a Special Leave Petition (SLP) before the Supreme Court for stay of the interest demand until final determination of the writ petition filed in the Delhi High Court. The Supreme Court on hearing the above SLP, passed an order on April 3, 2012. The said order stayed the Demand Notice dated October 10, 2011 during the pendency of the writ petition at the Delhi High Court subject to the Company depositing ₹ 136,82 lakhs in three equal installments within six month's time from the date of order. All three instalments have been deposited with the Government as of date. The Supreme Court, vide its order dated October 5, 2012, directed the Delhi High Court to dispose of the writ petition as expeditiously as possible. After the arguments given by the Company's counsel on July 6, 2018, January 22, 2019, March 26, 2019 and May 16, 2019, the matter has been adjourned by the Delhi High Court to July 18, 2019.

NOTE 42 : MATTERS IN RESPECT OF ERSTWHILE BURROUGHS WELLCOME (INDIA) LIMITED (BWIL):

(i) The Government of India, Ministry of Chemicals and Fertilisers, New Delhi, passed a final order on July 21, 1993, directing erstwhile BWIL to pay an amount of ₹ 1,91.15 lakhs along with interest due thereon from the date of default into the Drugs Prices Equalisation Account (DPEA) in respect of a bulk drug procured by erstwhile BWIL during the period April 1981 to April 1983.

Erstwhile BWIL filed a writ petition in August 1993 which was admitted by the Bombay High Court. After hearing both the parties, the High Court granted an interim injunction restraining the Government of India from taking any action in furtherance of and/or implementation of the order dated July 21, 1993 or from in any manner seeking to compel erstwhile BWIL to deposit any amount into the DPEA, pending the hearing and final disposal of the petition on the condition that erstwhile BWIL furnishes a bank guarantee for ₹ 2,00 lakhs from a nationalised bank and undertakes to pay the amount demanded with interest at the rate of 20% per annum in case the petition fails.

Erstwhile BWIL had accordingly furnished the required bank guarantee. If calculated on the basis of correct data, taking into account set offs claimable for earlier years for which data has been provided by erstwhile BWIL, no amount will be payable by the Company and accordingly no provision in that respect is considered necessary. The Company's stand that the demand is not sustainable has been confirmed by an eminent counsel. The Government of India's application in the Supreme Court praying that the writ petition be transferred to the the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

(ii) Erstwhile BWIL had made an application to the Government of India for approval under Section 198(4) of the Companies Act, 1956, in respect of payment to the Managing Director and three whole time Directors amounting to

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

₹ 10.93 lakhs for the year ended August 31, 1986, which was in accordance with the minimum remuneration provided in the agreements entered into with them prior to erstwhile BWIL becoming public, which required such Government of India's sanction. The approval is still awaited.

(iii) Remittances in transit represented monies deposited by customers in favour of erstwhile BWIL with banks in Zambia - ₹ 0.31 lakhs and in Tanzania - ₹ 5.61 lakhs, the remittance of which is pending clearance of the authorities in those countries, whch have been written off in the current year.

NOTE 43 : MATTERS IN RESPECT OF ERSTWHILE SMITHKLINE BEECHAM (INDIA) LIMITED:

(i) ₹ 1,44.44 lakhs received from Beckman Instruments International S.A. on account of disputed alleged additional commission has been included under non-current provisions and Income tax paid thereon aggregating ₹ 64.77 lakhs has been included under other non-current assets. The Company is contesting the matter with the concerned authorities.

(ii) Refund of surtax ₹ 96.81 lakhs, and interest thereon amounting to ₹ 48.52 lakhs, received during 1994, have not been adjusted against the provision for tax in the books of accounts and recognised as income respectively, since the Income tax department had filed a reference application against the income tax tribunal's order which was pending before the High Court of Karnataka. The Company has received an order dated April 18, 2007 from the High Court of Karnataka which is partially in the Company's favour. On the basis of the aforesaid order, Income Tax Appellate Tribunal (ITAT), Bangalore will pass an order giving directions. On receipt of the ITAT order, the Company will take appropriate steps in the matter.

NOTE 44 : DISCLOSURES AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:

(₹ in lakhs)

			March 31, 2019	March 31, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,20.83	7,30.78
	(ii)	Interest due thereon	7.40	1.33
			4,28.23	7,32.11
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	45,23.48	18,88.40
	(ii)	Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	14.27
(c)	(i)	Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	-	-
	(ii)	Normal Interest payable for the period of delay in making payment, as per the agreed terms	-	-
(d)	(i)	Total Interest accrued during the year	7.40	1.33
	(ii)	Total Interest accrued during the year and remaining unpaid	7.40	1.33
(e)	Amount of estimated interest due and payable for the period from April 1, 2019 to actual date of payment or April 30, 2019, whichever is earlier		2.07	-
	The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.			

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 45 : TAX EXPENSE

(a) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	192,82.27	204,33.82
Total current tax expense	192,82.27	204,33.82
Deferred tax		
In respect of current year	45,52.31	(14,53.77)
In respect of prior years	-	79.74
Adjustment to deferred tax attributable to change in income tax rate	-	(1,00.21)
Total Deferred tax (benefit) / expense	45,52.31	(14,74.24)
Total tax expense	**238,34.58**	**189,59.58**

(b) Amounts recognised in Other Comprehensive Income (OCI)

(₹ in lakhs)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to the Statement of Profit and Loss						
Remeasurements of the defined benefit plans	(8,44.47)	2,95.09	(5,49.38)	8,58.80	(3,00.10)	5,58.70
	(8,44.47)	2,95.09	(5,49.38)	8,58.80	(3,00.10)	5,58.70

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	663,70.63	541,58.35
Tax using the Company's domestic tax rate at 34.944%	215,12.23	181,34.62
Tax using the Company's domestic tax rate in terms of Long Term Capital Gain at 23.296%	11,20.22	4,05.67
Total Tax	**226,32.45**	**185,40.29**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	2,54.86	2,48.71
Donations	54.29	70.51
Due to change in income tax rate from 34.608% to 34.944%.	-	(1,00.21)
Impairment in subsidiary	8,07.90	-
Other items	85.08	2,00.28
Total tax Expense	**238,34.58**	**189,59.58**

Consequent to the reconciliation items shown above, the effective tax rate is 35.91% (Financial Year 2017-18: 35.01%)

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(d) Movement in deferred tax balances

(₹ in lakhs)

	Balance as at April 01, 2018	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2019
Deferred tax asset				
Provision for Employee Benefits	48,13.66	(26,17.69)	2,95.09	24,91.06
Voluntary retirement schemes	4.99	1,60.42	-	1,65.41
Allowance for doubtful debts	6,76.10	(46.51)	-	6,29.59
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,63.88	-	-	22,63.88
Expenses allowable for tax purpose when paid	41,66.99	(12,57.10)	-	29,09.89
Total Deferred tax asset	**119,25.62**	**(37,60.88)**	**2,95.09**	**84,59.83**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(16,20.34)	(7,91.43)	-	(24,11.77)
Deferred tax asset (net)	**103,05.28**	**(45,52.31)**	**2,95.09**	**60,48.06**

(₹ in lakhs)

	Balance as at April 01, 2017	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2018
Deferred tax asset				
Provision for Employee Benefits	44,68.08	6,45.68	(3,00.10)	48,13.66
Voluntary retirement schemes	98.49	(93.50)	-	4.99
Allowance for doubtful debts	6,97.75	(21.65)	-	6,76.10
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,42.11	21.77	-	22,63.88
Expenses allowable for tax purpose when paid	30,88.05	10,78.94	-	41,66.99
Total Deferred tax asset	**105,94.48**	**16,31.24**	**(3,00.10)**	**119,25.62**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(14,63.34)	(1,57.00)	-	(16,20.34)
Deferred tax asset (net)	**91,31.14**	**14,74.24**	**(3,00.10)**	**103,05.28**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 46 : LEASES

(i) The future minimum lease payments under non-cancellable operating leases are as follows:

(₹ in Lakhs)

Particulars	Lease Rental debited to Statement of Profit and Loss	Future Minimum lease Payments	As at March 31, 2019	As at March 31, 2018
Manufacturing Arrangement with Loan Licensee identified as operating lease	₹ 9,86.10 lakhs (Previous Year: ₹ 11,75.55 lakhs)	Within one year	-	9,86.10
		Later than one year but not later than 5 years	-	-
		Later than 5 years	-	-

(ii) The details of cancellable operating leases are as follows:

The Company has taken various residential, office, godown premises, machinery and vehicles under operating lease arrangements. These are cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements. The lease rentals of ₹ 24,55.85 lakhs (March 31, 2018: ₹ 23,34.82 lakhs) have been included under the head Rent under Note 34 in the Statement of Profit and Loss.

NOTE 47 : EARNINGS PER SHARE

		Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	₹ in lakhs	425,36.05	351,98.77
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earnings per share (Basic and Diluted)	₹	25.11	20.78
Face value per share	₹	10	10

48 (a) Current tax liabilities are net of taxes paid amounting to ₹ 1349,74.65 lakhs (March 31, 2018: ₹ 1349,11.61 lakhs).

(b) Current tax assets (net) represents payments in excess of provisions of ₹ 2579,64.18 lakhs (March 31, 2018: ₹ 2386,81.91 lakhs).

NOTE 49 : FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels presented below.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial assets at fair value through OCI (FVTOCI)		
Investment in Equity instruments	5.50	5.50
Total Investment in Equity Instruments	**5.50**	**5.50**
Financial assets at amortised cost *		
National Savings Certificate	0.17	0.17
Security Deposits	11,43.05	14,58.05
Margin money/ Deposit against bank guarantee	4,06.30	27.76

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Trade receivables	120,48.73	146,95.89
Cash and cash equivalents	97,77.88	199,39.66
Bank balances other than Cash and cash equivalents	1057,55.47	1080,29.43
Interest accrued on deposits with bank	22,15.36	21,39.93
Receivable from group companies	67,02.64	35,65.70
Advances recoverable	44.62	85.81
Total financial assets	**1380,94.22**	**1499,42.40**
*Excludes investments in subsidiary		
Financial liabilities at amortised cost		
Borrowings	58.30	98.90
Security deposits received	2,19.47	2,24.47
Payable to employees	117,33.52	93,41.84
Unclaimed dividends	22,25.03	23,34.70
Trade payables	402,96.11	502,52.60
Creditors for capital goods	76,71.93	140,39.16
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	13,10.24	8,24.11
Total financial liabilities	**636,44.88**	**772,46.06**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements.

(a) Financial instruments that are recognised and measured at fair value

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 : It includes financial instruments measured using quoted prices

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial Instruments measured at Fair value (Level 3)		
Investment in Equity instruments	5.50	5.50
	5.50	**5.50**

The impact of fair valuation of Equity investment is considered as insignificant and hence carrying value and fair value is considered as same.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(b) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial assets		
National Savings Certificate		
Carrying value	0.17	0.17
Fair value	0.17	0.17
Security Deposits		
Carrying value	11,43.05	14,58.05
Fair value	11,43.05	14,58.05
Margin money/ Deposit against bank guarantee		
Carrying value	4,06.30	27.76
Fair value	4,06.30	27.76
*Excludes investments in subsidiary		
Financial liabilities		
Borrowings		
Carrying value	58.30	98.90
Fair value	58.30	98.90
Security deposits received		
Carrying value	2,19.47	2,24.47
Fair value	2,19.47	2,24.47

The impact of fair valuation of the above Financial assets and liabilities is considered to be insignificant and hence carrying value and the fair value is considered to be same.

The carrying amounts of Trade receivables, Cash and cash equivalents, Bank balances other than Cash and cash equivalents, Interest accrued on deposits with bank, Receivable from group companies, Advances recoverable, Payable to employees, Unclaimed Dividends, Trade payables, Creditors for capital goods, Rationalisation relating to a manufacturing site and Other Payables are considered to be the same as their fair values due to their short term nature.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's trade receivables are largely from sales made to wholesale customers and direct sales to hospitals with a smaller proportion of sales to Indian Government Institutions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer and the default risk of the industry.

The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Exposures to customers outstanding at the end of each reporting period are reviewed to determine incurred and expected credit losses and the Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. The impairment loss as at March 31, 2019 related to customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

In case of receivables from wholesale customers and hospitals, the Company has followed a provision approach consistent with expected credit loss approach as per Ind AS 109.

Summary of the Company's ageing of outstanding from various customers and impairment for expected Credit Loss is as follows:

(₹ in lakhs)

As at March 31, 2019	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	102,32.71	1.39	102,31.32
Past due 0-180 days	12,10.13	89.81	11,20.32
Past due 181-360 days	2,39.74	18.55	2,21.19
Past due 361-720 days	4,75.64	95.23	3,80.41
Past due 721-1095 days	2,28.12	132.63	95.49
Past due more than 3 years	11,89.33	11,89.33	-
Total	**135,75.67**	**15,26.94**	**120,48.73**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

As at March 31, 2018	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	113,99.19	1.60	113,97.59
Past due 0-180 days	26,15.81	98.63	25,17.18
Past due 181-360 days	2,54.24	3.42	2,50.82
Past due 361-720 days	1,66.23	7.20	1,59.03
Past due 721-1095 days	4,46.22	74.95	3,71.27
Past due more than 3 years	13,83.17	13,83.17	-
Total	**162,64.86**	**15,68.97**	**146,95.89**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

As of March 31, 2019, the Company had working capital of ₹ 540,30.55 lakhs, including cash and cash equivalents of ₹ 97,77.88 lakhs and investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months but less than 12 months) of ₹ 1034,00.00 lakhs.

As of March 31, 2018, the Company had working capital of ₹ 567,00.77 lakhs, including cash and cash equivalents of ₹ 199,39.66 lakhs and investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months but less than 12 months) of ₹ 1054,00.00 lakhs.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

As at March 31, 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	58.30	58.30	40.60	17.70	-	-
Trade Payables and other payables	611,42.08	611,42.08	611,42.08	-	-	-
Unclaimed dividends	22,25.03	22,25.03	22,25.03	-	-	-
Security deposits received	2,19.47	2,19.47	-	-	2,19.47	-

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

As at March 31, 2018	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	98.90	98.90	40.60	40.60	17.70	-
Trade Payables and other payables	745,87.99	745,87.99	745,87.99	-	-	-
Unclaimed dividends	23,34.70	23,34.70	23,34.70	-	-	-
Security deposits received	2,24.47	2,24.47	-	-	2,24.47	-

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

The Company is exposed to currency risk on account of its receivables and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to GBP, USD, EUR and other currencies. The Company has not hedged this foreign currency exposure and strives to achieve asset liability offset of foreign currency exposure.

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(₹ in lakhs)

	As at March 31, 2019				As at March 31, 2018			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current Financial assets	10.24	-	10.73	-	88.66	3.30	-	-
Trade payables	2,54.46	4,61.84	4.32	87.13	11,70.92	167,77.69	6,35.81	2,73.32
Capital Creditors	1,18.21	3,99.42	22,79.66	29.96	51,81.23	6,53.14	25,94.52	12.23
Net statement of financial position exposure	(3,62.43)	(8,61.26)	(22,73.25)	(1,17.09)	(62,63.49)	(174,27.53)	(32,30.33)	(2,85.55)

Sensitivity analysis

A reasonably possible strenghtening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or loss		Equity	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2019					
GBP	5%	(18.12)	18.12	-	-
USD	5%	(43.06)	43.06	-	-
EUR	5%	(1,13.66)	1,13.66	-	-
Other currencies	5%	(5.85)	5.85	-	-

(₹ in lakhs)

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or loss		Equity	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2018					
GBP	5%	(3,13.17)	3,13.17	-	-
USD	5%	(8,71.38)	8,71.38	-	-
EUR	5%	(1,61.52)	1,61.52	-	-
Other currencies	5%	(14.28)	14.28	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

NOTE 50 : CAPITAL MANAGEMENT

(a) Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company has adequate cash and bank balances and no interest bearing liabilities. The Company has interest free deferred sales tax incentive availed under the 1993 Sales Tax Deferment Schemes. The Company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any interest bearing debt, the maintenance of debt equity ratio, etc. may not be of any relevance to the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Equity shares		
	Final dividend for the year ended March 31, 2018 of ₹ 35 (March 31, 2017 ₹ 30) per fully paid share	296,46.06	254,10.91
(ii)	Dividend Distribution Tax on the above	60,93.83	51,73.06
(iii)	Dividends not recognised at the end of the reporting period		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 20 per fully paid equity share (March 31, 2018: ₹ 17.5 per share retrospectively adjusted for September 2018 bonus issue). The proposed dividend for the year ended March 31, 2019 is subject to the approval of shareholders in the ensuing annual general meeting.	338,81.21	296,46.06
(iv)	Dividend Distribution Tax on the above	69,64.38	60,93.83

NOTE 51 : SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Company has identified the Chief Operating Decision Maker as its Managing Director. The Chief Operating Decision Maker reviews performance of pharmaceutical business on an overall basis. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity-wide disclosures are as under:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
Revenue from the Country of Domicile- India	3102,72.94	2839,50.57
Revenue from foreign countries	25,80.52	56,37.45
Total	**3128,53.46**	**2895,88.02**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Details of non current asset		
Non Current asset from the Country of Domicile- India	1817,48.19	1636,38.31
Non Current asset from foreign countries	-	-
Total	**1817,48.19**	**1636,38.31**

Information about major customers

The Company did not have any external revenue from a particular customer which exceeded 10% of total revenue.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 52 : RELATED PARTY DISCLOSURES

Related party disclosures, as required by IND AS 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 are given below:

1 **Relationships (during the year):**

(i) Shareholders (the GlaxoSmithKline (GSK) Group shareholding) in the Company :
Glaxo Group Limited, U.K.
GlaxoSmithKline Pte Limited, Singapore
Eskaylab Limited, U.K.
Burroughs Wellcome International Limited, U.K.

Holding company / ultimate holding company of the above shareholders
GlaxoSmithKline Plc, U.K. *
GlaxoSmithKline Finance Plc, U.K.*
Setfirst Ltd, U.K. *
SmithKline Beecham Limited, U.K.
Wellcome Limited, U.K.*
The Wellcome Foundation Limited, U.K.*
Wellcome Consumer Healthcare Limited, U.K.*

* no transactions during the year

(ii) Subsidiary of the Company :
Biddle Sawyer Limited, a wholly owned subsidiary of the Company

(iii) Other related parties in the GlaxoSmithKline (GSK) Group where common control exists and with whom the Company had transactions during the year:
GlaxoSmithKline Asia Private Limited, India
GlaxoSmithKline Brasil Ltda, Brazil*
GlaxoSmithKline Consumer Healthcare Limited, India
GlaxoSmithKline Biologicals S.A., Belgium
GlaxoSmithKline Pharmaceuticals S.A., Belgium
GlaxoSmithKline Services Unlimited, U.K.
Glaxo Operations UK Limited, U.K
GlaxoSmithKline Export Limited, U.K.
GlaxoSmithKline Latin America S.A*
GlaxoSmithKline Pakistan Limited, Pakistan*
GlaxoSmithKline Research & Development Ltd, U.K
GlaxoSmithKline Pte Limited, Singapore*
GlaxoSmithKline Corporate Centre, U.S.A*
GlaxoSmithkline Philippines Inc., Philippines*
GlaxoSmithKline Australia Pty Limited, Australia*
GlaxoSmithKline Trading Services Limited, Ireland
GlaxoSmithKline Limited, Hong Kong*
GlaxoSmithKline South Africa (Pty) Ltd, South Africa
GlaxoSmithKline LLC, U.S.A*
GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria
Stiefel India Private Limited, India
Glaxo Wellcome Ceylon Ltd., Sri Lanka*
US GMS Financial Services, U.S.A.*
GlaxoSmithKline Inc, Philadelphia
GlaxoSmithKline Manufacturing SPA, Italy*
GlaxoSmithKline Intellectual Property Limited
Chiron Behring Vaccines Private Ltd, India (upto February 28, 2019)

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(iv) Directors and members of GSK India Leadership Team :

Directors:

Mr. A. Vaidheesh #
Ms. P. Thakur # (w.e.f. January 1, 2018)
Mr. A. Aristidou # (upto December 31, 2017)*
Mr. R. Krishnaswamy #
Mr. N. Kaviratne
Mr. P. Bhide
Ms. A. Bansal
Mr. A.N. Roy
Mr. D.S. Parekh (upto March 31, 2019)
Mr. D. Sundaram
Mr. R.R. Bajaaj (upto July 24, 2019)
Mr. S. Williams (w.e.f. April 7, 2017)
Mr. M. Jones (w.e.f. April 7, 2017 upto July 24, 2018)

GSK India Leadership Team:

Mr. A. Nadkarni (w.e.f. April 17, 2017)
Mr. K. Hazari (upto May 31, 2018)
Mr. R. D'souza (w.e.f. April 17, 2017)
Mr. R. Bartaria (upto August 31, 2018)
Mr. S. Dheri
Ms. S. Choudhary
Mr. S. Webb (w.e.f. January 17, 2018 upto January 31, 2019)
Ms. V. Desai (upto May 16, 2017)
Mr. V. Balakrishnan (w.e.f. March 20, 2017 upto September 21, 2018)
Mr. B. Kotak (w.e.f. June 14, 2017)
Mr. A. Iyer (w.e.f. October 13, 2017)
Ms. M. Priyam (w.e.f. July 27, 2017)
Ms. D. Jakate (w.e.f. February 19, 2018)
Mr. S. Balasubramanian (w.e.f. October 01, 2018)
Mr. N. Hindia (w.e.f. June 01, 2018)
Mr. G. Kotian (w.e.f. October 01, 2018)
Mr. N. Sudrik (w.e.f. October 01, 2018)

Also member of GSK India Leadership Team
* no transactions during the year

2 The following transactions were carried out with the related parties in the ordinary course of business:

(i) Dividend paid to parties referred to in item 1(i) above:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Glaxo Group Limited, U.K.	106,69.84	91,45.58
GlaxoSmithKline Pte Limited, Singapore	83,30.70	71,40.60
Eskaylab Limited, U.K.	20,58.00	17,64.00
Burroughs Wellcome International Limited, U.K.	11,76.00	10,08.00

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(ii) Details relating to parties referred to in items 1(i), 1(ii) and 1(iii) above:

(₹ in lakhs)

		Holding company/ ultimate holding company 1(i)		Subsidiary of the company 1(ii)		Other companies in the GSK Group 1(iii)	
		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
1	Purchase of materials/traded goods	-	-	-	-	465,35.29	532,29.27
2	Sale of materials/sale of products	-	-	-	-	18.54	21.87
3	Purchase of Intangible assets	-	-	-	-	9,45.00	49,66.22
4	Expenses recharged to other companies	70.55	-	41.58	45.53	60,02.39	33,41.62
5	Expenses recharged by other companies	-	-	-	-	41,71.84	31,09.78
6	Manufacturing charges recovered	-	-	-	-	9,22.62	10,38.19
7	Consignment sales commission received	-	-	-	-	-	13.17
8	Clinical research and data management recoveries	-	-	-	-	7,71.88	40,72.62
9	Central Value Added Tax credits availed on behalf of a related party (net)	-	-	-	-	-	1,63.58
10	Liabilities written back	-	-	-	-	23,14.00	-
11	Employee benefit liabilities transferred to a related party	-	-	-	-	12.52	1.41
12	Outstanding receivables at the period end	-	-	-	27.47	67,02.64	123,82.03
13	Outstanding payables at the period end	-	-	40.51	-	65,03.24	312,53.78

(iii) Disclosure in respect of material transactions with parties referred to in item 1 (i), 1(ii) and 1(iii) above:

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Purchase of materials/traded goods:		
	GlaxoSmithKline Asia Private Limited, India	7,15.09	205,33.55
	GlaxoSmithKline Biologicals S.A., Belgium	273,91.37	196,77.90
	Chiron Behring Vaccines Private Ltd, India	37,18.49	12,54.91
	Stiefel India Private Limited, India	34,47.15	27,15.02
	GlaxoSmithKline Export Limited, U.K.	112,63.19	90,47.88
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	18.54	21.87
(c)	Intangible assets:		
	GlaxoSmithKline Services Unlimited, U.K.	9,45.00	49,66.22
(d)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	2,94.05	6,56.68
	Glaxo Group Limited, U.K.	70.55	-
	GlaxoSmithKline Intellectual Property Limited	1,30.63	-
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	76.90	-
	GlaxoSmithKline Export Limited, U.K.	8,27.67	-

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

		Year ended March 31, 2019	Year ended March 31, 2018
	GlaxoSmithKline Consumer Healthcare Limited, India	11,17.11	-
	GlaxoSmithKline Biologicals S.A., Belgium	11,52.43	-
	GlaxoSmithKline Research & Development Ltd, U.K.	23.25	-
	GlaxoSmithKline Services Unlimited, U.K.	8,52.05	5,80.04
	Glaxo Operations UK Limited, U.K	5,15.34	7,03.55
	GlaxoSmithKline Trading Services Limited, Ireland	4,52.24	5,28.74
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	3,56.65	3,61.37
(e)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	31,69.02	23,19.62
	GlaxoSmithKline Services Unlimited, U.K.	4,35.93	-
	Glaxo Operations UK Limited, U.K	2,22.40	-
	GlaxoSmithKline Biologicals S.A., Belgium	1,92.15	-
	GlaxoSmithKline Trading Services Limited, Ireland	1,41.32	-
	SmithKline Beecham Limited, U.K.	11.02	-
(f)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	9,22.62	10,38.19
(g)	Consignment sales commission received:		
	GlaxoSmithKline Asia Private Limited, India	-	13.17
(h)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	5,54.35	23,16.70
	GlaxoSmithKline Asia Private Limited, India	24.43	-
	GlaxoSmithKline Services Unlimited, U.K.	11.60	-
	GlaxoSmithKline Research & Development Ltd, U.K.	1,81.50	17,55.92
(i)	Central Value Added Tax credits availed on behalf of a related party (net):		
	GlaxoSmithKline Asia Private Limited, India	-	1,63.58
(j)	Liabiities written back		
	GlaxoSmithKline Asia Private Limited, India	23,14.00	-
(k)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	12.52	1.41

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		As at March 31, 2019
(l)	Outstanding receivables at the period end :	
	GlaxoSmithKline Asia Private Limited, India	2,13.50
	GlaxoSmithKline Consumer Healthcare Limited, India	60,96.98
	GlaxoSmithKline Biologicals S.A., Belgium	50.55
	GlaxoSmithKline Export Limited, U.K.	36.22
	GlaxoSmithKline Research & Development Ltd, U.K.	11.12
	GlaxoSmithKline Trading Services Limited, Ireland	19.17
	GlaxoSmithKline Services Unlimited, U.K.	1,02.53
	Glaxo Operations UK Limited, U.K.	1,07.31
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	28.22
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	16.58

(₹ in lakhs)

		As at March 31, 2019
(m)	Outstanding payables at the period end :	
	Biddle Sawyer Limited	40.51
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	87.13
	GlaxoSmithKline Biologicals S.A., Belgium	34,02.00
	GlaxoSmithKline Export Limited, U.K.	24,07.67
	Stiefel India Private Limited, India	2,46.59
	GlaxoSmithKline Services Unlimited, U.K.	1,24.77
	GlaxoSmithKline Consumer Healthcare Limited, India	1,06.64
	Glaxo Operations UK Limited, U.K.	1,28.44

(₹ in lakhs)

		As at March 31, 2018
(n)	Outstanding (payables)/receivables at the period end (net):	
	GlaxoSmithKline Asia Private Limited, India	(25,01.26)
	SmithKline Beecham Limited, U.K.	(48.83)
	GlaxoSmithKline Consumer Healthcare Limited, India	28,94.31
	GlaxoSmithKline Biologicals S.A., Belgium	(128,63.14)
	GlaxoSmithKline Export Limited, U.K.	(17,95.76)
	GlaxoSmithKline Research & Development Ltd, U.K.	2,64.82
	GlaxoSmithKline Trading Services Limited, Ireland	50.09
	GlaxoSmithKline Services Unlimited, U.K.	(47,24.46)
	Glaxo Operations UK Limited, U.K.	1,20.85
	Chiron Behring Vaccines Private Ltd, India	(62.53)

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

(iv) Details relating to persons referred to in item 1(iv) above:

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
1	Remuneration/commission/sitting fees	29,75.30	24,81.72
2	Payments under the long-term incentive plan	3,63.74	1,11.71
3	Interest income on loans given	-	0.15

(v) Disclosure in respect of material transactions with persons referred to in item 1(iv) above:

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Remuneration/commission/sitting fees (Refer Note below):		
	Mr. A. Vaidheesh	5,75.19	6,01.16
	Mr. A. Iyer (w.e.f. October 13, 2017)	3,23.29	1,14.09
	Mr. R. Krishnaswamy	2,11.61	1,74.74
	Ms. P. Thakur (w.e.f. January 1, 2018)	2,09.51	59.60
	Mr. A. Aristidou (upto December 31, 2017)	-	3,71.77
(b)	Payments made during the year under the long-term incentive plan (Refer Note below):		
	Mr. A. Vaidheesh	2,04.66	-
	Ms. P. Thakur (w.e.f. January 1, 2018)	26.71	-
	Mr. R. Bartaria (upto August 31, 2018)	-	11.75
	Mr. R. Krishnaswamy	48.36	24.96
	Mr. S. Dheri	13.06	11.75
	Mr. K. Hazari (upto May 31, 2018)	-	21.66
(c)	Interest income on loans given:		
	Mr. S. Dheri	-	0.15

Note: Amounts are not comparable as they pertain to part of the year and/ or are recorded on cash payment basis.

NOTE 53 : SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Share Awards (RSAs)

Certain employees of the Company are entitled to receive cash settled stock based awards ('awards') pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc').

Under this plan, certain employees are granted cash settled RSAs at no cost, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after two and a half to three year vesting period during which the employee has to remain in continuous employment with the Company. These RSA's do not give any voting rights or the right to accrue dividends.

The fair value of these awards is determined based on the closing share price on the day of grant, after deducting the expected future dividend yield of 5.2% (Previous Year – 4.8%) over the duration of the award.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 (contd.)

Reconciliation of RSAs

	Number of RSA
As at April 1, 2017	**100,908**
Granted	75,170
Exercised *	(17,340)
Cancelled	(1,280)
As at March 31, 2018	**157,458**
Granted	98,462
Exercised *	(95,234)
Cancelled	(20,847)
As at March 31, 2019	**139,839**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2019 was GBP 15.97 (March 31, 2018 GBP 12.95)

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the Statement of Profit and Loss as part of employee benefit expense were as follows:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Restricted Share Awards (RSAs)	7,74.56	7,35.04

Carrying amount of liability

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Carrying amount of liability included in long term incentive plan (Notes 21 and 25)	8,13.64	9,86.36

NOTE 54 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended Equity dividend of ₹ 20.00 per share for the year ended March 31, 2019 (March 31, 2018: ₹ 17.50 per share retrospectively adjusted for September 2018 bonus issue) (Refer Note 50 (b)).

NOTE 55

Previous year figures have been regrouped / reclassified wherever necessary.

NOTE 56: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 20, 2019.

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ in lakhs)

1.	Name of the subsidiary:	Biddle Sawyer Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	Same Reporting period as of Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	NA
4.	Share capital:	96.00
5.	Reserves & surplus:	2100.76
6.	Total assets:	2707.95
7.	Total Liabilities:	511.19
8.	Investments:	Nil
9.	Turnover:	Nil
10.	Profit/(Loss) before taxation:	(409.55)
11.	Provision for taxation:	106.95
12.	Profit/(Loss) after taxation:	(302.60)
13.	Proposed Dividend:	Nil
14.	% of shareholding:	100%

Notes: The following information shall be furnished at the end of the statement: Not Applicable

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures : Not Applicable

BIDDLE SAWYER LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

The Directors have pleasure in submitting their 73rd Report for the year ended 31st March 2019.

FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2019

₹ in Lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	-	(23.24)
Profit / (Loss) before Tax	(409.55)	(161.83)
Provision for Tax	-	-
Deferred Tax Charge / (credit)	(106.95)	(35.64)
Net Profit for the year	(302.60)	(126.19)
Opening Surplus brought forward	2403.36	2529.55
Closing Surplus carried forward	2100.76	2403.36

State of Company Affairs

During the year under review, your Company has earned income from interest on fixed deposits ₹ 83.47 Lacs (previous year ₹ 102.35 Lacs) and generated income from sale of brands of ₹ 69.03 Lacs (previous year Rs. Nil). Company has not generated any revenue from operations during the year and has written off assets no longer realisable of ₹ 450.00 Lacs (Previous Year ₹ Nil).

DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March 2019.

AUDITORS AND AUDITOR'S REPORT

Members are requested to re-appoint Cornelius and Davar, Chartered Accountants, as the Auditors of the Company for the ensuing year and fix their remuneration.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Ronald Sequeira resigned as Director of the Company with effect from 31st December 2018.

In terms of the provisions of the Companies Act, 2013, Mr. Annaswamy Vaidheesh retires from the Board of Directors of the Company by rotation and being, eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

The Notice convening the forthcoming Annual General Meeting includes the proposal for reappointment of aforesaid Director.

None of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended 31st March 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit or loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts for the financial year ended 31st March 2019 on a going concern basis;

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER MANDATORY DISCLOSURES

- The Board of Directors met 5 (Five) times during the financial year 2018-19.
- As on 31st March 2019, the Company did not have any Subsidiary / Joint Venture / Associate Company.
- In terms of provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in prescribed format is annexed to this Report as Annexure1.
- The Company has not granted any loans, provided guarantees or made investments pursuant to the provisions of Section 186 of the Companies Act, 2013, during the financial year 2018-19.
- There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.
- Your Company has not accepted any deposits from the public during the year under review.
- There were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of Interest of the Company at large.
- No details as required under the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given, as there are no employees drawing remuneration in excess of the prescribed limits.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company is 100 % subsidiary of GlaxoSmithKline Pharmaceuticals Limited ("Parent Company") and all policies including Vigil Mechanism, Risk Management Policy and Internal Financial Control have been adopted on lines of parent Company.
- The Company does not have any manufacturing plant or office so Conservation of Energy & Technology Absorption is not applicable and Company does not have any Foreign exchange earnings and Foreign Exchange outgo for the financial year 2018-19.

ACKNOWLEDGEMENT

The Board wishes to place on record its gratitude for the assistance and co-operation received from Government, Banks, Authorities, Customer's, Vendors and to all its Members for the trust and confidence reposed in the Company.

For and on behalf of the Board of Directors

Annaswamy Vaidheesh
Chairman

Mumbai, 15th May 2019

ANNEXURE 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U51900MH1948PLC006218
Registration Date	:	March 13, 1948
Name of the Company	:	BIDDLE SAWYER LIMITED
Category / Sub-Category of the Company	:	Company Limited By Shares / Indian Non-Government Company
Address of the Registered office and contact details	:	252, Dr. Annie Besant Road Mumbai 400030
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals	21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	GLAXOSMITHKLINE PHARMACEUTICALS LIMITED	L24239MH1924PLC001151	Holding	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1st April 2018]				No. of Shares held at the end of the year [as on 31st March 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	96000	960000	100	-	96000	960000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=A1+A2	-	96000	960000	100	-	96000	960000	100	-
B. Public Shareholding									
1. Institutions									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	96000	960000	100	-	96000	960000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GlaxoSmithKline Pharmaceuticals Limited	960000	100	0	960000	100	0	NIL
	Total	**960000**	**100**	**0**	**960000**	**100**	**0**	**NIL**

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in promoters holding

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year- 1st April, 2018		Cumulative shareholding during the year 31st March 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	GlaxoSmithKline Pharmaceuticals Limited (Holding Company)				
	At the beginning of the year	959994	99.99		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	Nil	Nil		
		Nil	Nil		
	At the End of the year	959994	99.99	959994	99.99
2.	Annaswamy Vaidheesh with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0.00	0.00		
	At the End of the year	1	0.00	1	0.00
3.	Raju Krishnaswamy jointly with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0.00	0.00		
	At the End of the year	1	0.00	1	0.00
4.	Ronald Sequeira jointly with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0.00	0.00		
	At the End of the year	1	0.00	1	0.00
5	Ajay Nadkarni jointly with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0.00	0.00		
	At the End of the year	1	0.00	1	0.00
6	Puja Thakur jointly with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0.00		
	At the End of the year	1	0.00	1	0.00
7	Rohan Mota jointly with GlaxoSmithKline Pharmaceuticals Ltd				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	0	0.00		
	At the End of the year	1	0.00	1	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year 1st April 2018		Cumulative shareholding during the year 31st March 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Annaswamy Vaidheesh with GlaxoSmithKline Pharmaceuticals Ltd	1	0.00	1	0.00
2	Raju Krishnaswamy jointly with GlaxoSmithKline Pharmaceuticals Ltd	1	0.00	1	0.00
3	Puja Thakur jointly with GlaxoSmithKline Pharmaceuticals Ltd	1	0.00	1	0.00
4	Rohan Mota jointly with GlaxoSmithKline Pharmaceuticals Ltd	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. A. Remuneration to Managing Director, Executive Directors and/or Manager: NIL

B. Remuneration of other directors: NIL

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD: NIL

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2019.

On behalf of the Board of Directors

A. Vaidheesh
DIN: 01444303

P. Thakur
DIN: 07971789

Mumbai, 15th May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Biddle Sawyer Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Biddle Sawyer Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the said order.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
   e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' ; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 17 to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
MEMBERSHIP NO.F.10620

Place: MUMBAI
Date: May 15, 2019

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in investment property are held in the name of the company.

(ii) The Company does not have any physical inventories in the current financial year. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company;

(iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company;

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon;

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.Therefore, the provisions of paragraph 3(v) of the said Order are not applicable to the Company;

(vi) In our opinion and according to the information and explanations given to us, the provisions of maintenance of cost records specified by the central government under sub - section (1) of section 148 of the Companies Act, 2013 mentioned in clause (VI) of paragraph 3 of the Order are not applicable.

(vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and Service Tax, cess and any other statutory dues applicable to it;

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, Goods and Service Tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable;

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, Goods and Service Tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹in '000)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax	Sales Tax	19,96.00	Assessment Year 2009-2010	Jt. Commissioner
Income Tax Act, 1961	TDS Default	22.10	Assessment Year 2007-2008	TDS - CPC

(viii) According to the books of accounts and records of the Company, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures till 31st March, 2019. Accordingly, paragraph 3 (viii) of the Order is not applicable.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of Initial Public Offer or Further Public Offer including debt instruments and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit;

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided by the company;

(xii) In our opinion, and to the best of our information and according to the explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon;

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind AS) 24;

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon;

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable;

(xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
MEMBERSHIP NO.F.10620

Place: MUMBAI
Date: May 15, 2019

ANNEXURE – B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Biddle Sawyer Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
MEMBERSHIP NO.F.10620

Place: MUMBAI
Date: May 15, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in Lakhs

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Investment properties	2	2.08	2.08
Financial assets			
(i) Loans	3	40.83	40.83
Current tax assets (net)		4,75.17	4,66.82
Deferred tax assets (net)		1,74.09	67.14
Other non-current assets	4	1,41.45	95.50
		8,33.62	**6,72.37**
Current assets			
Financial Assets			
(i) Cash and cash equivalents	5	99.78	1,70.52
(ii) Bank balances other than (i) above	6	15,01.45	15,01.45
(iii) Other financial assets	7	34.02	48.37
Other current assets	8	2,39.08	6,42.79
		18,74.33	**23,63.13**
TOTAL ASSETS		**27,07.95**	**30,35.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	96.00	96.00
Other Equity	10	21,00.76	24,03.36
Total equity		**21,96.76**	**24,99.36**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	11	1.35	1.35
Provisions	12	1,25.33	1,25.33
		1,26.68	**1,26.68**
Current liabilities			
Financial liabilities			
(i) Trade payables	13	3,25.87	3,60.40
(ii) Other financial liability	14	10.00	-
Other current liabilities	15	1.33	1.75
Provisions	16	47.31	47.31
		3,84.51	**4,09.46**
TOTAL EQUITY AND LIABILITIES		**27,07.95**	**30,35.50**

Significant Accounting Policies & Notes on Accounts

As per our report of even date attached

For and on behalf of the Board

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

Annaswamy Vaidheesh
Chairman
DIN: 01444303

Puja Thakur
Director
DIN: 07971789

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
Place : Mumbai
Date: May 15, 2019

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations	19	-	(23.24)
Other Income	20	83.88	1,02.35
Total income		**83.88**	**79.11**
Expenses			
Cost of materials consumed	21	4,50.00	54.80
Changes in inventories of work-in-progress, stock-in-trade and finished goods	22	-	1.27
Other expenses	23	1,12.46	1,84.87
Total expenses		**5,62.46**	**2,40.94**
Profit/(loss) before exceptional items and tax		(4,78.58)	(1,61.83)
Exceptional items	26	69.03	-
Profit/(loss) before tax		(4,09.55)	(1,61.83)
Income tax expenses			
Current tax	27	-	-
Deferred tax	27	(1,06.95)	(35.64)
Profit (Loss) for the period		**(3,02.60)**	**(1,26.19)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (asset)		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(3,02.60)	(1,26.19)
Profit attributable to:			
Owners of the Company		(3,02.60)	(1,26.19)
Total comprehensive income attributable to:			
Owners of the Company		(3,02.60)	(1,26.19)
Earnings per equity share	**24**	**(31.52)**	**(13.14)**
Basic and diluted earnings per share			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

Annaswamy Vaidheesh
Chairman
DIN: 01444303

Puja Thakur
Director
DIN: 07971789

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
Place : Mumbai
Date: May 15, 2019

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF CHANGES IN EQUITY

₹ in Lakhs

(a) Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	960,000	96,00	960,000	96,00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	960,000	96,00	960,000	96,00

(b) Other Equity

Particulars	Reserves and Surplus			Items of Other comprehensive income	Total Equity
	Capital reserve	General reserve	Retained Earnings	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2018	2.91	10,06.01	13,94.44	-	24,03.36
Total Comprehensive					
Profit/(loss) for the year	-	-	(3,02.60)	-	(3,02.60)
Other Comprehensive Income for the year	-	-		-	-
Transactions with owners of the company					
Dividend on Equity Shares	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance at the end of the reporting period March 31, 2019	2.91	10,06.01	10,91.84	-	21,00.76

Particulars	Reserves and Surplus			Items of Other comprehensive income	Total Equity
	Capital reserve	General reserve	Retained Earnings	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2017	2.91	10,06.01	15,20.63	-	25,29.55
Total Comprehensive					
Profit for the year	-	-	(1,26.19)	-	(1,26.19)
Other Comprehensive Income for the year	-	-	-	-	-
Transactions with owners of the company					
Dividend on Equity Shares	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Balance at the end of the reporting period March 31, 2018	2.91	10,06.01	13,94.44	-	24,03.36

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
Place : Mumbai
Date: May 15, 2019

For and on behalf of the Board

Annaswamy Vaidheesh
Chairman
DIN: 01444303

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Lakhs

			Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before income tax and exceptional items		(4,78.58)	(1,61.83)
	Adjustments for :			
	Interest income classified as investing cash flows		(83.88)	(1,02.35)
	Change in operating assets and liabilities			
	Decrease in Inventories		-	31.60
	Decrease in Trade receivables		-	73.14
	(Increase) in Other non-current assets		(45.95)	(28.08)
	(Increase)/Decrease in Other current assets		4,03.71	(49.22)
	Increase /(Decrease) in Trade payables		(34.53)	59.89
	(Decrease) / Increase in Other liabilities		9.58	(0.96)
	Cash generated from operations		(2,29.65)	(1,77.81)
	Income taxes paid (net of refunds)		(8.35)	(19.14)
	Cash flow before exceptional items	A	(2,38.00)	(1,96.95)
	Exceptional items :			
	Sale of brands		69.03	-
	Net cash inflow from operating activities		(1,68.97)	(1,96.95)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Improvements to Investment Property		-	-
	Investment in bank deposits (having original maturity more than 3 months)		-	1,50.00
	Interest received		98.23	1,31.77
	Net cash Inflow/(outflow) from investing activities	B	98.23	2,81.77
	Net increase in cash and cash equivalents	(A + B)	(70.74)	84.82
	Cash and cash equivalents as at 1st April, 2018 (opening balance)		1,70.52	85.70
	Cash and cash equivalents as at 31st March, 2019 (closing balance)		99.78	1,70.52
	Net increase in cash and cash equivalents		(70.74)	84.82
	NOTES:			
	Cash and cash equivalents include:			
	Balances with banks		99.78	1,70.52
	Total cash and cash equivalents		99.78	1,70.52

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
Place : Mumbai
Date: May 15, 2019

For and on behalf of the Board

Annaswamy Vaidheesh
Chairman
DIN: 01444303

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Significant Accounting Policies:

a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the years presented

The financial statements are presented in INR in Lakhs and all values are rounded to the nearest thousands (INR 000), except when otherwise indicated.

b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets as per the rates prescribed under:

Schedule II to the Companies Act, 2013 or re-assessed useful life based on technical evaluation as under:

Factory Buildings	30 years
Other Buildings	60 years
Plant and Equipment	10 years
Personal Computers and Laptops	3 to 5 years
Other Computer Equipment	4 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	5 years

Depreciation is provided pro-rata for the number of months availability for use. Depreciation on sale / disposal of assets is provided pro-rata up to the end of the month of sale / disposal.

An asset purchased where the actual cost does not exceed ₹ 5,000 is depreciated at the rate of 100%.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Advances given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

c) Investments and other financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

d) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on first-in first-out basis. The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

e) Revenue Recognition

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company is recognizing revenue as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains control of the same;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recorded using the Effective Interest Rate (EIR). Interest income is included in other income in the statement of profit and loss.

f) Foreign Currency transactions

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses/ other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

g) Research and Development

Capital expenditure on Research and Development is treated in the same way as expenditure on Fixed Assets.The revenue expenditure on Research and Development is written off in the year in which it is incurred.

h) Provision for Retirement Benefits

The Company has its own Gratuity Fund recognised by the Income Tax authorities and the fund is administered through Trustees. The Superannuation fund benefits is administered by a trust formed for this purpose through the Group Schemes of the Life Insurance Corporation of India, and the liability towards Superannuation is provided according to the rules of the Fund.

i) Taxes on Income

Income tax expense represents the sum of the current tax and deferred tax.

Current tax charge is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

j) **Other Accounting Policies**

These are consistent with the generally accepted accounting principles.

2 Investment Property - As at March 31, 2019

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	2.08	2.08
Additions (Improvements)	-	-
Deduction	-	-
Closing gross carrying amount	2.08	2.08
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation charge	-	-
Closing Accumulated Depreciation	-	-
Net carrying amount	2.08	2.08

₹ in Lakhs

	31-Mar-18	31-Mar-17
(i) Fair value		
Investment properties	23,57.35	23,57.35

Estimation of fair value

The company obtains independent valuations for its investment properties at lease annually. The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

Description of valuation method used

The Company has a land site that have been considered as Investment Property as it is not currently operational at present. In view of management, the fair market value of the land site is not reliably measurable as there are very few recent transactions of comparable composition of these properties in the market. Further, the fair market value will be subject to numerous municipal deductions dependent upon the current use and intended use of the property. Consequently, it is not possible to ascertain and disclose the range of fair market value.The estimated Ready Reckoner at year end, based on latest published data and current stated use, totals Rs 23,57.35 Lakhs for current year. Ready Reckoner rates are the prices of the residential property, land or commercial property for a given area that is published and regulated by the respective State Governments as a guide towards payment of stamp duty at the time of transaction. The Ready Reckoner is regarded as a gross value and does not represent the underlying fair market value to the company.

₹ in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
NOTE 3		
Non current Financial assets - Loans		
Sundry Deposits	14.27	14.27
Advances recoverable	26.56	26.56
	40.83	**40.83**
NOTE 4		
Other non-current assets		
Balance with Government Authorities	1,41.45	95.50
	1,41.45	**95.50**
NOTE 5		
Cash and cash equivalents		
Current account Balances with Banks	99.78	1,70.52
	99.78	**1,70.52**
NOTE 6		
Bank balances other than cash and cash equivalents		
Term deposit with original maturity period of more than three months but less than twelve months	15,00.00	15,00.00
Term deposit with original maturity period of more than twelve months but maturing within next twelve	1.45	1.45
	15,01.45	**15,01.45**
NOTE 7		
Current financial assets - Others		
Interest accured on investments/ deposits	34.02	48.37
	34.02	**48.37**
NOTE 8		
Other current assets		
Balance with Government Authorities	0.08	0.08
Sundry advances	1,92.72	6,42.71
Current account balances with group companies	46.28	-
	2,39.08	**6,42.79**
NOTE 9		
Share capital		
Equity share capital	96.00	96.00
	96.00	**96.00**
NOTE 10		
Other Equity		
General reserve	10,06.01	10,06.01
Capital reserve	2.91	2.91
Retained earnings	10,91.84	13,94.44
	21,00.76	**24,03.36**

₹ in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
NOTE 11		
Non current financial liabilities - Others		
Security deposits received	0.63	0.63
Other non-current financial liabilities	0.72	0.72
	1.35	**1.35**
NOTE 12		
Non-current Provisions		
Drugs Prices Equalisation Account (refer note 17 (ii))	71.24	71.24
Provision for pricing of formulation	54.09	54.09
	1,25.33	**1,25.33**
NOTE 13		
Trade and other payables		
Trade and other payables	3,25.87	3,60.40
	3,25.87	**3,60.40**
NOTE 14		
Other current financial liabilities		
Security deposits received	10.00	-
	10.00	**-**
NOTE 15		
Other current liabilities		
Statutory dues	1.33	1.75
	1.33	**1.75**
NOTE 16		
Current provisions		
For others	47.31	47.31
	47.31	**47.31**

₹ in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
17 (I) CONTINGENT LIABILITIES		
Claims against the Company not acknowledged as debts	18,52.05	17,36.96
Income-tax matters	0.22	0.22
Sales tax matters	19.96	19.96
Guarantee given by the Company to the Customs Authorities	2,00.00	2,00.00
Based on the data obtained by Government, it had directed the Company to pay a tentative amount along with interest due thereon into the Drugs Prices Equilisation Account (DPEA) under Drugs (Price Control) Order 1979, in respect of Bulk Drug Amoxicillin Trihydrate, on account of alleged unintended benefit enjoyed by the Company. The Company had filed its reply contending that no amount is payable into DPEA.	49.29	49.29

17 (II) DRUGS PRICES EQUALISATION ACCOUNT

The Company received a letter dated 20th/24th August, 1998 from the Central Government demanding an amount of ₹ 4,40,79,918 comprising ₹ 1,42,74,110 in respect of prices relating to Salbutamol formulations during the period April, 1979 to December, 1983 with interest thereon amounting to ₹ 2,98,05,808 upto 31st July, 1998. The Company had been legally advised that the demand of ₹ 1,42,74,110 is not sustainable and it, therefore follows that the interest demand also cannot be sustained. The total demand has been challenged by the Company in a Writ Petition filed in the Bombay High Court. The Bombay High Court has granted an interim stay of the demand, subject to the Company depositing 50% of the principal amount. Accordingly, the Company has deposited an amount of ₹ 71,50,000 with the Government on 3rd May, 1999.This is a normal interim order passed by the High court in such matters and does not in any way reflect upon the merits or otherwise of the case. The amount will be refunded if the Company succeeds at the final hearing of the matter. The Government's application in the Supreme Court praying that this writ petition be transferred to the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

₹ in Lakhs

		As at March 31, 2019		As at March 31, 2018	
18	**SHARE CAPITAL**				
	Authorised				
	1,500,000 (Previous year: 1,500,000) Equity Shares of ₹10 each		1,50.00		1,50.00
	ISSUED, SUBSCRIBED & PAID-UP:				
	960,000 (Previous year : 960,000) Equity Shares of ₹10 each fully paid up (of the above 750,000 ordinary shares have been allotted as fully paid-up Bonus shares by capitalisation of General Reserve)		96.00		96.00
TOTAL			**96.00**		**96.00**
a)	**Shares held by holding company**				
	Equity Shares of ₹ 10 each 960,000 (Previous year : 960,000) held by GlaxoSmithKline Pharmaceuticals Limited, the Holding Company		96.00		96.00
b)	**Reconciliation of the number of shares**				
		Number of Shares	**₹ In Lakhs**	**Number of Shares**	**₹ In Lakhs**
	Balance at the beginning of the year	960,000	96.00	960,000	96.00
	Issued during the year	-	-	-	-
	Balance at the end of the year	960,000	96.00	960,000	96.00
c)	**Rights, preferences and restrictions attached to equity shares:**				
	The company has only one class of equity shares having a par value of ₹10/- per share. Each share holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.				
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
d)	**Details of shareholders holding more than 5% shares in the company:**				
			Number of Shares		**Number of Shares**
	GlaxoSmithKline Pharmaceuticals Limited, the Holding Company		960,000		960,000
			{100%}		{100%}

₹ in Lakhs

		For the year ended March 31, 2019	For the year ended March 31, 2018
19	**Revenue from operations**		
	A. Sale of products (gross)		
	Sale of products	-	(23.25)
		-	(23.25)
	B. Other operating revenue		
	Others	-	0.01
		-	0.01
	Total Revenue from operations	**-**	**(23.24)**
20	**Other income**		
	Interest income	83.47	102.35
	Miscellaneous Income	0.41	-
		83.88	**102.35**
21	**Cost of materials consumed**		
	Cost of materials consumed	**4,50.00**	**54.80**
	(Current year comprises modvat not recoverable written off)		
22	**Changes In Inventories Of Finished Goods, Work-In-Progress and traded goods**		
	Opening stock		
	Finished goods	-	1.27
	Less: Closing stock		
	Finished goods	-	-
		-	**1.27**
23	**Other expenses**		
	Rent	0.26	1.52
	Rates and taxes	4.38	31.50
	Remuneration to auditors :		
	Statutory audit fees	2.70	2.70
	Tax audit fees	0.70	0.70
	Reimbursement of expenses	0.32	0.40
	Corporate social responsibility (Refer Note 31)	-	5.54
	Exchange loss (net)	-	(6.39)
	Reimbursement of expenses to GlaxoSmithKline Pharmaceuticals Limited	35.80	45.53
	Repairs and Maintenance	36.02	-
	Legal and Professional fees	0.84	65.24
	Tax and consulting fees	6.53	10.21
	Security guard services	20.91	15.94
	Third party warehousing	3.21	3.36
	Miscellaneous expenses	0.79	8.62
		1,12.46	**1,84.87**

₹ in Lakhs

		For the year ended March 31, 2019	For the year ended March 31, 2018
24	**EARNINGS PER SHARE**		
	Earnings per share		
	Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:		
	Profit after taxation (₹ Lakhs)	(3,02.60)	(1,26.19)
	Weighted average number of shares (Nos)	960,000	960,000
	Earnings per share (Basic and Diluted) - ₹	(31.52)	(13.14)
	Face value per share - ₹	10.00	10.00
25	**SEGMENT REPORTING**		
	The Company has only one segment namely pharmaceuticals; hence no separate disclosure of segment-wise information has been made.		
26	**Exceptional Items**		
	Sale of Brands	69.03	-
		69.03	**-**
27	**Tax expense**		
	(a) Amounts recognised in profit and loss		
	Current income tax	-	-
	Deferred tax		
	Decrease (increase) in deferred tax assets	(1,06.95)	(35.64)
	(Decrease) increase in deferred tax liabilities	-	-
	Deferred tax expense	(1,06.95)	(35.64)
	Tax expense for the year	(1,06.95)	(35.64)
	(b) Reconciliation of effective tax rate		
	Profit before tax	(4,09.55)	(1,61.83)
	Tax using the Company's domestic tax rate at 26% (Previous Year: 25.75%)	(1,06.49)	(41.67)
	Tax using the Company's domestic tax rate at 23.296% on Exceptional Items	-	-
	Tax effect of:		
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Donation	-	0.72
	Other items	0.07	5.31
	Due to change in income tax rate from 25.75% to 26%	(0.53)	-
		(1,06.95)	**(35.64)**

The Company's weighted average tax rates for the years ended March 31, 2019 and 2018 were 26% and 25.75%, respectively. Income tax expense was ₹ nil for the years ended March 31, 2019 and March 31, 2018.

(c) **Movement in deferred tax balances**

₹ in Lakhs

	March 31, 2019		
	Net balance April 1, 2018	Recognised in profit or loss	Net Deferred tax asset / (liability)
	INR	INR	INR
Deferred tax asset			
Expenses allowable for tax purpose when paid	53.40	1,06.82	1,60.22
Provision for pricing matters	13.74	0.13	13.87
Tax assets (Liabilities)	67.14	1,06.95	1,74.09

Deferred tax asset

	March 31, 2018		
	Net balance April 1, 2018	Recognised in profit or loss	Net Deferred tax asset / (liability)
	INR	INR	INR
Deferred tax asset			
Expenses allowable for tax purpose when paid	15.00	38.40	53.40
Provision for pricing matters	16.50	(2.76)	13.74
Tax assets (Liabilities)	31.50	35.64	67.14

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

28 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels presented below.

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Security Deposits	14.27	14.27
Advances recoverable	26.56	26.56
Cash and cash equivalents	99.78	170.52
Other bank balance	15,01.45	15,01.45
Total financial assets	**16,42.06**	**17,12.80**
Financial liabilities at amortised cost		
Security deposits received	10.63	0.63
Other non-current financial liabilities	0.72	0.72
Trade payables	3,25.87	3,60.40
Total financial liabilities	**3,37.22**	**3,61.75**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements.

Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Financial assets		
Security Deposits		
Carrying value	14.27	14.27
Fair value	14.27	14.27
Advances recoverable		
Carrying value	26.56	26.56
Fair value	26.56	26.56
Financial liabilities		
Security deposits received		
Carrying value	10.63	0.63
Fair value	10.63	0.63
Other non-current liabilities		
Carrying value	0.72	0.72
Fair value	0.72	0.72

The amount of fair value of the above Financial assets and liabilities is considered to be insignificant in value and hence carrying value and the fair value is considered to be same.

The carrying amounts of Cash and cash equivalents, other bank balance, Trade receivables, Trade payables are considered to be the same as their fair values due to their short term nature.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

As of March 31, 2019, the Company had working capital of ₹ 14,89.82 Lakhs, including cash and cash equivalents of ₹ 99.78 Lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 15,01.45 Lakhs. As of March 31, 2018, the Company had working capital of ₹ 19,53.67 Lakhs, including cash and cash equivalents of ₹ 170.52 Lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 15.01.45 Lakhs.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in Lakhs

	Contractual cash flows					
As at March 31, 2019	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payables and other payables	3,25.87	3,25.87	3,25.87	3,25.87	-	-
Security deposits	10.63	10.63	10.00	-	0.63	-
Other non-current liabilities	0.72	0.72	-	-	0.72	-

₹ in Lakhs

	Contractual cash flows					
As at March 31, 2018	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payables and other payables	3,60.40	3,60.40	59.89	3,00.51	-	-
Security deposits	0.63	0.63	-	-	0.63	-
Other non-current liabilities	0.72	0.72	-	-	0.72	-

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

The Company is exposed to currency risk on account of its receivables and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to USD.The Company has not hedged this foreign currency exposure and strives to achieve asset liability offset of foreign currency exposure.

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

₹ in Lakhs

	March 31, 2019	**March 31, 2018**
	USD	**USD**
Trade payables	-	88.84
Net statement of financial position exposure	-	(88.84)

Sensitivity analysis

A reasonably possible strenghtening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹ Lakhs	**Strengthening / Weakening %**	**Profit or loss**		**Equity**	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2019					
USD	-	-	-	-	-

Effect in ₹ Lakhs	Strengthening / Weakening %	**Profit or loss**		**Equity**	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2018					
USD	3%	(2.67)	2.67	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

29 Capital Management

(a) Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company has adequate cash and bank balances and no interest bearing liabilities. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any interest bearing debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

30 RELATED PARTY DISCLOSURES

1 Related parties with whom there were transactions during the year are listed below:

Holding Company:

The company is a wholly owned subsidiary of GlaxoSmithKline Pharmaceuticals Limited.

2 The following transactions were carried out with the related parties at normal commercial terms in the ordinary course of business.

₹ in Lakhs

		Holding Company	
		Year Ended 31st March, 2019	**Year Ended 31st March, 2018**
1	Payment of common costs	35.80	45.52
2	Outstanding receivable / (payable) by the Company (net) @	46.28	(27.47)

@ Transactions with the above parties are accounted in the respective current accounts.

31 CORPORATE SOCIAL RESPONSIBILITY

Expense towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 recognised in the Statement of Profit and Loss under 'Corporate social responsibility' in Note 23:

₹ in Lakhs

	Year ended 31st March 2019	**Year ended 31st March 2018**
(a) Amount spent		
Particulars		
(i) Construction/ acquisition of the asset	-	-
(ii) purposes other than (i) above	-	5.54
	-	**5.54**
(b) Gross amount required to be spent by the Company	-	5.54

32 In view to make financial statements comparable, previous period's figures have been regrouped wherever necessary.

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
Place : Mumbai
Date: May 15, 2019

For and on behalf of the Board

Annaswamy Vaidheesh
Chairman
DIN: 01444303

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

Independent Auditor’s Report

TO THE MEMBERS OF GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **GlaxoSmithKline Pharmaceuticals Limited** (”the Parent”) and its subsidiary, (the Parent and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis For Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the other auditor in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor’s Response
1	**Information Technology (IT) systems which impact financial reporting**	**Principal audit procedures performed with the assistance of our IT specialists:**
	The IT systems of the Parent form a critical component of the Group’s financial reporting activities and impact all account balances. IT controls, in the context of our scope for the financial audit, primarily relate to access security and change control. The purpose of such controls is to prevent inappropriate changes being made to IT systems in relation to application functionality, transactional processing and direct changes to underlying data.	• We identified the IT risks for each IT system based on our understanding of the flows of transactions and the IT environment. • We determined whether each general IT control, individually or in combination with other controls, is appropriately designed to address the associated IT risk. • We tested the design, implementation and operating effectiveness of the relevant general IT controls. • We tested the mitigating manual controls for the IT control deficiencies noted around privilege access for certain scoped-in IT systems and the associated infrastructure.

Sr. No.	Key Audit Matters	Auditor's Response
2	**Uncertain tax positions**	**Principal audit procedures performed:**
	The Parent operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for multi-national transactions entered into by the Parent are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Parent is also a matter of ongoing dispute with the authorities. **Refer note 40A(ii)(a) and 40A(iii) to the consolidated financial statements**	• We evaluated and tested the design and operating effectiveness of the Parent's controls over provisions for uncertain tax positions to ensure that they operate effectively. • With the assistance of our tax specialists, we evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Parent's tax provisions. • In understanding and evaluating management's judgements, we considered the status of recent and current tax authority audits and enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment.
3	**Litigations**	**Principal audit procedures performed:**
	The Parent operates in an industry which is heavily regulated, which increases inherent litigation risk. The Parent is engaged in a number of legal actions, including pricing matters and labour matters. **Refer note 40A(ii)(d) and 41 to the consolidated financial statements.**	• We evaluated and tested the design and operating effectiveness of the Parent's controls in respect of the determination of the provisions to ensure that they operate effectively. • We read the summary of litigation matters provided by management and held discussions with the Parent's legal counsel. We requested confirmations from some of the Parent's external legal advisors with respect to the matters included in the summary. • We examined correspondence connected with the cases. To evaluate the valuation and completeness of the provision recognized by the Parent, we tested the calculation of the provisions. • We also evaluated adjustments to legal provisions along with the Probable, Possible and Remote analysis prepared by the Parent.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from its financial statements audited by the other auditor.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has an adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 27,07.95 Lakhs as at March 31, 2019, total revenues of Rs. NIL and net cash outflows amounting to Rs. 70.74 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

(b) Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matter section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Parent has long term contracts as of March 31, 2019 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2019.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **GlaxoSmithKline Pharmaceuticals Limited** (hereinafter referred to as “Parent”) and its subsidiary company, which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent and its subsidiary company which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of his report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matter paragraph below, the Parent and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Place: Mumbai
Date: May 20, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in lakhs)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	364,45.26	250,12.67
Capital work-in-progress	3	1002,64.42	922,89.71
Investment property	4	1,63.71	1,78.09
Intangible assets	5	65,54.00	72,68.18
Financial assets			
(i) Investments	6	5.67	5.67
(ii) Loans	7	11,83.88	14,98.89
(iii) Other financial assets	8	4,06.30	27.76
Current tax assets (net)	49	312,97.94	302,10.80
Deferred tax assets (net)	46	62,22.15	103,72.42
Other non-current assets	9	76,41.56	92,43.26
		1901,84.89	**1761,07.45**
Current assets			
Inventories	10	486,49.35	500,18.33
Financial assets			
(i) Trade receivables	11	120,48.73	146,95.89
(ii) Cash and cash equivalents	12	98,77.66	201,10.18
(iii) Bank balances other than (ii) above	13	1072,56.92	1095,30.88
(iv) Other financial assets	14	89,96.64	58,12.34
Other current assets	15	137,84.19	179,79.46
		2006,13.49	**2181,47.08**
Assets classified as held for sale	16	3,32.71	4,93.74
		2009,46.20	**2186,40.82**
TOTAL ASSETS		**3911,31.09**	**3947,48.27**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	169,40.60	84,70.30
Other equity	18	1970,42.32	1972,62.59
Total equity		**2139,82.92**	**2057,32.89**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	17.70	58.30
(ii) Other financial liabilities	20	2,20.82	2,25.82
Provisions	21 & 26	314,77.70	287,44.89
		317,16.22	**290,29.01**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	4,28.23	7,30.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	401,53.25	498,54.74
(ii) Other financial liabilities	23	231,21.94	267,10.69
Other current liabilities	24	571,49.19	575,24.50
Provisions	25 & 26	92,36.06	97,57.38
Current tax liabilities (net)	49	153,43.28	154,08.28
		1454,31.95	**1599,86.37**
Total liabilities		**1771,48.17**	**1890,15.38**
TOTAL EQUITY AND LIABILITIES		**3911,31.09**	**3947,48.27**

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in lakhs)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	27	3128,11.88	2895,64.78
Other income	28	102,31.72	54,54.36
Total income		**3230,43.60**	**2950,19.14**
Expenses			
Cost of materials consumed	29	686,57.04	510,81.76
Purchases of stock-in-trade		645,89.28	788,42.22
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	25,56.55	(57,92.72)
Excise duty		-	24,19.48
Employee benefits expense	31	537,19.59	523,39.85
Finance costs	32	55.43	18.91
Depreciation and amortisation expense	33	48,59.07	37,98.58
Other expenses	34	632,09.62	600,94.39
Total expenses		**2576,46.58**	**2428,02.47**
Profit before exceptional items and tax		**653,97.02**	**522,16.67**
Exceptional items (net)	38	28,69.91	17,79.85
Profit before tax		**682,66.93**	**539,96.52**
Tax expense:			
Current tax	46	192,82.27	204,33.82
Deferred tax	46	44,45.36	(15,09.88)
		237,27.63	**189,23.94**
Profit for the year		**445,39.30**	**350,72.58**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	46	(8,44.47)	8,58.80
Income tax relating to items that will not be reclassified to profit or loss	46	2,95.09	(3,00.10)
		(5,49.38)	**5,58.70**
Total comprehensive income for the year		**439,89.92**	**356,31.28**
Profit for the year attributable to owners of the Company		445,39.30	350,72.58
Other comprehensive income / (loss) attributable to owners of the Company		(5,49.38)	5,58.70
Total comprehensive income for the year attributable to owners of the Company		439,89.92	356,31.28
Earnings per equity share			
Basic and diluted earnings per share	48	26.29	20.70

The accompanying notes 1 to 58 are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in lakhs)

			Year ended March 31, 2019	Year ended March 31, 2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before exceptional items and tax		653,97.02	522,16.67
	Adjustments for :			
	(Gain) / Loss on disposal of property, plant and equipment (net)		(1,41.39)	2,42.50
	Interest income		(77,28.33)	(52,59.34)
	Rental income		(48.00)	(71.97)
	Finance costs		55.43	18.91
	Depreciation and amortisation expense		48,59.07	37,98.58
	Allowance for doubtful debts and advances		(1,33.10)	54.06
	Change in operating assets and liabilities			
	Decrease / (increase) in inventories		13,68.98	(74,38.59)
	Decrease in trade receivables		26,89.19	23,16.03
	Decrease / (increase) in other assets		17,61.44	(85,77.40)
	(Decrease) / increase in trade payables		(100,04.05)	226,92.79
	Increase in provisions		13,67.02	72,63.38
	(Decrease) / increase in other liabilities		23,98.16	1,99.59
	Cash generated from operations		**618,41.44**	**674,55.21**
	Income taxes paid (net of refunds)		(204,34.41)	(202,00.92)
	Cash flow before exceptional items		**414,07.03**	**472,54.29**
	Exceptional items:			
	Sale of brands		5,38.53	3.79
	Redundancy costs		(20,07.75)	-
	Others		-	21.58
	Net cash inflow from operating activities	**A**	**399,37.81**	**472,79.66**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payments to acquire property, plant and equipment and other intangible assets		(291,28.14)	(403,38.41)
	Advance received towards disposal of land		-	552,00.00
	Proceeds from sale of property, plant and equipment		4,65.39	47.23
	Proceeds from sale of property (Exceptional item)		43,39.13	17,60.18
	Margin money deposits		1,64.30	(2,13.52)
	Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(1241,00.00)	(1069,00.00)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		1261,00.00	736,50.00
	Rent received		48.00	71.97
	Interest received		76,67.25	63,23.40
	Changes in earmarked balances		1,09.66	(19.93)
	Net cash outflow from investing activities	**B**	**(143,34.41)**	**(104,19.08)**

Consolidated Cash Flow Statement

for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(40.60)	(60.60)
Interest paid		(55.43)	(18.91)
Dividend paid to company's shareholders		(296,46.06)	(254,10.91)
Tax on distributed profit		(60,93.83)	(51,73.06)
Net cash outflow from financing activities	**C**	**(358,35.92)**	**(306,63.48)**
Net (decrease) / increase in cash and cash equivalents	**(A + B + C)**	**(102,32.52)**	**61,97.10**
Cash and cash equivalents at the beginning of the financial year		201,10.18	139,13.08
Cash and cash equivalents at the end of the financial year		98,77.66	201,10.18
Net (decrease) / increase in cash and cash equivalents		**(102,32.52)**	**61,97.10**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		61,48.21	91,09.18
Term deposits with original maturity period of less than three months		30,03.00	110,01.00
Cheques on hand		7,26.45	-
Total		**98,77.66**	**201,10.18**

The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 'Statement of Cash Flows'.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting period	84,70.30	84,70.30
Changes in equity share capital during the year:		
Bonus Shares issued (Refer Note (i))	84,70.30	-
Balance at the end of the reporting period	**169,40.60**	**84,70.30**

(b) Other equity

Particulars	Reserves and Surplus				Items of Other comprehensive income	Total Other Equity
	Capital reserve (ii)	General reserve (iii)	Retained earnings (iv)	Capital redemption reserve (v)	Remeasurements of the net defined benefit Plans	
Balance as at April 1, 2018	1,70.97	863,20.59	1102,77.54	2,62.00	2,31.49	1972,62.59
Total comprehensive income						
Profit for the year	-	-	445,39.30	-	-	445,39.30
Other comprehensive loss for the year	-	-	-	-	(5,49.38)	(5,49.38)
Bonus shares issued	-	(84,70.30)	-	-	-	(84,70.30)
Transactions with owners of the company						
Dividend on equity shares (₹ 35 per share)	-	-	(296,46.06)	-	-	(296,46.06)
Dividend distribution tax	-	-	(60,93.83)	-	-	(60,93.83)
Balance as at March 31, 2019	**1,70.97**	**778,50.29**	**1190,76.95**	**2,62.00**	**(3,17.89)**	**1970,42.32**
Balance as at April 1, 2017	1,70.97	863,20.59	1057,88.93	2,62.00	(3,27.21)	1922,15.28
Total comprehensive income						
Profit for the year	-	-	350,72.58	-	-	350,72.58
Other comprehensive income for the year	-	-	-	-	5,58.70	5,58.70
Transactions with owners of the company						
Dividend on equity shares (₹ 30 per share)	-	-	(254,10.91)	-	-	(254,10.91)
Dividend distribution tax	-	-	(51,73.06)	-	-	(51,73.06)
Balance as at March 31, 2018	**1,70.97**	**863,20.59**	**1102,77.54**	**2,62.00**	**2,31.49**	**1972,62.59**

(i) The Parent has allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the quarter ended September 30, 2018 pursuant to a bonus issue in 1:1 ratio approved by shareholders through postal ballot. The bonus shares were issued by capitalisation of profits transferred from general reserve. Record date fixed by the Company was September 13, 2018. The earnings per share have been adjusted for previous periods presented in accordance with Ind AS - 33 'Earnings per share'.

(ii) Capital reserve includes Central Government subsidy and capital profit on reissue of shares forfeited of erstwhile Burroughs Wellcome (India) Limited and is not available for distribution.

(iii) General reserve represents the transfer of profits from retained earnings.

(iv) Retained earnings represents the cumulative profits of the Company which can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) Capital redemption reserve is on account of buy back of equity shares and it is not available for distribution.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

B. P. Shroff
Partner

Mumbai, May 20, 2019

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A GENERAL INFORMATION:

GlaxoSmithKline Pharmaceuticals Limited ('the Group') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the BSE Ltd. (Bombay Stock Exchange) and the National Stock Exchange of India Ltd. (NSE). The registered office of the Company is located at Dr. Annie Besant Road, Worli, Mumbai 400 030.

The Group is engaged interalia, in the business of manufacturing, distributing and trading in pharmaceuticals.

The subsidiary considered in these Consolidated Financial Statements is:

Name of the Company	Country of Incorporation	% voting power held as at 31st March 2019	% voting power held as at 31st March 2018
Biddle Sawyer Limited (BSL)	India	100.00	100.00

B SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation:

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except where otherwise indicated.

b) Principles of consolidation

The Consolidated Financial Statement have been prepared on the following basis:

- The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess of cost to the Company of its investment in the subsidiary is recognised in the financial statements as goodwill, which has been amortised over a period of ten years.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

- If the difference of the aggregate of the consideration transferred, the amount recognised for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the said deficit is recognized as a capital reserve.

c) Revenue recognition

With effect from April 1, 2018, the Group has adopted Ind AS 115 “Revenue from Contracts with Customers”. The effect of adoption of Ind AS 115 was insignificant. The following is revised significant accounting policies related to revenue recognition.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the goods have been passed on to the buyer as per contractual terms, at which time all the following conditions are satisfied:

- the Group is recognizing revenue as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains control of the same.;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Income from clinical research and data management services is recognised in the accounting period in which the services are rendered based on terms of the agreement.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability.

Trade Receivables

A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (h) Financial instruments – initial recognition and subsequent measurement.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Dividends

Dividend is recognised when the Group's right to receive the payment is established, it is probable that economic benefit associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

Interest Income

Interest income is recorded using the Effective Interest Rate (EIR). Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets as per the rates prescribed under Schedule II to the Companies Act, 2013 or re-assessed useful life based on technical evaluation as under:

• Factory Buildings	30 to 50 years
• Other Buildings	60 years
• Plant and Equipment	10 to 15 years
• Personal Computers and Laptops	3 to 5 years
• Other Computer Equipment	4 years
• Furniture and Fixtures	10 years
• Office Equipment	5 years
• Vehicles	5 years

Depreciation is provided pro-rata for the number of months available for use. Depreciation on sale / disposal of assets is provided pro-rata up to the end of the month of sale / disposal.

An asset purchased where the actual cost does not exceed ₹ 5,000 is depreciated at the rate of 100%.

Leasehold building, leasehold land and leasehold improvements are amortised over the period of the lease.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Cost of Items of property, plant and equipment not ready for intended use as on the balance sheet date is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Software expenditure have been amortised over a period from 8 to 10 years. Distribution rights are amortised over the agreement / contract period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

g) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are classified as operating lease.

Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where assets cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other expenses/ income. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other expenses/ income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Group's right to receive payments is established.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Changes in the fair value of financial assets at fair value through profit or loss statement are recognised in other income/ expense in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 “Financial Instruments”, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of direct issue costs. Repurchase of the Group’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the “Finance costs” line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

i) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost basis. The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

k) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Foreign currency transactions

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Consolidated Financial Statements are presented in Indian Rupee (INR), which is Group’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses/ income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

m) Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax charge is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Employee benefits

(a) Short Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(b) Post-Employment Benefits

(i) Defined Contribution Plans

The Group's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Group has no further obligation beyond making the contributions. The Group's contributions to these plans are charged to the statement of profit and loss as incurred.

(ii) Defined Benefits Plans

"Liability for defined benefit plans is provided on the basis of valuations, as at the balance sheet date, carried out by an independent actuary."

Gratuity and Post-Retirement Medical

The actuarial valuation method used for measuring the liability for gratuity and post-retirement medical is projected unit credit method. Actuarial gains and losses are recognised in the statement of other comprehensive income in the period of occurrence of such gains and losses. The obligations for gratuity and post-retirement medical are measured as the present value of estimated future cashflows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return of plan assets is the Group's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the balance sheet date.

Provident Fund

Provident fund contributions are made to a Trust administered by the Group. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The actuarial valuation method, carried out by an independent actuary, used for measuring the liability for provident fund is projected accrued benefit method. This approach determines the present value of the interest rate guarantee under three interest rate scenarios: base case scenario, rising interest rate scenario and falling interest rate scenario. The defined benefit obligation of the interest rate guarantee is set equal to the average of the present values determined under these scenarios in respect of accumulated provident fund contributions as at the valuation date.

(c) Other Long Term Benefit Plans

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(d) The expenditure on voluntary retirement schemes is charged to the statement of profit and loss in the year in which it is incurred.

(e) Share Based Payment Arrangements

In terms of a long-term incentive plan, the eligible members of the senior management are entitled to receive cash settled awards at the end of a three year 'restricted period', provided they remain in continuous employment with the Group for the aforesaid period. The value of such incentive is based on the price of shares of GlaxoSmithKline Plc, U.K.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

The fair value of the amount payable to employees in respect of long term incentive plan, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the shares of GlaxoSmithKline Plc, U.K. Any changes in the liability are recognised in the statement of profit and loss.

o) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Based on technical evaluation the following is the best estimate of period over which investment property is depreciated on a straight-line basis.

Asset	Management estimate of useful life
Factory Building	30 Years
Freehold Land	-

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

p) Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the owners of the Group and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

q) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

r) Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Group for the year, the Group makes a disclosure of the nature and amount of such items separately under the head “Exceptional items”.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director of the Group has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decisions.

The Group has identified one reportable segment “Pharmaceuticals” based on the information reviewed by the CODM. Refer note 52 for segment information presented.

t) Provision and contingent liabilities

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as an interest expense.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) First and Second Amendment Rules, 2019 to amend/insert the following:

Ind AS 116 Leases

Ind AS 116, ‘Leases’ was notified by Ministry of Corporate Affairs on March 30, 2019 and it replaces Ind AS 17 including appendices thereto. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single lessee accounting model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases for which underlying asset is of low value and short-term leases i.e., leases with a lease term of 12 months or less.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation charge on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17.

Effective date for application of Ind AS 116 is annual period beginning on or after April 1, 2019. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Consolidated Financial Statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Amendment to Ind AS 19 - Plan amendments, curtailments and settlements

Amendment to Ind AS 19, 'Employee Benefits' was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires a group:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on its Consolidated Financial Statements.

Amendment to Ind AS 12 - Accounting for dividend distribution tax

Amendment to Ind AS 12, 'Income Taxes' was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for dividend distribution tax.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the impact of this amendment on its Consolidated Financial Statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12, 'Income Taxes', was notified by Ministry of Corporate Affairs on March 30, 2019 in connection with accounting for uncertainty over income tax treatments.

The Appendix is to be applied while performing the determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Effective date for application of Appendix C to Ind AS 12 is annual period beginning on or after April 1, 2019. The Group is currently evaluating the impact of the Appendix on the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 2 : CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

a Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

b Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the management. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

c Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	Charge for the Year	On Disposals	As at March 31, 2019	As at March 31, 2019
Freehold land	2.00	-	-	2.00	-	-	-	-	2.00
Leasehold land	55,87.47	11.66	-	55,99.13	1,55.48	56.10	-	2,11.58	53,87.55
Freehold buildings	25,37.16	29.43	-	25,66.59	1,30.42	52.75	-	1,83.17	23,83.42
Leasehold buildings	39,76.81	33,67.71	-	73,44.52	4,40.97	2,97.46	-	7,38.43	66,06.09
Plant and equipment (Refer Note (a) below)	182,20.62	115,43.19	48.17	297,15.64	60,89.72	29,74.47	17.36	90,46.83	206,68.81
Furniture and fixtures	6,96.54	1,25.37	26.30	7,95.61	3,05.31	1,00.43	13.09	3,92.65	4,02.96
Vehicles	15,05.12	2,59.12	3,24.40	14,39.84	5,79.80	3,03.50	2,09.35	6,73.95	7,65.89
Office equipment	4,06.17	1,28.45	11.08	5,23.54	2,17.52	84.66	7.18	2,95.00	2,28.54
Total	**329,31.89**	**154,64.93**	**4,09.95**	**479,86.87**	**79,19.22**	**38,69.37**	**2,46.98**	**115,41.61**	**364,45.26**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	Charge for the Year	On Disposals	As at March 31, 2018	As at March 31, 2018
Freehold land	2.00	-	-	2.00	-	-	-	-	2.00
Leasehold land	55,87.47	-	-	55,87.47	99.46	56.02	-	1,55.48	54,31.99
Freehold buildings	24,66.11	77.10	6.05	25,37.16	86.68	43.98	0.24	1,30.42	24,06.74
Leasehold buildings	37,57.25	2,19.60	0.04	39,76.81	2,30.74	2,10.24	0.01	4,40.97	35,35.84
Plant and equipment (Refer Note (a) below)	158,80.33	23,70.51	30.22	182,20.62	34,80.98	26,37.81	29.07	60,89.72	121,30.90
Furniture and fixtures	6,80.89	27.67	12.02	6,96.54	2,00.44	1,08.99	4.12	3,05.31	3,91.23
Vehicles	11,71.81	4,60.71	1,27.40	15,05.12	3,75.12	2,71.96	67.28	5,79.80	9,25.32
Office equipment	3,62.72	47.35	3.90	4,06.17	1,64.21	55.09	1.78	2,17.52	1,88.65
Total	**299,08.58**	**32,02.94**	**1,79.63**	**329,31.89**	**46,37.63**	**33,84.09**	**1,02.50**	**79,19.22**	**250,12.67**

Note:-

(a) Plant and equipment includes computers

Capital work-in-progress:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance	922,89.71	573,21.68
Additions	234,39.64	383,83.57
Less:		
Capitalisation	(154,64.93)	(32,02.94)
Write off	-	(2,12.60)
Closing Balance	**1002,64.42**	**922,89.71**

Capital work-in-progress as at March 31, 2019 and March 31, 2018 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	2,26.41	6,15.32
Additions	-	-
Transfer*	-	(3,88.91)
Closing gross carrying amount	2,26.41	2,26.41
Accumulated Depreciation		
Opening Accumulated Depreciation	48.32	80.88
Depreciation	14.38	25.27
Transfer*	-	(57.83)
Closing Accumulated Depreciation	62.70	48.32
Net carrying amount	**1,63.71**	**1,78.09**

* Freehold Land and Building at Thane has been transferred to assets held for sale (Refer Note 16).

(i) Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income	48.00	71.10
Depreciation	(14.38)	(25.27)
Total amount recognised in the Statement of Profit and Loss (net)	33.62	45.83

(ii) Premises given on operating lease

The Group had an apartment given on operating lease on cancellable terms which has been sold during the year, the carrying value of which was nil. Rental income of ₹ 48.00 lakhs (Previous Year: 71.10 lakhs) is disclosed under Other Income.

(iii) Estimation of fair value

The Group has three properties (March 31, 2018: four properties) that have been considered as Investment Properties. These comprise of three vacant land sites (March 31, 2018: three vacant land sites) that are not in operational use at present. In the previous year it included an apartment that was leased at commercial rates which has been sold during the current year.

In the view of the management, the fair market value of the land sites is not reliably measurable as there are very few recent transactions of comparable composition of these properties in the market. Further, the fair market value will be subject to numerous municipal deductions dependent upon the current use and intended use of the property. Based on the above, it is not possible to ascertain and disclose the range of fair market value. The estimated Ready Reckoner value at year end, based on latest published data and on current stated use, totals ₹327,66.26 lakhs (March 31, 2018: ₹ 335,61.00 Lakhs). Ready Reckoner rates are the prices of residential property, land or commercial property for a given area that is published and regulated by the respective State Governments as a guide towards payment of stamp duty at the time of transaction. The Ready Reckoner Value is regarded as a gross value and does not represent the underlying fair market value of the properties. The Group will further detail the fair value of its investment properties upon entering a committed Agreement with a third party, unless an alternative reliable estimate of the fair value is attainable.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	for the Year	On Disposals	As at March 31, 2019	As at March 31, 2019
Intangible Assets									
Software	76,57.40	2,61.14	-	79,18.54	3,89.22	9,75.32	-	13,64.54	65,54.00
Total	**76,57.40**	**2,61.14**	**-**	**79,18.54**	**3,89.22**	**9,75.32**	**-**	**13,64.54**	**65,54.00**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	for the Year	On Disposals	As at March 31, 2018	As at March 31, 2018
Intangible Assets									
Software	-	76,57.40	-	76,57.40	-	3,89.22	-	3,89.22	72,68.18
Total	**-**	**76,57.40**	**-**	**76,57.40**	**-**	**3,89.22**	**-**	**3,89.22**	**72,68.18**

Intangible assets under development:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance	-	32,24.73
Additions	2,61.14	44,32.67
Less:		
Capitalisation	(2,61.14)	(76,57.40)
Closing Balance	**-**	**-**

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 6 : INVESTMENTS		
In Unquoted Equity Instruments (Measured at Fair Value through OCI)		
Biotech Consortium India Limited	5.00	5.00
50,000 Equity Shares of ₹ 10 each fully paid		
Dinette Exclusive Club Private Limited	0.50	0.50
500 Equity Shares of ₹ 100 each fully paid		
Other Unquoted Investments (Measured at Amortised cost)		
National Savings Certificate (Lodged with Government authorities)	0.17	0.17
	5.67	**5.67**
Aggregate of Unquoted Investments	**5.67**	**5.67**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 7 : NON-CURRENT FINANCIAL ASSETS - LOANS		
(Unsecured considered good)		
Security Deposits	11,57.32	14,72.32
Advances Recoverable	26.56	26.57
	11,83.88	**14,98.89**
NOTE 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS		
Margin money / Deposit against bank guarantee	4,06.30	27.76
	4,06.30	**27.76**
NOTE 9 : OTHER NON-CURRENT ASSETS		
Capital advances	3,85.83	13,25.67
Less : Allowance for doubtful advances	(2,83.17)	(3,74.24)
	1,02.66	9,51.43
Balances with Government Authorities	28,49.76	36,36.98
Sundry Deposits	43,11.29	42,07.69
Remittances in transit (Refer Note 42 (iii))	-	5.92
Others	3,77.85	4,41.24
	76,41.56	**92,43.26**
NOTE 10 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw and Packing materials	115,53.92	103,21.08
Work-in-progress	22,08.98	22,77.40
Finished goods	174,06.81	148,18.01
Stock-in-trade (includes in-transit as on March 31, 2019: 10,58.70 lakhs; March 31, 2018: 8,43.61 lakhs)	171,54.28	222,31.21
Stores and spares	3,25.36	3,70.63
	486,49.35	**500,18.33**

The cost of inventories recognised as an expense during the year ended March 31, 2019 is ₹ 2.10 lakhs (March 31, 2018: ₹ 1,43.17 lakhs) in respect of write-downs of inventory to net realisable value.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 11 : TRADE RECEIVABLES		
Unsecured, Considered good	120,48.73	146,95.89
Receivables which have significant increase in Credit Risk (Refer Note 50 C)	15,26.94	15,68.97
Less : Allowance for doubtful receivables	(15,26.94)	(15,68.97)
	120,48.73	**146,95.89**

During the year ended March 31, 2019 the Group has reversed the allowance for doubtful debts by ₹ 42.03 lakhs (Previous Year: additional allowance for doubtful debts created ₹ 67.75 lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 12 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	61,48.21	91,09.18
Term deposit with original maturity period of less than three months	30,03.00	110,01.00
Cheques on hand	7,26.45	-
	98,77.66	**201,10.18**
NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unpaid dividend accounts	22,25.03	23,34.69
Term deposit with original maturity period of more than three months but less than twelve months	1049,01.45	1069,01.45
Margin money	1,30.44	2,94.74
	1072,56.92	**1095,30.88**
NOTE 14 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	67,02.64	35,38.23
Interest accrued on deposits with banks	22,49.38	21,88.30
Advances recoverable	44.62	85.81
	89,96.64	**58,12.34**
NOTE 15 : OTHER CURRENT ASSETS		
Balances with Government Authorities	88,61.12	126,85.02
Advance to Creditors	27,77.55	28,71.31
Sundry advances	200.03	658.46
Import advances	-	1,12.84
Prepayments and Prepaid Expenses	11,13.02	10,66.07
Others	8,32.47	5,85.76
	137,84.19	**179,79.46**
NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building (Refer Note (a) below)	3,31.08	3,31.08
Plant and Machinery (Refer Note (b) and (c) below)	1.63	1,62.66
	3,32.71	**4,93.74**

Notes:-

(a) The amount is the Written Down Value of the property at Thane which is being sold and advance received against such has been classified as Current Liability, as documents for sale of property are yet to be executed. The transfer will conclude after obtaining all relevant statutory and other approvals / consents / permissions as required in law (Refer Note 24).

(b) The amount includes Plant and Machinery from Mysore and Bangalore site held for sale.

(c) During the year plant and machinery of ₹ 29.75 Lakhs at Nashik have been transferred to asset held for sale from property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 17 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2018: 9,00,00,000) equity shares of ₹10 each	180,00.00	90,00.00
Issued		
16,94,15,420 (March 31, 2018: 8,47,07,710) equity shares of ₹10 each	169,41.54	84,70.77
Subscribed and Paid-Up		
16,94,06,034* (March 31, 2018: 8,47,03,017) equity shares of ₹10 each, fully paid up	169,40.60	84,70.30
	169,40.60	**84,70.30**

* excludes 9,386 (March 31, 2018: 4,693) equity shares of ₹10 each of the Company (3,352 equity shares of ₹ 10 each of erstwhile Burroughs Wellcome (India) Limited) held in abeyance.

The Parent has allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the quarter ended September 30, 2018 pursuant to a bonus issue in 1:1 ratio approved by shareholders through postal ballot. The bonus shares were issued by capitalisation of profits transferred from general reserve. Record date fixed by the Company was September 13, 2018. The earnings per share have been adjusted for previous periods presented in accordance with Ind AS - 33 'Earnings per share'.

		As at March 31, 2019		As at March 31, 2018	
		Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
a)	Reconciliation of the number of shares				
	Balance at the beginning of the year	84,703,017	84,70.30	84,703,017	84,70.30
	Bonus shares issued during the year	84,703,017	84,70.30	-	-
	Balance at the end of the year	**169,406,034**	**169,40.60**	**84,703,017**	**84,70.30**

b) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by subsidiaries of ultimate holding company in aggregate

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Equity shares of ₹10 each (representing 75.00% of total shareholding)	127,054,524	127,05.46	63,527,262	63,52.73

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company:

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Glaxo Group Limited, U.K.	60,970,500	35.99%	30,485,250	35.99%
GlaxoSmithKline Pte Limited, Singapore	47,604,024	28.10%	23,802,012	28.10%
Eskaylab Limited, U.K.	11,760,000	6.94%	5,880,000	6.94%
Life Insurance Corporation of India	10,768,929	6.36%	5,424,940	6.40%

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 18 : OTHER EQUITY		
Capital redemption reserve	2,62.00	2,62.00
General reserve	778,50.29	863,20.59
Capital reserve	1,70.97	1,70.97
Retained earnings (Including Other Comprehensive Income)	1187,59.06	1105,09.03
	1970,42.32	**1972,62.59**
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Unsecured		
Interest free deferred sales tax incentive	17.70	58.30
	17.70	**58.30**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2019 of ₹ 58.30 lakhs (March 31, 2018: ₹ 98.90 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in six instalments as at March 31, 2019 (March 31, 2018 - nine instalments) and closing on April 30, 2021. The current maturity amount as at March 31, 2019 is ₹ 40.60 lakhs (March 31, 2018: ₹ 40.60 lakhs) of the loan has been disclosed under Note 23.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 20 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received	2,20.10	2,25.10
Other non-current financial liabilities	0.72	0.72
	2,20.82	**2,25.82**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 21 : NON-CURRENT PROVISIONS		
For Pricing matters (Refer Note 41, 43 and 26)	123,96.15	123,96.15
For employee benefits (Refer Note 39)		
Gratuity	79,67.51	72,87.84
Leave encashment and compensated absences	28,85.36	24,19.06
Post retirement medical and other benefits	36,68.49	35,48.37
For long term incentive plan (Refer Note 26 and 54)	2,27.76	1,70.95
For divestment / restructuring (Refer Note 26)	12,02.83	12,02.83
For others (Refer Note 26)	31,29.60	17,19.69
	314,77.70	**287,44.89**
NOTE 22 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 45)	4,28.23	7,30.78
Due to others	401,53.25	498,54.74
	405,81.48	**505,85.52**
NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer Note 19)	40.60	40.60
Unclaimed dividends *	22,25.03	23,34.70
Salaries, wages, bonus and employee benefits payable	117,33.52	93,41.84
Creditors for capital goods	76,71.93	140,39.16
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Security deposits received	10.00	-
Other Payables	13,10.58	8,24.11
	231,21.94	**267,10.69**
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
NOTE 24 : OTHER CURRENT LIABILITIES		
Statutory dues including provident fund and tax deducted at source	15,06.47	19,91.57
Advance from Customers	4,42.72	3,32.93
Advance received towards disposal of land (Refer Note below)	552,00.00	552,00.00
	571,49.19	**575,24.50**

Note:-

During the previous year, the Group has received the money in advance towards disposal of Thane Land. The transfer will conclude after obtaining all relevant statutory and other approvals / consents / permissions as required in law (Refer Note 16).

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
NOTE 25 : CURRENT PROVISIONS		
For employee benefits (Refer Note 39)		
Leave encashment and compensated absences	3,65.64	3,22.68
Post retirement medical and other benefits	2,14.66	2,02.83
For long term incentive plan (Refer Note 26 and 54)	5,85.88	8,15.41
For rationalisation relating to a manufacturing site (Refer Note 26)	31.43	31.43
For expected sales returns (Refer Note 26)	40,16.44	41,83.28
For others (Refer Note 26)	40,22.01	42,01.75
	92,36.06	**97,57.38**

NOTE 26 : MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	Rationalisation relating to a manufacturing site [Refer note (i)]	Pricing matters [Refer note (ii)]	Long term Incentive Plan [Refer note (iii)]	Divestment / Restructuring [Refer note (ii)]	Expected Sales Returns [Refer note (iv)]	Others
Balance as at April 01, 2018	**31.43**	**123,96.15**	**9,86.36**	**12,02.83**	**41,83.28**	**59,21.44**
Add: Provision during the year	-	-	3,90.15	-	63.50	20,06.93
Less: Amounts utilised/reversed during the year	-	-	5,62.87	-	2,30.34	7,76.76
Balance as at March 31, 2019	**31.43**	**123,96.15**	**8,13.64**	**12,02.83**	**40,16.44**	**71,51.61**
Balance as at April 01, 2017	**47.45**	**123,96.15**	**6,03.77**	**12,02.83**	**38,14.98**	**10,64.53**
Add: Provision during the year	-	-	7,35.04	-	38,04.89	50,83.11
Less: Amounts utilised/reversed during the year	16.02	-	3,52.45	-	34,36.59	2,26.20
Balance as at March 31, 2018	**31.43**	**123,96.15**	**9,86.36**	**12,02.83**	**41,83.28**	**59,21.44**

Notes:

(i) Rationalisation relating to a manufacturing site: This represents an estimated amount of cost required to be incurred to rationalise closed manufacturing site of the Group which it expects to utilise as and when actual costs are incurred. It is expected to be utilised within 12 months from the end of the year.

(ii) Pricing matters, Divestment/ Restructuring and other matters: Provision for pricing matters, Divestment/ Restructuring and other matters made for probable liabilities/ claims arising out of pending dispute, litigations/ commercial transactions with statutory authorities/ third parties. The outflow with regard to the said matters depends on the exhaustion of remedies available to the Group under the law and hence the Group is not able to reasonably ascertain the timing of the outflow. Also refer notes 41, 42, 43 and 44.

(iii) Long term incentive plan: Refer note 54.

(iv) Expected sales returns: This represents provision made for expected sales returns. Revenue is adjusted for the expected value of returns. It is expected to be utilised within 12 months from the end of the year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 27 : REVENUE FROM OPERATIONS		
A. Sale of products (including excise duty)		
Sale of products	3089,48.40	2819,79.99
	3089,48.40	**2819,79.99**
Consequent to the introduction of Goods and Service Tax (GST) with effect from July 01, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed under GST. In accordance with Ind AS 115 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended March 31, 2019 are not comparable with the previous year.		
B. Other operating revenue		
Service income	25,20.04	62,05.80
Consignment sales commission	-	13.17
Manufacturing charges recovery	9,22.62	10,38.19
Others	4,20.82	3,27.63
	38,63.48	**75,84.79**
Total Revenue from operations (A + B)	**3128,11.88**	**2895,64.78**
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the Country of Domicile- India	3102,31.36	2839,27.33
Revenue from foreign countries	25,80.52	56,37.45
	3128,11.88	**2895,64.78**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3242,05.25	3018,70.24
Less: Trade discounts, Volume rebates, etc.	113,93.37	123,05.46
Net revenue recognised from contracts with customers	**3128,11.88**	**2895,64.78**
NOTE 28 : OTHER INCOME		
Interest income on:		
Deposits with banks	67,11.02	52,15.89
Income Tax Refund	9,90.77	-
Loans	20.26	24.08
Others	5.87	19.37
Gain on disposal of Property, Plant and Equipment (net)	1,41.39	-
Rental Income	48.00	71.97
Liabilities Written Back payable to a group Compay	23,14.00	-
Others	0.41	1,23.05
	102,31.72	**54,54.36**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 29 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	686,57.04	510,81.76
	686,57.04	**510,81.76**
NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
Finished goods	148,18.01	157,50.37
Stock-in-trade	222,31.21	144,49.62
Work-in-progress	22,77.40	33,33.91
	393,26.62	**335,33.90**
Less: Closing stock		
Finished goods	174,06.81	148,18.01
Stock-in-trade	171,54.28	222,31.21
Work-in-progress	22,08.98	22,77.40
	367,70.07	**393,26.62**
	25,56.55	**(57,92.72)**
NOTE 31 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	478,26.63	458,88.58
Contributions to : Provident and pension funds (Refer Note 39)	24,06.65	23,75.18
Gratuity funds (Refer Note 39)	12,46.93	22,69.11
Staff welfare expense	22,39.38	18,06.98
	537,19.59	**523,39.85**
NOTE 32 : FINANCE COSTS		
On Security deposits	22.19	14.83
Others	33.24	4.08
	55.43	**18.91**
NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSE		
On Property, Plant and Equipment (Refer Note 3)	38,69.37	33,84.09
On Investment Properties (Refer Note 4)	14.38	25.27
On Other Intangible assets (Refer Note 5)	9,75.32	3,89.22
	48,59.07	**37,98.58**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 34 : OTHER EXPENSES		
Sales promotion	120,36.40	81,71.34
Stock point commission	19,49.41	17,61.34
Freight	62,95.36	55,05.50
Travelling	74,29.86	68,40.66
Loss on disposal of Property, plant and equipment (net)	-	2,42.50
Exchange loss (net)	4,37.33	6,25.62
Manufacturing charges	86,49.79	86,52.84
Repairs:		
Buildings	6,18.15	4,46.32
Plant and Machinery	14,63.48	13,43.60
	20,81.63	**17,89.92**
Consumption of stores and spares	8,23.35	6,11.87
Power, fuel and water	27,93.93	26,43.85
Rent	34,42.21	35,11.89
Rates and taxes	7,86.43	35,31.71
Printing, postage and telephones	9,72.77	9,12.70
Sales training, briefing and conference	22,47.41	17,56.83
Insurance	4,37.59	3,74.96
Remuneration to auditors :		
Statutory audit fees (Refer Note (a) and (d) below)	88.00	79.00
In other capacity in respect of :		
Tax audit fees	6.00	6.00
Other services (Refer Note (b) below)	-	8.95
Reimbursement of expenses (Refer Note (c) below)	3.75	2.55
	97.75	**96.50**
Cost audit fees	10.47	6.87
Corporate social responsibility (Refer Note 37)	10,40.08	10,75.44
Commission to non whole-time Directors	1,50.00	73.96
Directors' sitting fees	57.84	65.00
Legal and professional fees	22,27.43	32,74.37
Miscellaneous	66,99.82	61,61.43
Reimbursement of expenses (net) (Refer Note 36)	25,42.76	24,07.29
	632,09.62	**600,94.39**

Notes:-

(a) For the year ended March 31, 2018, this amount includes ₹ 5.50 lakhs towards remuneration of previous auditor Price Waterhouse & Co Bangalore LLP.

(b) For the year ended March 31, 2018, this amount includes ₹ 8.25 lakhs towards other services of previous auditor Price Waterhouse & Co Bangalore LLP.

(c) For the year ended March 31, 2018, this amount of ₹ 2.55 lakhs is towards reimbursement of expenses of previous auditor Price Waterhouse & Co Bangalore LLP.

(d) For the year ended March 31, 2019, this amount includes ₹ 9.00 lakhs towards additional billing done on account of cost over-runs for the previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

35 The recurring expenditure on research and development charged off to revenue amounts to ₹ 2,32.66 lakhs (Previous Year: ₹ 2,25.22 lakhs)

36 Reimbursement of expenses (net) are towards the value of costs apportioned, in accordance with the agreements on allocation of expenses with the Group companies.

37 Expense towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 is as under:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
a) Amount spent		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	10,94.36	11,31.69
Total amount spent	**10,94.36**	**11,31.69**
The above includes allocation of ₹54.28 lakhs (Previous Year ₹ 56.25 lakhs) towards Corporate Social Responsibility which are shown under Employee Benefits Expenses in note 31.		
(b) Gross amount required to be spent by the Group	10,85.73	11,30.48

NOTE 38 : EXCEPTIONAL ITEMS

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit on sale of property	43,39.13	17,54.48
Sale of Brands	5,38.53	3.79
Redundancy Costs (Refer Note below)	(20,07.75)	-
Others	-	21.58
	28,69.91	**17,79.85**

Note:-

₹ 20,07.75 Lakhs is on account of restructuring of the commercial and manufacturing organisation.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 39 : EMPLOYEE BENEFIT OBLIGATIONS

The Group obtained actuarial reports as required by IND AS 19 (Employee Benefits) based on which disclosures have been made in the financial statement for the year ended March 31, 2019. The disclosures as required by the IND AS 19 are as below.

(i) Defined Contribution Plan

The Group's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,44.61	5,45.56
Employees' pension scheme	5,76.63	6,20.29

(ii) Defined Benefit Plan

Gratuity

The Group makes annual contributions to an income tax approved irrevocable trust gratuity fund to finance the plan liability, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Post - Retirement medical benefit

The Group earmarks liability towards unfunded Post - Retirement medical benefit and provides for payment to vested employees. The benefits under the plan are in form of a medical benefit paid to employees post their employment with the Group.

Provident Fund

The liability of the Group on the exempt Provident Fund managed by the trustees is restricted to the interest shortfall if any.

Leave Encashment and compensated absences

The scheme is a non-contributory defined benefit arrangement providing benefits expressed in terms of a multiple of final monthly salary. The liability for leave encashment and compensated absences as at year end is ₹ 32,51.00 lakhs. (March 31, 2018: ₹ 27,41.74 lakhs).

Based on the actuarial valuations obtained, the following table sets out the status of the gratuity plan, post retirement medical benefits and provident fund and the amounts recognised in the Financial Statements as at balance sheet date:

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019			Year ended March 31, 2018		
		Gratuity	Post retirement medical and other benefits	Provident Fund	Gratuity	Post retirement medical and other benefits	Provident Fund
		(Funded plan)	(Non-funded plan)	(Funded plans)	(Funded plan)	(Non-funded plan)	(Funded plans)
(i)	**Change in Defined Benefit Obligation**						
	Opening defined benefit obligation	92,67.21	37,51.20	501,16.98	75,96.54	41,82.18	449,05.18
	Amount recognised in Statement of profit and loss/Capitalised						
	Current service cost	6,93.46	24.78	13,52.18	5,27.44	62.06	12,83.13
	Past service cost	-	-	-	13,43.16	-	-
	Interest cost	6,78.68	2,73.47	38,41.05	5,26.23	2,85.55	32,19.89
		13,72.14	**2,98.25**	**51,93.23**	**23,96.83**	**3,47.61**	**45,03.02**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	2,40.45	82.50	-	(3,47.19)	(2,36.17)	-
	Demographic assumptions	(4.57)	(94.97)	-	1,69.15	(38.78)	-
	Experience adjustment	299.37	211.65	(11,37.30)	(93.30)	(180.11)	(4,47.87)
		5,35.25	**1,99.18**	**(11,37.30)**	**(2,71.34)**	**(4,55.06)**	**(4,47.87)**
	Contributions by employee	-	-	34,39.86	-	-	31,61.73
	Liabilities assumed on acquisition/(settled on divestiture)	(12.53)	-	(12,34.71)	(1.13)	-	3,04.79
	Benefits paid	(14,34.08)	(3,65.48)	(31,70.88)	(4,53.69)	(3,23.53)	(23,09.87)
	Closing defined benefit obligation	**97,27.99**	**38,83.15**	**532,07.18**	**92,67.21**	**37,51.20**	**501,16.98**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	19,79.37	-	501,16.98	19,72.94	-	449,05.17
	Amount recognised in the Statement of Profit and Loss/Capitalised	-	-	-	-	-	-
	Expected return on plan assets	1,25.22	-	38,41.05	1,27.72	-	32,19.89
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	(1,10.03)	-	(11,37.30)	1,32.40	-	(4,47.87)
	Contributions by employer	12,00.00	-	13,52.18	2,00.00	-	12,83.13
	Contributions by employee	-	-	34,39.86	-	-	31,61.73
	Assets Acquired on acquisition/(settled on divestiture)	-	-	(12,34.71)	-	-	3,04.80
	Benefits paid	(14,34.08)	-	(31,70.88)	(4,53.69)	-	(23,09.87)
	Closing fair value of plan assets	17,60.48	-	532,07.18	19,79.37	-	501,16.98
	Actual return on Plan Assets	**15.19**		**27,03.75**	**2,60.12**		**27,72.02**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019			Year ended March 31, 2018		
		Gratuity	Post retirement medical and other benefits	Provident Fund	Gratuity	Post retirement medical and other benefits	Provident Fund
		(Funded plan)	(Non-funded plan)	(Funded plans)	(Funded plan)	(Non-funded plan)	(Funded plans)
(iii)	**Amount recognised in the Statement of Profit and Loss**						
	Service Cost:						
	Current service cost	6,93.46	24.78	13,52.18	5,27.44	62.06	12,83.13
	Past service cost	-	-	-	13,43.16	-	-
	Net interest expense	5,53.46	2,73.47	-	3,98.51	2,85.55	-
	Less : Employee Cost Capitalised for Vemgal	-	-	(66.77)	-	-	(73.80)
	Components of defined benefit costs recognised in the Statement of Profit and Loss	12,46.92	2,98.25	12,85.41	22,69.11	3,47.61	12,09.33
(iv)	**Amount recognised in Other Comprehensive Income**						
	Remeasurement on the net defined benefit liability:						
	Return on plan assets (excluding amounts included in net interest expense)	(1,10.03)	-	(11,37.30)	1,32.40	-	4,47.87
	Acturial gain / (loss) arising from changes in demographic assumptions	4.57	94.97	-	(1,69.15)	38.78	-
	Acturial gain / (loss) arising from changes in financial assumptions	(2,40.45)	(82.50)	-	3,47.19	2,36.17	-
	Acturial gain / (loss) arising from changes in experience adjustments	(2,99.37)	(2,11.65)	11,37.30	93.30	1,80.11	(4,47.87)
	Components of defined benefit costs recognised in Other Comprehensive Income	(6,45.28)	(1,99.18)	-	4,03.74	4,55.06	-
(v)	**Amount recognised in the Balance Sheet**						
	Present value of obligations as at year end	97,27.99	38,83.15	532,07.18	92,67.21	37,51.20	501,16.98
	Fair value of plan assets as at year end	17,60.48	-	532,07.18	19,79.37	-	501,16.98
	Net (asset) / liability recognised as at year end	79,67.51	38,83.15	-	72,87.84	37,51.20	-
(vi)	**The major categories of plan assets are as follows:**						
	Government of India Securities	47%		46%	52%		46%
	Corporate Bonds	41%		44%	36%		46%
	Special Deposit Scheme	0%		0%	0%		0%
	Others	12%		10%	12%		8%
(vii)	**Principal actuarial assumptions used**						
	Discount rate (p.a.)	7.50%	7.50%	7.50%	7.70%	7.70%	7.70%
	Expected rate of return on plan assets (p.a.)	7.50%		9.12%	13.00%		9.02%
	Salary escalation rate	5.00% - 7.00%			5.00% - 7.00%		
	Annual increase in health care premiums (p.a.)		5%			5%	

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended March 31, 2019		Year ended March 31, 2018	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement) - Gratuity	-3.99%	4.29%	-3.94%	4.23%
Future salary growth (0.5% movement) - Gratuity	3.85%	-3.67%	3.84%	-3.67%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.27%	5.82%	-5.30%	5.85%
Health care cost rate (1% movement)	10.73%	-8.89%	10.74%	-8.89%
Life expectancy +/- 1 year	2.42%	-2.76%	2.37%	-2.46%

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When one variable is changed, it affects others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Expected contribution to post employment benefit plans for the year ended March 31, 2020 is ₹ 79,67.52 lakhs (March 31, 2019: ₹ 2,00.00 lakhs)

The weighted average duration of defined benefit obligation is 8.27 years (March 31, 2018: 8.17 years)

The expected maturity analysis of un-discounted Gratuity and Post employment medical benefits is as below:

(₹ in lakhs)

March 31, 2019	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Defined benefit obligations (Gratuity)	10,19.44	8,66.43	28,12.26	53,51.62	100,49.75
Post employment medical benefits	2,14.66	2,27.87	7,55.29	113,56.08	125,53.90
Total	**12,34.10**	**10,94.30**	**35,67.55**	**167,07.70**	**226,03.65**

(₹ in lakhs)

March 31, 2018	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Defined benefit obligations (Gratuity)	9,06.38	7,91.98	28,53.64	163,41.47	208,93.47
Post employment medical benefits	2,02.83	2,14.63	7,17.29	115,10.63	126,45.38
Total	**11,09.21**	**10,06.61**	**35,70.93**	**278,52.10**	**335,38.85**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

				As at March 31, 2019	As at March 31, 2018
A.	**Contingent Liabilities not provided for:**				
	(i)	Cheques discounted with banks		1,05.60	4,70.84
	(ii)	In respect of claims made against the Group not acknowledged as debts by the Group			
		(a)	Sales tax matters	148,17.18	146,95.91
		(b)	Excise and custom matters	7,30.36	7,30.36
		(c)	Service tax matters	1,29.20	1,29.20
		(d)	Labour matters	77,02.05	74,94.76
		(e)	Other legal matters	25,57.52	25,57.52
		(f)	Other matters	23,14.00	-
		which net of current tax amount to -		183,78.52	166,59.38
	(iii)	Income-tax matters in respect of which appeals are pending			
	Tax on matters in dispute			248,45.27	240,28.19
	(iv)	Gurantee given to the Custom Authorities		2,00.00	2,00.00
	Notes:				
	Future cash outflows in respect of (i) above are dependant on the return of cheques by banks. Future cash outflows in respect of (ii) above are determinable on receipt of decisions / judgements pending with various forums / authorities, hence it is not practicable for the Group to estimate the timing of cash outflow, if any. The Group does not expect any reimbursement in respect of above contingent liabilities.				
B.	**Commitments**				
	(i)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for (Refer Note (a) below)		60,71.85	67,06.83
	(ii)	Uncalled liability on partly paid shares:			
		-	in Hill Properties Limited	0.04	0.08
		Note:			
		Future cash outflow is dependent on the call to be made by Hill Properties Limited.			

Note

(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at March 31, 2019 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru and corporate office renovations and as at March 31, 2018 mainly comprise the ongoing investments in the new greenfield manufacturing factory being constructed at Bengaluru.

(b) The Group, based on legal opinion, is of the view that the Ruling issued on February 28, 2019 by the Honourable Supreme Court, clarifying the definition of basic wages under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is applicable from the date of the said Ruling. Accordingly, the Group has given effect to the said Ruling on a prospective basis. The impact determined on a prospective basis is insignificant.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

41 The demand of ₹ 71,79 lakhs made by the Central Government on the GlaxoSmithKline Pharmaceuticals Limited ("the Company") in respect of Betamethasone bulk drugs and formulations made therefrom during the period May 1981 to August 1987 has been under litigation for a period spanning nearly 30 years. Pursuant to the special leave petition of the Central Government in the Supreme Court of India against the Delhi High Court's Judgment and Order dated October 19, 2001 which was held in favour of the Company, the Supreme Court has, vide its Judgement and Order dated March 31, 2011, upheld the demand. The Company had accrued a liability of ₹ 18,68 lakhs in earlier years and a further provision of ₹ 53,11 lakhs was accrued in 2011.

Based on legal advice, the Company has filed an Application in the Supreme Court seeking, inter alia, clarifications on some aspects of the Judgement and directions for recomputation of the demand. Simultaneously, the Company without prejudice to and subject to the outcome of the Application filed in the Supreme Court, has tendered as a further deposit, an amount of ₹ 63,60 lakhs, which together with the amount of ₹ 8,19 lakhs previously deposited with the Government, aggregates the demand of ₹ 71,79 lakhs made by the Government in November 1990. The Company filed a Review Petition in the Supreme Court which was rejected in March 2012.

In October 1996, the Government had claimed interest of ₹ 117,66 lakhs for the period May 12, 1981 to October 17, 1996, for which no provision was made in earlier years. The Government has vide letter dated May 4, 2011 called upon the Company to discharge the entire liability, including upto date interest calculated at 15% p.a., and has vide letter dated October 10, 2011, raised a demand on the Company for the interest amount amounting to ₹ 247,44 lakhs. Without prejudice to the position that interest is not payable, the Company has recognized a provision of ₹ 247,44 lakhs in respect of the Government's claim for interest in 2011. The Company has filed a writ petition at Delhi High Court against the above demand which has been admitted. The Company also filed stay applications which have been dismissed and has filed a Special Leave Petition (SLP) before the Supreme Court for stay of the interest demand until final determination of the writ petition filed in the Delhi High Court. The Supreme Court on hearing the above SLP, passed an order on April 3, 2012. The said order stayed the Demand Notice dated October 10, 2011 during the pendency of the writ petition at the Delhi High Court subject to the Company depositing ₹ 136,82 lakhs in three equal installments within six month's time from the date of order. All three instalments have been deposited with the Government as of date. The Supreme Court, vide its order dated October 5, 2012, directed the Delhi High Court to dispose of the writ petition as expeditiously as possible. After the arguments given by the Company's counsel on July 6, 2018, January 22, 2019, March 26, 2019 and May 16, 2019, the matter has been adjourned by the Delhi High Court to July 18, 2019.

NOTE 42 : MATTERS IN RESPECT OF ERSTWHILE BURROUGHS WELLCOME (INDIA) LIMITED (BWIL):

(i) The Government of India, Ministry of Chemicals and Fertilisers, New Delhi, passed a final order on July 21, 1993, directing erstwhile BWIL to pay an amount of ₹ 1,91.15 lakhs along with interest due thereon from the date of default into the Drugs Prices Equalisation Account (DPEA) in respect of a bulk drug procured by erstwhile BWIL during the period April 1981 to April 1983.

Erstwhile BWIL filed a writ petition in August 1993 which was admitted by the Bombay High Court. After hearing both the parties, the High Court granted an interim injunction restraining the Government of India from taking any action in furtherance of and/or implementation of the order dated July 21, 1993 or from in any manner seeking to compel erstwhile BWIL to deposit any amount into the DPEA, pending the hearing and final disposal of the petition on the condition that erstwhile BWIL furnishes a bank guarantee for ₹ 2,00 lakhs from a nationalised bank and undertakes to pay the amount demanded with interest at the rate of 20% per annum in case the petition fails.

Erstwhile BWIL had accordingly furnished the required bank guarantee. If calculated on the basis of correct data, taking into account set offs claimable for earlier years for which data has been provided by erstwhile BWIL, no amount will be payable by the Company and accordingly no provision in that respect is considered necessary. The Company's stand that the demand is not sustainable has been confirmed by an eminent counsel. The Government of India's application in the Supreme Court praying that the writ petition be transferred to the the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

(ii) Erstwhile BWIL had made an application to the Government of India for approval under Section 198(4) of the Companies Act, 1956, in respect of payment to the Managing Director and three whole time Directors amounting to

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

₹ 10.93 lakhs for the year ended August 31, 1986, which was in accordance with the minimum remuneration provided in the agreements entered into with them prior to erstwhile BWIL becoming public, which required such Government of India's sanction. The approval is still awaited.

(iii) Remittances in transit represented monies deposited by customers in favour of erstwhile BWIL with banks in Zambia - ₹ 0.31 lakhs and in Tanzania - ₹ 5.61 lakhs, the remittance of which is pending clearance of the authorities in those countries, which have been written off in the current year.

43. Biddle Sawyer Limited (BSL) received a letter dated August 20 / 24, 1998 from the Central Government demanding an amount of ₹ 4,40.80 lakhs comprising ₹ 1,42.74 lakhs in respect of prices relating to Salbutamol formulations during the period April, 1979 to December, 1983 with interest thereon amounting to ₹ 2,98.05 lakhs upto July 31, 1998. BSL had been legally advised that the demand of ₹ 1,42.74 lakhs is not sustainable and it, therefore follows that the interest demand also cannot be sustained. The total demand has been challenged by BSL in a Writ Petition filed in the Bombay High Court. The Bombay High Court has granted an interim stay of the demand, subject to the Company depositing 50% of the principal amount. Accordingly, the Company has deposited an amount of ₹ 71.50 lakhs with the Government on May 3, 1999. This is a normal interim order passed by the High court in such matters and does not in any way reflect upon the merits or otherwise of the case. The amount will be refunded if BSL succeeds at the final hearing of the matter. The Government's application in the Supreme Court praying that this writ petition be transferred to the Supreme Court from the Bombay High Court was not allowed and BSL's writ petition will now be heard by the Bombay High Court.

NOTE 44 : MATTERS IN RESPECT OF ERSTWHILE SMITHKLINE BEECHAM (INDIA) LIMITED:

(i) ₹ 1,44.44 lakhs received from Beckman Instruments International S.A. on account of disputed alleged additional commission has been included under non-current provisions and Income tax paid thereon aggregating ₹ 64.77 lakhs has been included under other non-current assets. The Company is contesting the matter with the concerned authorities.

(ii) Refund of surtax ₹ 96.81 lakhs, and interest thereon amounting to ₹ 48.52 lakhs, received during 1994, have not been adjusted against the provision for tax in the books of accounts and recognised as income respectively, since the Income tax department had filed a reference application against the income tax tribunal's order which was pending before the High Court of Karnataka. The Company has received an order dated April 18, 2007 from the High Court of Karnataka which is partially in the Company's favour. On the basis of the aforesaid order, Income Tax Appellate Tribunal (ITAT), Bangalore will pass an order giving directions. On receipt of the ITAT order, the Company will take appropriate steps in the matter.

NOTE 45: DISCLOSURES AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:

(₹ in lakhs)

			March 31, 2019	March 31, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,20.83	7,30.78
	(ii)	Interest due thereon	7.40	1.33
			4,28.23	**7,32.11**
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	45,23.48	18,88.40
	(ii)	Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	14.27
(c)	(i)	Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

			March 31, 2019	March 31, 2018
	(ii)	Normal Interest payable for the period of delay in making payment, as per the agreed terms	-	-
(d)	(i)	Total Interest accrued during the year	7.40	1.33
	(ii)	Total Interest accrued during the year and remaining unpaid	7.40	1.33
(e)		Amount of estimated interest due and payable for the period from April 1, 2018 to actual date of payment or April 30, 2019, whichever is earlier	2.07	-
		The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.		

NOTE 46 : TAX EXPENSE

(a) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax on profits for the year	192,82.27	204,33.82
Total current tax expense	192,82.27	204,33.82
Deferred tax		
In respect of current year	44,45.36	(14,89.41)
In respect of prior years	-	79.74
Adjustment to deferred tax attributable to change in income tax rate	-	(1,00.21)
Total Deferred tax (benefit) / expense	44,45.36	(15,09.88)
Total tax expense	**237,27.63**	**189,23.94**

(b) Amounts recognised in Other Comprehensive Income (OCI)

(₹ in lakhs)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to the Statement of Profit and Loss						
Remeasurements of the defined benefit plans	(8,44.47)	2,95.09	(5,49.38)	8,58.80	(3,00.10)	5,58.70
	(8,44.47)	**2,95.09**	**(5,49.38)**	**8,58.80**	**(3,00.10)**	**5,58.70**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	682,66.93	539,96.52
Tax using GlaxoSmithKline Pharmaceuticals Limited's domestic tax rate at 34.944%	223,20.13	181,34.62
Tax using the GlaxoSmithKline Pharmaceuticals Limited's domestic tax rate in terms of Long Term Capital Gain at 23.296%	11,20.22	4,05.67
Tax using the Subsidiary's domestic tax rate at 26% (Previous Year: 25.75%)	(1,06.49)	(41.66)
Total Tax	**233,33.86**	**184,98.63**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	2,54.86	2,48.71
Donations	54.29	71.22
Due to change in income tax rate from 34.608% to 34.944%.	-	(1,00.21)
Due to change in income tax rate from 25.75% to 26%	(0.53)	-
Other items	85.15	2,05.59
Total tax Expense	**237,27.63**	**189,23.94**

Consequent to the reconciliation items shown above, the effective tax rate is 34.76% (Financial Year 2017-18: 35.05%)

(d) Movement in deferred tax balances

(₹ in lakhs)

	Balance as at April 01, 2018	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2019
Deferred tax asset				
Provision for Employee Benefits	48,13.66	(26,17.69)	2,95.09	24,91.06
Voluntary retirement schemes	4.99	1,60.42	-	1,65.41
Allowance for doubtful debts	6,76.10	(46.51)	-	6,29.59
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,63.88	-	-	22,63.88
Expenses allowable for tax purpose when paid	42,34.13	(11,50.15)	-	30,83.98
Total Deferred tax asset	**119,92.76**	**(36,53.93)**	**2,95.09**	**86,33.92**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(16,20.34)	(7,91.43)	-	(24,11.77)
Deferred tax asset (net)	**103,72.42**	**(44,45.36)**	**2,95.09**	**62,22.15**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	Balance as at April 01, 2017	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2018
Deferred tax asset				
Provision for Employee Benefits	44,68.08	6,45.68	(3,00.10)	48,13.66
Voluntary retirement schemes	98.49	(93.50)	-	4.99
Allowance for doubtful debts	6,97.75	(21.65)	-	6,76.10
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,42.11	21.77	-	22,63.88
Expenses allowable for tax purpose when paid	31,19.55	11,14.58	-	42,34.13
Total Deferred tax asset	**106,25.98**	**16,66.88**	**(3,00.10)**	**119,92.76**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(14,63.34)	(1,57.00)	-	(16,20.34)
Deferred tax asset (net)	**91,62.64**	**15,09.88**	**(3,00.10)**	**103,72.42**

NOTE 47 : LEASES

(i) The future minimum lease payments under non-cancellable operating leases are as follows:

(₹ in Lakhs)

Particulars	Lease Rental debited to Statement of Profit and Loss	Future Minimum lease Payments	As at March 31, 2019	As at March 31, 2018
Manufacturing Arrangement with Loan Licensee identified as operating lease	₹ 9,86.10 lakhs (Previous Year: ₹11,75.55 lakhs)	Within one year	-	9,86.10
		Later than one year but not later than 5 years	-	-
		Later than 5 years	-	-

(ii) The details of cancellable operating leases are as follows:

The Group has taken various residential, office, godown premises, machinery and vehicles under operating lease arrangements. These are cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits under certain agreements. The lease rentals of ₹ 24,56.11 lakhs (March 31, 2018: ₹ 23,36.34 lakhs) have been included under the head Rent under Note 34 in the Statement of Profit and Loss.

NOTE 48 : EARNINGS PER SHARE

		Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	₹ in lakhs	445,39.30	350,72.58
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earnings per share (Basic and Diluted)	₹	26.29	20.70
Face value per share	₹	10	10

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

49 (a) Current tax liabilities are net of taxes paid amounting to ₹ 1349,74.65 lakhs (March 31, 2018: ₹ 1349,11.61 lakhs).

(b) Current tax assets (net) represents payments in excess of provisions of ₹ 2605,42.79 lakhs (March 31, 2018: ₹ 2445,90.76 lakhs).

NOTE 50 : FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels presented below.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial assets at fair value through OCI (FVTOCI)		
Investment in Equity instruments	5.50	5.50
Total Investment in Equity Instruments	**5.50**	**5.50**
Financial assets at amortised cost		
National Savings Certificate	0.17	0.17
Security Deposits	11,57.32	14,72.32
Margin money/ Deposit against bank guarantee	4,06.30	27.76
Trade receivables	120,48.73	146,95.89
Cash and cash equivalents	98,77.66	201,10.18
Bank balances other than Cash and cash equivalents	1072,56.92	1095,30.88
Interest accrued on deposits with bank	22,49.38	21,88.30
Receivable from group companies	67,02.64	35,38.23
Advances recoverable	71.18	112.38
Total financial assets	**1397,70.30**	**1516,76.11**
Financial liabilities at amortised cost		
Borrowings	58.30	98.90
Security deposits received	2,30.10	2,25.10
Payable to employees	117,33.52	93,41.84
Unclaimed dividends	22,25.03	23,34.70
Trade payables	405,81.48	505,85.52
Creditors for capital goods	76,71.93	140,39.16
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	13,11.30	8,24.83
Total financial liabilities	**639,41.94**	**775,80.33**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(a) Financial instruments that are recognised and measured at fair value

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 : It includes financial instruments measured using quoted prices

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial Instruments measured at Fair value (Level 3)		
Investment in Equity instruments	5.50	5.50
	5.50	**5.50**

The impact of fair valuation of Equity investment is considered as insignificant and hence carrying value and fair value is considered as same.

(b) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Financial assets		
National Savings Certificate		
Carrying value	0.17	0.17
Fair value	0.17	0.17
Security Deposits		
Carrying value	11,57.32	14,72.32
Fair value	11,57.32	14,72.32
Margin money/ Deposit against bank guarantee		
Carrying value	4,06.30	27.76
Fair value	4,06.30	27.76
Financial liabilities		
Borrowings		
Carrying value	58.30	98.90
Fair value	58.30	98.90
Security deposits received		
Carrying value	2,30.10	2,25.10
Fair value	2,30.10	2,25.10

The impact of fair valuation of the above Financial assets and liabilities is considered to be insignificant and hence carrying value and the fair value is considered to be same.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

The carrying amounts of Trade receivables, Cash and cash equivalents, Bank balances other than Cash and cash equivalents, Interest accrued on deposits with bank, Receivable from group companies, Advances recoverable, Payable to employees, Unclaimed Dividends, Trade payables, Creditors for capital goods, Rationalisation relating to a manufacturing site and Other Payables are considered to be the same as their fair values due to their short term nature.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

GlaxoSmithKline's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's trade receivables are largely from sales made to wholesale customers and direct sales to hospitals with a smaller proportion of sales to Indian Government Institutions. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer and the default risk of the industry.

The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Exposures to customers outstanding at the end of each reporting period are reviewed to determine incurred and expected credit losses and the Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. The impairment loss as at March 31, 2019 related to customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

In case of receivables from wholesale customers and hospitals, the Group has followed a provision approach consistent with expected credit loss approach as per Ind AS 109.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Summary of the Group's ageing of outstanding from various customers and impairment for expected Credit Loss is as follows:

(₹ in lakhs)

As at March 31, 2019	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	102,32.71	1.39	102,31.32
Past due 0-180 days	12,10.13	89.81	11,20.32
Past due 181-360 days	2,39.74	18.55	2,21.19
Past due 361-720 days	4,75.64	95.23	3,80.41
Past due 721-1095 days	2,28.12	132.63	95.49
Past due more than 3 years	11,89.33	11,89.33	-
Total	**135,75.67**	**15,26.94**	**120,48.73**

(₹ in lakhs)

As at March 31, 2018	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	113,99.19	1.60	113,97.59
Past due 0-180 days	26,15.81	98.63	25,17.18
Past due 181-360 days	2,54.24	3.42	2,50.82
Past due 361-720 days	1,66.23	7.20	1,59.03
Past due 721-1095 days	4,46.22	74.95	3,71.27
Past due more than 3 years	13,83.17	13,83.17	-
Total	**162,64.86**	**15,68.97**	**146,95.89**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

As of March 31, 2019, the Group had working capital of ₹ 555,14.25 lakhs, including cash and cash equivalents of ₹ 98,77.66 lakhs and investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months but less than 12 months) of ₹ 1049,01.45 lakhs.

As of March 31, 2018, the Group had working capital of ₹ 586,54.45 lakhs, including cash and cash equivalents of ₹ 201,10.18 lakhs and investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months but less than 12 months) of ₹ 1069,01.45 lakhs.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

As at March 31, 2019	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	58.30	58.30	40.60	17.70	-	-
Trade Payables and other payables	614,28.51	614,28.51	614,27.79	-	0.72	-
Unclaimed dividends	22,25.03	22,25.03	22,25.03	-	-	-
Security deposits received	2,30.10	2,30.10	10.00	-	2,20.10	-

(₹ in lakhs)

As at March 31, 2018	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	98.90	98.90	40.60	40.60	17.70	-
Trade Payables and other payables	749,21.63	749,21.63	749,20.91	-	0.72	-
Unclaimed dividends	23,34.70	23,34.70	23,34.70	-	-	-
Security deposits received	2,25.10	2,25.10	-	-	2,25.10	-

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

The Group is exposed to currency risk on account of its receivables and payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group has exposure to GBP, USD, EUR and other currencies. The Group has not hedged this foreign currency exposure and strives to achieve asset liability offset of foreign currency exposure.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Exposure to currency risk

The Group's exposure to foreign currency risk at the end of the reporting period is as follows:

(₹ in lakhs)

	As at March 31, 2019				As at March 31, 2018			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current Financial assets	10.24	-	10.73	-	88.66	3.30	-	
Trade payables	2,54.46	4,61.84	4.32	87.13	11,70.92	168,66.53	6,35.81	2,73.32
Capital Creditors	1,18.21	3,99.42	22,79.66	29.96	51,81.23	6,53.14	25,94.52	12.23
Net statement of financial position exposure	(3,62.43)	(8,61.26)	(22,73.25)	(1,17.09)	(62,63.49)	(175,16.37)	(32,30.33)	(2,85.55)

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to functional currency of Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(₹ in lakhs)

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or loss		Equity	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2019					
GBP	5%	(18.12)	18.12	-	-
USD	5%	(43.06)	43.06	-	-
EUR	5%	(1,13.66)	1,13.66	-	-
Other currencies	5%	(5.85)	5.85	-	-

(₹ in lakhs)

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or loss		Equity	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2018					
GBP	5%	(3,13.17)	3,13.17	-	-
USD	5%	(8,75.82)	8,75.82	-	-
EUR	5%	(1,61.52)	1,61.52	-	-
Other currencies	5%	(14.28)	14.28	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

NOTE 51 : CAPITAL MANAGEMENT

(a) Risk Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group has adequate cash and bank balances and no interest bearing liabilities. The Group has interest free deferred sales tax incentive availed under the 1993 Sales Tax Deferment Schemes. The Group monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any interest bearing debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Group.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Equity shares		
	Final dividend for the year ended March 31, 2018 of ₹ 35 (March 31, 2017 ₹ 30) per fully paid share	296,46.06	254,10.91
(ii)	Dividend Distribution Tax on the above	60,93.83	51,73.06
(iii)	Dividends not recognised at the end of the reporting period		
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 20 per fully paid equity share (March 31, 2018: ₹ 17.5 per share retrospectively adjusted for September 2018 bonus issue). The proposed dividend for the year ended March 31, 2019 is subject to the approval of shareholders in the ensuing annual general meeting.	338,81.21	296,46.06
(iv)	Dividend Distribution Tax on the above	69,64.38	60,93.83

NOTE 52 : SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Managing Director of GlaxoSmithKline Pharmaceuticals Limited has been identified as the Chief Operating Decision Maker of the Group. The Chief Operating Decision Maker reviews performance of pharmaceutical business on an overall basis. As the Group has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Entity-Wide disclosures are as under :

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the Group derives revenues		
Revenue from the Country of Domicile- India	3102,31.36	2839,27.33
Revenue from foreign countries	25,80.52	56,37.45
Total	**3128,11.88**	**2895,64.78**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Details of non current asset		
Non Current asset from the Country of Domicile- India	1823,66.89	1642,02.71
Non Current asset from foreign countries	-	-
Total	**1823,66.89**	**1642,02.71**

Information about major customers

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue.

NOTE 53 : RELATED PARTY DISCLOSURES

Related party disclosures, as required by IND AS 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 are given below:

1 **Relationships (during the year):**

(i) Shareholders (the GlaxoSmithKline (GSK) Group shareholding) in the Company :

Glaxo Group Limited, U.K.
GlaxoSmithKline Pte Limited, Singapore
Eskaylab Limited, U.K.
Burroughs Wellcome International Limited, U.K.
Holding company / ultimate holding company of the above shareholders
GlaxoSmithKline Plc, U.K. *
GlaxoSmithKline Finance Plc, U.K.*
Setfirst Ltd, U.K. *
SmithKline Beecham Limited, U.K.
Wellcome Limited, U.K.*
The Wellcome Foundation Limited, U.K.*
Wellcome Consumer Healthcare Limited, U.K.*
* no transactions during the year

(ii) Other related parties in the GlaxoSmithKline (GSK) Group where common control exists and with whom the Company had transactions during the year:

GlaxoSmithKline Asia Private Limited, India
GlaxoSmithKline Brasil Ltda, Brazil*
GlaxoSmithKline Consumer Healthcare Limited, India
GlaxoSmithKline Biologicals S.A., Belgium
GlaxoSmithKline Pharmaceuticals S.A., Belgium
GlaxoSmithKline Services Unlimited, U.K.
Glaxo Operations UK Limited, U.K
GlaxoSmithKline Export Limited, U.K.
GlaxoSmithKline Latin America S.A*
GlaxoSmithKline Pakistan Limited, Pakistan*
GlaxoSmithKline Research & Development Ltd, U.K
GlaxoSmithKline Pte Limited, Singapore*
GlaxoSmithKline Corporate Centre, U.S.A*
GlaxoSmithkline Philippines Inc., Philippines*
GlaxoSmithKline Australia Pty Limited, Australia*

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

GlaxoSmithKline Trading Services Limited, Ireland
GlaxoSmithKline Limited, Hong Kong*
GlaxoSmithKline South Africa (Pty) Ltd, South Africa
GlaxoSmithKline LLC, U.S.A*
GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria
Stiefel India Private Limited, India
Glaxo Wellcome Ceylon Ltd., Sri Lanka*
US GMS Financial Services, U.S.A.*
GlaxoSmithKline Inc, Philadelphia
GlaxoSmithKline Manufacturing SPA, Italy*
GlaxoSmithKline Intellectual Property Limited
Chiron Behring Vaccines Private Ltd, India (upto February 28, 2019)

(iii) Directors and members of GSK India Leadership Team :

Directors:	**GSK India Leadership Team:**
Mr. A. Vaidheesh #	Mr. A. Nadkarni (w.e.f. April 17, 2017)
Ms. P. Thakur # (w.e.f. January 1, 2018)	Mr. K. Hazari (upto May 31, 2018)
Mr. A. Aristidou # (upto December 31, 2017)*	Mr. R. D'souza (w.e.f. April 17, 2017)
Mr. R. Krishnaswamy #	Mr. R. Bartaria (upto August 31, 2018)
Mr. N. Kaviratne	Mr. S. Dheri
Mr. P. Bhide	Ms. S. Choudhary
Ms. A. Bansal	Mr. S. Webb (w.e.f. January 17, 2018 upto January 31, 2019)
Mr. A.N. Roy	Ms. V. Desai (upto May 16, 2017)
Mr. D.S. Parekh (upto March 31, 2019)	Mr. V. Balakrishnan (w.e.f. March 20, 2017 upto September 21, 2018)
Mr. D. Sundaram	Mr. B. Kotak (w.e.f. June 14, 2017)
Mr. R.R. Bajaaj (upto July 24, 2019)	Mr. A. Iyer (w.e.f. October 13, 2017)
Mr. S. Williams (w.e.f. April 7, 2017)	Ms. M. Priyam (w.e.f. July 27, 2017)
Mr. M. Jones (w.e.f. April 7, 2017 upto July 24, 2018)	Ms. D. Jakate (w.e.f. February 19, 2018)
	Mr. S. Balasubramanian (w.e.f. October 01, 2018)
	Mr. N. Hindia (w.e.f. June 01, 2018)
	Mr. G. Kotian (w.e.f. October 01, 2018)
	Mr. N. Sudrik (w.e.f. October 01, 2018)

Also member of GSK India Leadership Team
* no transactions during the year

2 The following transactions were carried out with the related parties in the ordinary course of business:

(i) Dividend paid to parties referred to in item 1(i) above:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Glaxo Group Limited, U.K.	106,69.84	91,45.58
GlaxoSmithKline Pte Limited, Singapore	83,30.70	71,40.60
Eskaylab Limited, U.K.	20,58.00	17,64.00
Burroughs Wellcome International Limited, U.K.	11,76.00	10,08.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(ii) Details relating to parties referred to in items 1(i) and 1(ii) above:

(₹ in lakhs)

		Holding company/ ultimate holding company 1(i)		Other companies in the GSK Group 1(ii)	
		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
1	Purchase of materials/traded goods	-	-	465,35.29	532,29.27
2	Sale of materials/sale of products	-	-	18.54	21.87
3	Purchase of Intangible assets	-	-	9,45.00	49,66.22
4	Expenses recharged to other companies	70.55	-	60,02.39	33,41.62
5	Expenses recharged by other companies	-	-	41,71.84	31,09.78
6	Manufacturing charges recovered	-	-	9,22.62	10,38.19
7	Consignment sales commission received	-	-	-	13.17
8	Clinical research and data management recoveries	-	-	7,71.88	40,72.62
9	Central Value Added Tax credits availed on behalf of a related party (net)	-	-	-	1,63.58
10	Liabilities written back	-	-	23,14.00	-
11	Employee benefit liabilities transferred to a related party	-	-	12.52	1.41
12	Outstanding receivables at the period end	-	-	67,02.64	123,82.03
13	Outstanding payables at the period end	-	-	65,03.24	312,53.78

(iii) Disclosure in respect of material transactions with parties referred to in item 1(i) and 1(ii) above:

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Purchase of materials/traded goods:		
	GlaxoSmithKline Asia Private Limited, India	7,15.09	205,33.55
	GlaxoSmithKline Biologicals S.A., Belgium	273,91.37	196,77.90
	Chiron Behring Vaccines Private Ltd, India	3,718.49	1,254.91
	Stiefel India Private Limited, India	3,447.15	2,715.02
	GlaxoSmithKline Export Limited, U.K.	112,63.19	90,47.88
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	18.54	21.87
(c)	Intangible assets:		
	GlaxoSmithKline Services Unlimited, U.K.	9,45.00	49,66.22
(d)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	2,94.05	6,56.68
	Glaxo Group Limited, U.K.	70.55	-
	GlaxoSmithKline Intellectual Property Limited	130.63	-
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	76.90	-
	GlaxoSmithKline Export Limited, U.K.	827.67	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
	GlaxoSmithKline Consumer Healthcare Limited, India	1,117.11	-
	GlaxoSmithKline Biologicals S.A., Belgium	1,152.43	-
	GlaxoSmithKline Research & Development Ltd, U.K.	23.25	-
	GlaxoSmithKline Services Unlimited, U.K.	8,52.05	5,80.04
	Glaxo Operations UK Limited, U.K	5,15.34	7,03.55
	GlaxoSmithKline Trading Services Limited, Ireland	4,52.24	5,28.74
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	3,56.65	3,61.37
(e)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	31,69.02	23,19.62
	GlaxoSmithKline Services Unlimited, U.K.	435.93	
	Glaxo Operations UK Limited, U.K	222.40	-
	GlaxoSmithKline Biologicals S.A., Belgium	192.15	
	GlaxoSmithKline Trading Services Limited, Ireland	141.32	
	SmithKline Beecham Limited, U.K.	11.02	-
(f)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	9,22.62	10,38.19
(g)	Consignment sales commission received:		
	GlaxoSmithKline Asia Private Limited, India	-	13.17
(h)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	5,54.35	23,16.70
	GlaxoSmithKline Asia Private Limited, India	24.43	-
	GlaxoSmithKline Services Unlimited, U.K.	11.60	
	GlaxoSmithKline Research & Development Ltd, U.K.	1,81.50	17,55.92
(i)	Central Value Added Tax credits availed on behalf of a related party (net):		
	GlaxoSmithKline Asia Private Limited, India	-	1,63.58
(j)	Liabiities written back		
	GlaxoSmithKline Asia Private Limited, India	23,14.00	-
(k)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	12.52	1.41

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(₹ in lakhs)

		As at March 31, 2019
(l)	Outstanding receivables at the period end :	
	GlaxoSmithKline Asia Private Limited, India	2,13.50
	GlaxoSmithKline Consumer Healthcare Limited, India	60,96.98
	GlaxoSmithKline Biologicals S.A., Belgium	50.55
	GlaxoSmithKline Export Limited, U.K.	36.22
	GlaxoSmithKline Research & Development Ltd, U.K.	11.12
	GlaxoSmithKline Trading Services Limited, Ireland	19.17
	GlaxoSmithKline Services Unlimited, U.K.	1,02.53
	Glaxo Operations UK Limited, U.K.	1,07.31
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	28.22
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	16.58

(₹ in lakhs)

		As at March 31, 2019
(m)	Outstanding payables at the period end :	
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	87.13
	GlaxoSmithKline Biologicals S.A., Belgium	34,02.00
	GlaxoSmithKline Export Limited, U.K.	24,07.67
	Stiefel India Private Limited, India	2,46.59
	GlaxoSmithKline Services Unlimited, U.K.	1,24.77
	GlaxoSmithKline Consumer Healthcare Limited, India	1,06.64
	Glaxo Operations UK Limited, U.K.	1,28.44

(₹ in lakhs)

		As at March 31, 2018
(n)	Outstanding (payables)/receivables at the period end (net):	
	GlaxoSmithKline Asia Private Limited, India	(25,01.26)
	SmithKline Beecham Limited, U.K.	48.83
	GlaxoSmithKline Consumer Healthcare Limited, India	2,894.31
	GlaxoSmithKline Biologicals S.A., Belgium	(128,63.14)
	GlaxoSmithKline Export Limited, U.K.	(17,95.76)
	GlaxoSmithKline Research & Development Ltd, U.K.	2,64.82
	GlaxoSmithKline Trading Services Limited, Ireland	50.09
	GlaxoSmithKline Services Unlimited, U.K.	(47,24.46)
	Glaxo Operations UK Limited, U.K.	1,20.85
	Chiron Behring Vaccines Private Ltd, India	(62.53)

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

(iv) Details relating to persons referred to in item 1(iii) above:

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
1	Remuneration/commission/sitting fees	29,75.30	24,81.72
2	Payments under the long-term incentive plan	3,54.16	1,11.71
3	Interest income on loans given	-	0.15

(v) Disclosure in respect of material transactions with persons referred to in item 1(iii) above:

(₹ in lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Remuneration/commission/sitting fees (Refer Note below):		
	Mr. A. Vaidheesh	5,75.19	6,01.16
	Mr. A. Iyer (w.e.f. October 13, 2017)	3,23.29	1,14.09
	Mr. R. Krishnaswamy	2,11.61	1,74.74
	Ms. P. Thakur (w.e.f. January 1, 2018)	2,09.51	59.60
	Mr. A. Aristidou (upto December 31, 2017)	-	3,71.77
(b)	Payments made during the year under the long-term incentive plan (Refer Note below):		
	Mr. A. Vaidheesh	2,04.66	-
	Ms. P. Thakur (w.e.f. January 1, 2018)	26.71	-
	Mr. R. Bartaria (upto August 31, 2018)	-	11.75
	Mr. R. Krishnaswamy	48.36	24.96
	Mr. S. Dheri	13.06	11.75
	Mr. K. Hazari (upto May 31, 2018)	-	21.66
(c)	Interest income on loans given:		
	Mr. S. Dheri	-	0.15

Note: Amounts are not comparable as pertain to part of the year and/ or are recorded on cash payment basis.

NOTE 54 : SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Share Awards (RSAs)

Certain employees of the Group are entitled to receive cash settled stock based awards ('awards') pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc').

Under this plan, certain employees are granted cash settled RSAs at no cost, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after two and a half to three year vesting period during which the employee has to remain in continuous employment with the Group. These RSA's do not give any voting rights or the right to accrue dividends.

The fair value of these awards is determined based on the closing share price on the day of grant, after deducting the expected future dividend yield of 5.2% (Previous Year – 4.8%) over the duration of the award.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

Reconciliation of RSAs

	Number of RSA
As at April 1, 2017	**100,908**
Granted	75,170
Exercised *	(17,340)
Cancelled	(1,280)
As at March 31, 2018	**157,458**
Granted	98,462
Exercised *	(95,234)
Cancelled	(20,847)
As at March 31, 2019	**139,839**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2019 was GBP 15.97 (March 31, 2018 GBP 12.95).

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the Statement of Profit and Loss as part of employee benefit expense were as follows:

(₹ in lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Restricted Share Awards (RSAs)	7,74.56	7,35.04

Carrying amount of liability

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Carrying amount of liability included in long term incentive plan (Notes 21 and 25)	8,13.64	9,86.36

NOTE 55

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Parent								
GlaxoSmithKline Pharmaceuticals Limited	99.00%	2118,32.78	100.60%	448,06.44	100.00%	(5,49.38)	100.61%	442,57.06
Subsidiary								
Indian								
Biddle Sawyer Limited	1.00%	21,50.14	-0.60%	(2,67.14)	-	-	-0.61%	(2,67.14)
Total	**100.00%**	**2139,82.92**	**100.00%**	**445,39.30**	**100.00%**	**(5,49.38)**	**100.00%**	**439,89.92**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (contd.)

	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Parent								
GlaxoSmithKline Pharmaceuticals Limited	98.77%	2032,06.04	100.36%	351,98.77	100.00%	5,58.70	100.35%	357,57.47
Subsidiary								
Indian								
Biddle Sawyer Limited	1.23%	25,26.85	-0.36%	(1,26.19)	-	-	-0.35%	(1,26.19)
Total	**100.00%**	**2057,32.89**	**100.00%**	**350,72.58**	**100.00%**	**5,58.70**	**100.00%**	**356,31.28**

* In case of Subsidiary, the parent's share in respect of the component has been adjusted with the carrying value of the parent's investment in the component.

Note : The above figures are after eliminating intra Group transactions and intra Group balances as at March 31, 2019 and March 31, 2018.

NOTE 56 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended Equity dividend of ₹ 20.00 per share for the year ended March 31, 2019 (March 31, 2018: ₹ 17.50 per share retrospectively adjusted for September 2018 bonus issue) (Refer Note 51 (b)).

NOTE 57

Previous year figures have been regrouped / reclassified wherever necessary.

NOTE 58: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 20, 2019.

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
A. Vaidheesh	Managing Director	DIN: 01444303
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. A. Nadkarni	Company Secretary	ACS 11026

Mumbai, May 20, 2019

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