do more
feel better
live longer

Extraordinary times. Extraordinary efforts.

GlaxoSmithKline Pharmaceuticals Limited

Annual Report 2019-20

Contents

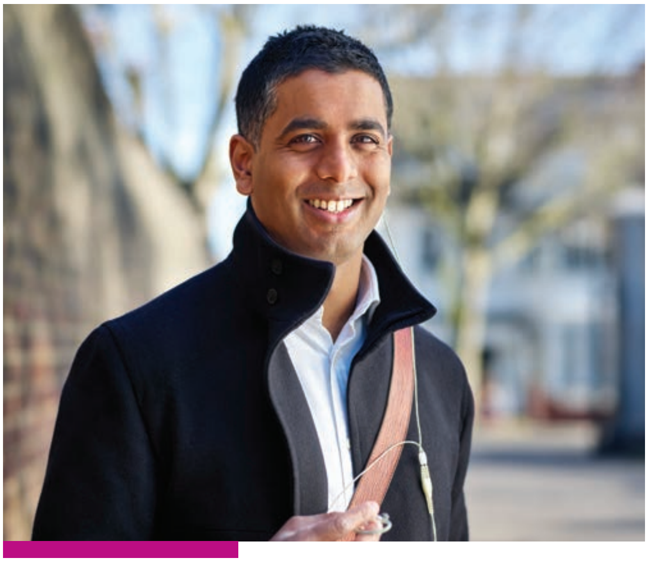
We aim to fulfil the underserved healthcare needs of a billion-plus Indians. The unprecedented pandemic of 2020 has only strengthened our resolve to ensure, nationally, an uninterrupted supply of essential medical solutions. Globally, our parent company is working with international partners to find the vaccine that will defeat the coronavirus and dispel fear from the world. These are uncertain times, but our commitment to delivering on our promise is a certainty.

Extraordinary times.
Extraordinary efforts.

GSK at a glance

Who we are

We are a science-led global healthcare company with a special purpose.



What we do

We aim to bring differentiated, high quality and needed healthcare products to as many people as possible, with our global business, scientific and technical know-how and talented people.

How we do it

Everyone at GSK is focused on 3 priorities:

- **Innovation**
- **Performance**
- **Trust**

Why we do it

To help people do more, feel better, live longer

Message from the Chairperson

The successful launches of Nucala and Menveo shall pave the way for introduction of strong patient-focused products from our global pipeline, in the coming years.

Dear Shareholders

As I complete my first year at GSK, I can earnestly say that each day has been an incredibly enriching and inspiring experience. I wish to thank Annaswamy Vaidheesh for his leadership during the last five years as a Managing Director. Vaidheesh has represented the company with great skill and has helped it to become a positive force for change on many important matters. I warmly welcome Sridhar Venkatesh to lead the company in our next phase of growth to serve the patients of India. It's both humbling and exciting to be a part of GSK's rich legacy and contribute to its future. While we had an amazing year, it was the last few days of the Financial Year 2019-20 where our purpose-driven culture was truly tested. I am pleased to inform you that amidst the global pandemic situation, we continued to remain patient-centric and be guided by our core principles of employee safety and wellbeing, business continuity, and social responsibility. This resulted in an unstinted supply of medicines to patients in need, while keeping our employees safe and healthy.

Recent events have highlighted the importance of building national and organisational capabilities, resilience and adaptability. The government has been quick to respond to the crisis, and has recognised the need to recalibrate healthcare sector priorities to include building local capabilities in manufacturing, testing and diagnosis, workforce skilling, hospital infrastructure, etc. People remain at the heart of organisation's resilience and agility. Your company continues to prioritise and invest in nurturing talent and development while also focusing on its diversity and inclusion agenda.

In the year gone by, your company leveraged its digital capabilities and gained from its skill-enhanced sales force to increase its share of voice for focus brands and substantially grow the number of customers' touchpoints and engagements. It makes me proud to see the focus and priority that your company demonstrated in execution of our product launches. The successes of Nucala and Menveo shall pave the way for introduction of strong patient-focused products from our global pipeline, in the coming years.

As a socially responsible corporate, GSK Plc is collaborating with companies and research groups across the world, working on promising COVID-19 vaccine candidates through use of our innovative vaccine adjuvant technology. Particularly significant is our partnership with Sanofi to develop an adjuvanted COVID-19 vaccine, which is expected to enter clinical trials in the second half of 2020 and, if successful and subject to regulatory considerations, aim to complete the development required for availability by the second half of 2021. This would be a significantly faster timeline than normal for vaccine development and teams from both companies are working on this urgently.

As we march into a post-pandemic world, the next few months will be challenging but your company's robust business model, strong financials, and deep relationships with customers, will play a critical role in keeping us ahead of the curve. The future of your company could not be in better hands than under the dynamic leadership of Sridhar Venkatesh, an industry stalwart and a GSK veteran, who joined us as Managing Director from 1 April 2020. I believe your company is poised to embrace the change and take the business to new heights.

As always, my sincere gratitude to all stakeholders for your continued trust, confidence, and support.

R.S. Karnad
Chairperson

Message from the Managing Director

Dear Shareholders

It is with a great sense of pride that I take on the role of Managing Director of this exceptional company. As Vaidheesh superannuates after completing his tenure, I would like to thank him, on behalf of the shareholders, the Board of Directors, and my colleagues at GSK, for the executive leadership, vision, and mentorship he provided.

The year has been extraordinary in more ways than one. Despite the headwinds caused by COVID-19 during the last few months, I am pleased with our overall performance during the year. Keeping patient safety at the core, GSK continues to serve the patients through a dedicated workforce that has ensured continued production and supply of medicines across the country during such challenging circumstances. Our investments into digital transformation have helped us immensely during these times to keep us connected to the healthcare professionals (HCPs) and pay closer attention to their needs.

In 2019, we continued to focus on delivering sustainable profitable growth. We witnessed an accelerated growth in the anti-infectives, dermatology and anti-pyretic therapy areas, through a skill-enhanced sales force and improved engagement with HCPs. In the first year of its launch, we increased access and adoption of Nucala - a biologic for patients suffering from severe refractory eosinophilic asthma in adults. In preventive healthcare, GSK continues to be the No. 1 vaccines company in the self-pay segment with

"Despite the headwinds caused by COVID-19 during the last few months, I am pleased with our overall performance during the year.

almost 40% value market share in represented segments. In December 2019, we launched Menveo (Quadrivalent Meningococcal Conjugate Vaccine), which has demonstrated early success and within four months of its launch has a 30% unit share.

Reliable supply is core to continued access to our medicines and vaccines. The challenging circumstances posed by COVID-19 put our supply-chain systems to extreme tests and I am pleased to inform you that we continue to operate at 100% of the production capacity at our Nashik manufacturing site. During the year, we also commenced operations at the new Eltroxin manufacturing facility at the Nashik site.

Patient safety remains our utmost priority. Our 2019-20 results were impacted due to the voluntary global recall of ranitidine products including Zinetac in India and trigger-based impairment charges primarily towards our manufacturing facility at Vemgal. We are currently exploring future options for the Vemgal facility including a potential sale of the site. Subject to approvals from the appropriate regulatory authorities, we have made a decision to discontinue the manufacture and supply of Zinetac tablets (150 mg and 300 mg products) in India.

In 2019, we won the 100 Best Companies for Women by Working Mother and AVTAR, Best Workplaces for Women by Great Place to Work and Advancement of Women Award by Community Business. During the year, we launched Spectrum, an employee resource group for raising awareness on LGBT+ among the employees. Several initiatives were undertaken to cater to the differently abled. We also launched a development programme GSK WeLeAP - GSK Women Leadership Action Programme - to develop high potential mid-level women talent.

A post-COVID business ecosystem shall warrant a better, sharper, faster mindset and way of working. At GSK, we have built a solid foundation for a growing business and have an enthusiastic team eager to accelerate patients' access to medicines. I can't imagine a better place for us to be.

Sridhar Venkatesh
Managing Director, India

Innovation

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

India innovative portfolio

This year, we successfully launched Menveo.

50 **million**
doses of Menveo sold worldwide

MENVEO
Meningococcal Group A,C,W135 & Y
Conjugate Vaccine

Science behind Menveo:

Menveo (Meningococcal A, C, W-135, Y conjugate vaccine) is a conjugated meningococcal vaccine indicated for active immunisation of children (from 2 years of age), adolescents and adults to prevent invasive meningococcal disease caused by Neisseria Meningitidis groups A, C, W-135 and Y.

Neisseria meningitidis causes significant morbidity and mortality in children and young adults worldwide. The disease shows a rapid progression from initial, non-specific symptoms, such as fever and irritability to full-blown disease with complications and even death within 24–48 hours. High case-fatality rates (5–15%) are seen even where adequate medical facilities are available. Up to 20% of survivors may have long-term disabilities like hearing loss, visual disturbances, nervous system problems or behavioural problems.

In India, the disease has been reported in most parts with sporadic outbreaks occurring time and again. Recent documented outbreaks have been in New Delhi, Meghalaya and Tripura. Neisseria Meningitidis is the third most common cause of bacterial meningitis in India in children below 5 years of age. Outbreaks are also known to occur in adults living in close quarters. Meningococcal vaccine is also recommended for adults who travel to endemic regions. It is a mandatory vaccine prior to Hajj travel.

In large scale pivotal trials, involving >50,000 subjects, Menveo has demonstrated robust immunogenicity against all four serogroups across age groups (>2 years of age) with a clinically acceptable safety profile. Long-term antibody persistence data following vaccination with Menveo are available up to 5 years after vaccination for both children (>2 years of age) and adolescents.

While Menveo was launched in India in December 2019, it comes with global experience of 10 years. It is licensed in >60 countries and 50 million doses of Menveo have been sold worldwide. In India, since launch, more than 50,000 doses have been sold.

first year of Nucala

In the first year of its launch, we increased access of Nucala, a biologic for patients suffering from severe refractory eosinophilic asthma in adults. India has around 30 million asthma patients and Nucala has the potential to bring relief to those among them who suffer from severe eosinophilic asthma. The commercial and medical teams actively engaged with pulmonologists in the country to disseminate the robust clinical and real-world evidence of Nucala amongst pulmonologists. The team held RespiTalk roundtable meetings across India to provide a user-nonuser interface to increase understanding about diagnosis of severe eosinophilic asthma and choose right treatment options based on phenotyping.

Global developments

Our new global R&D approach focuses on science related to the immune system, the use of human genetics and the application of advanced technologies, such as functional genomics, machine learning, artificial intelligence and cell therapy. This approach, powered by the multiplier effect of Science x Technology x Culture, is helping to strengthen our pipeline and accelerate the pace at which we discover, develop and deliver medicines to improve patients' lives.

Our R&D pipeline contains 37 potential new medicines, and 15 new vaccines in development. We have doubled the number of assets in our clinical oncology portfolio since early 2018.

In 2019, we advanced four assets into pivotal phase II/III studies and achieved positive regulatory decisions and data readouts across our portfolio. We received approvals for three medicines: Dovato, an HIV treatment; Dectova, a treatment for influenza A or B; and new self-administration options for our respiratory biologic, Nucala. We also received expanded indications for medicines including Zejula, our oral poly ADP-ribose polymerase (PARP) inhibitor for ovarian cancer and Benlysta, the world's first biologic treatment for systemic lupus erythematosus (SLE or 'lupus'). We submitted eight filings for regulatory approval.

Performance

We aim to achieve industry-leading growth by investing effectively in our business, developing our people and delivering flawlessly.

83% Revenue comes from pharmaceuticals

17% Revenue comes from vaccines

99% Acute

Our focus in pharmaceuticals

- Anti-Infectives
- Dermatology

Our vaccines include

- Paediatric
- Adolescents

Calpol generates **2** prescriptions every second

Augmentin is the **#1** antibiotic in India

India sells **3.5** units of Betnovate N cream every second

Top pharmaceutical brands

BETNOVATE®
AUGMENTIN®
Calpol® Paracetamol
ELTROXIN®

Top vaccines brands

Synflorix®
Rotarix® Rotavirus Vaccine (RIX4414) Live Attenuated
Havrix®
Infanrix hexa
Varilrix
MENVEO Meningococcal Group A,C,W135 & Y Conjugate Vaccine

5 GSK brands feature in the top 50 Indian Pharmaceutical Market (IPM) brands –

Augmentin

Calpol

Synflorix

Zinnat

Betnovate-C

#1 in dermatology therapy area

#1 in vaccines self-pay market

#5 in terms of volume in IPM

#2 amongst MNCs in pharmaceuticals (by value)

Source - IQVIA data March 2020

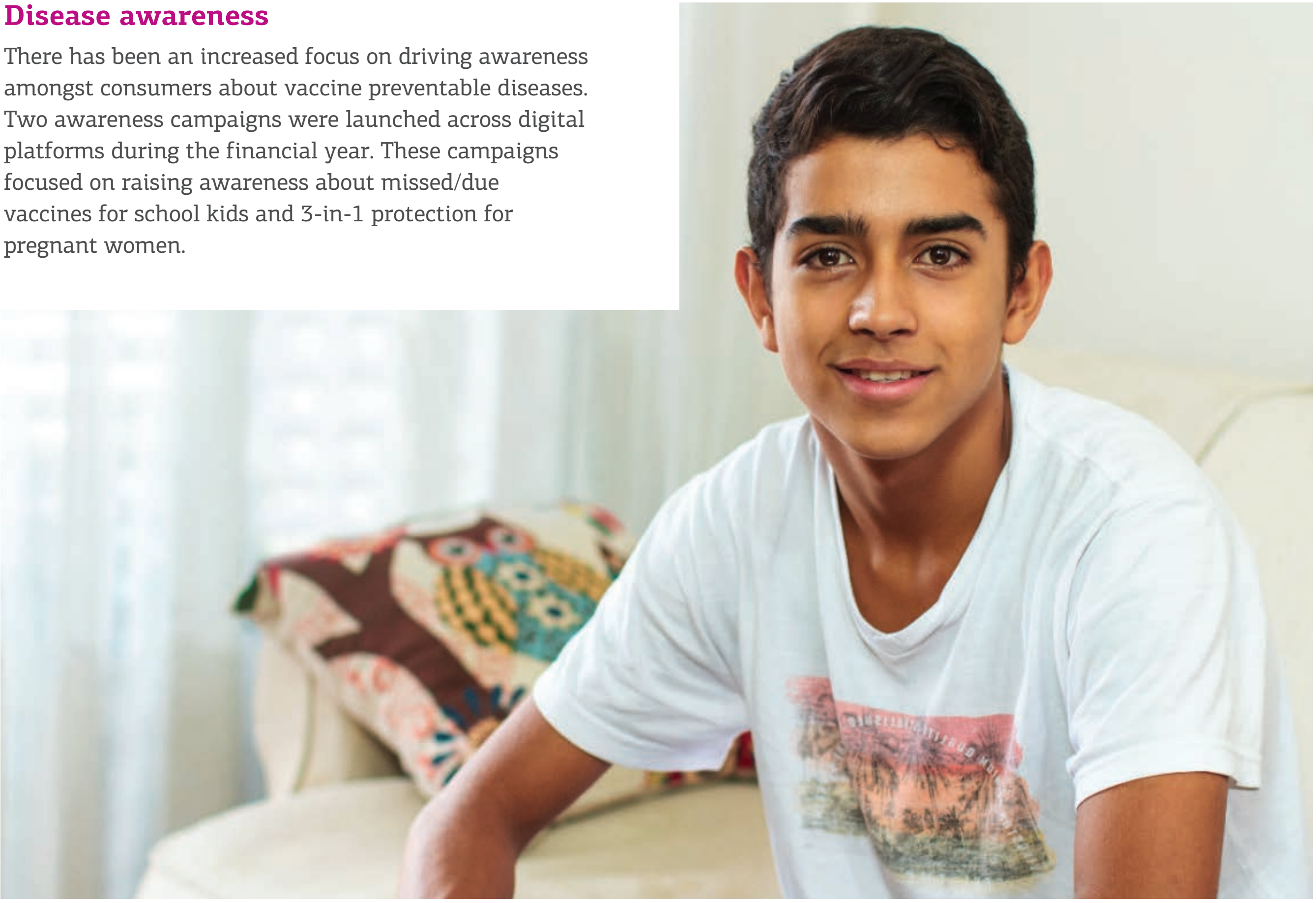
Multi-channel marketing

In our continuous endeavour to enhance customer experience, our focus is to engage healthcare professionals (HCPs) with an integrated physical and digital approach. Skill enhancement and building the trust of our field force remains our prime focus while we continue to implement activities on increasing their data capability to encourage improved HCP interaction and effectiveness. Gaining customer insights at each digital touchpoint has enabled us to create opportunities for targeting and engaging the right customer (using intent-driven prediction), personalise touchpoints and improve the end-to-end customer journey.

Our increased emphasis on building data-driven environment with regular insights on campaign effectiveness and customer information has empowered marketing teams to gain decisive advantage for embedding data-led strategic targeting. Over the years, we have almost doubled our reach to HCPs. We are on our journey to enhance digital interactions while also building a technology savvy environment for our customers in this digital age.

Disease awareness

There has been an increased focus on driving awareness amongst consumers about vaccine preventable diseases. Two awareness campaigns were launched across digital platforms during the financial year. These campaigns focused on raising awareness about missed/due vaccines for school kids and 3-in-1 protection for pregnant women.



Trust

We are a responsible company and are committed to use our science and technology to address health needs, make our products affordable and available and to be a modern employer.

Society has high expectations of businesses, with people rightly expecting companies to behave responsibly and contribute to tackling societal challenges. Operating responsibly not only brings direct benefits to the society but also creates value for our shareholders. It supports our ability to attract and retain talent, manage costs and build trust with patients and stakeholders who influence our licence to operate.

Reliable supply

Reliable supply is core to continued access to our medicines and vaccines. We are creating a more modern, agile supply chain, underpinned by new technology, that can accelerate delivery across our portfolio. Our on-time-in-full (OTIF) supply performance levels to customers improved by 10 percentage points to 94% in 2019 (an improvement from 85% OTIF in 2018).

Our robust quality management systems support continuous improvement, helping us to maintain high standards for product quality and safety and comply with relevant regulations, including those on Good Manufacturing Practice, Good Laboratory Practice, Good Pharmacovigilance Practice and Good Clinical Practice.

We inaugurated the new Eltroxin manufacturing facility, which commenced operations in 2019 at the manufacturing site in Nashik.

Patient safety remains our utmost priority. In 2019, GSK was contacted by regulatory authorities regarding the detection of NDMA, a potential human carcinogen, in Zantac (ranitidine) products. Based on information received and correspondence with regulatory authorities, GSK made the decision in mid-September to initiate a voluntary recall (pharmacy/retail level recall) of Zantac products in all markets globally as a precautionary action. There was a voluntary recall of Zinetac in India, following which a strategic review of all associated assets was initiated and we took a decision to explore future options for Vemgal facility, including potential sale of the site.

Counterfeit products also present a risk to patient safety. We support efforts to prevent the manufacture and distribution of counterfeit GSK products by working closely with government bodies, customs authorities and industry associations. We also conduct our own investigations and work with enforcement agencies to tackle counterfeit GSK products.

Modern employer

As a modern employer, we believe that a strong employee experience is critical to attract, retain and motivate the best people to support our business now and in the future. We launched our modern employer ambition in 2018, focusing on inclusion and diversity, health and wellbeing and employee development. The aim is to ensure our people are empowered to be themselves, feel good and keep growing at GSK.

Inclusion and diversity

We strongly believe inclusion and diversity is not only the right way to do business, but it also leads to business success, unleashing the enormous potential of the differing knowledge, experiences and styles of our people and enhancing our ability to respond to the differing needs of our patients.

With a specific objective of promoting gender balance, we instituted the Women's Leadership Initiative (WLI). We understand that any change in diversity ratio in the company needs male allies and keeping this in mind, we have 40% male representation in the WLI as well. WLI has five lead performance indicators in three focus areas: Hiring, Accelerating and Enabling and a measurement matrix that tracks progress regularly. We are proud that we have over 15% women in our workforce with 30% representation at Board level. Our efforts taken towards enhancing gender diversity was lauded externally as well and GSK India was recognised as 100 Best Companies for Women 2019 by Working Mother and AVTAR; as Best Workplaces for Women 2019 by Great Place to Work and won the Best Practices Award for Advancement of Women 2019 by Community Business.

30%

Female representation at the Board level

> In 2019, we launched Spectrum - our employee resource group focused on enabling an inclusive environment for the LGBT+ community.

We have also introduced a number of measures like text scrolls on videos for people with hearing difficulties, meeting rooms equipped with touch technologies, ramps and separate washrooms for people with physical disabilities.

Wellness, wellbeing and development

Health and wellbeing

We aim to be a leading company in supporting employee health, wellbeing and development. Our global, comprehensive preventive healthcare package for our employees – and their eligible dependants – includes up to 40 preventative healthcare services at little or no extra cost to participants. We provide programmes to help our people take control of their health, manage their energy levels and adopt healthier behaviours.

We continue to drive engagement through Let's talk sessions with our senior leadership team and Workplace – our collaborative online platform.

We consider mental wellbeing to be just as important as physical wellbeing and raised awareness on this issue on World Mental Health Day, encouraging people to seek support through our 24-hour, confidential Employee Assistance Programme and other resources. We have also launched 'Mental Health Matters' training for line managers. This is helping them to increase their awareness, skills and knowledge, so they can better support their teams. Preventing injuries and illnesses at work is also fundamental to our people's health and wellbeing. We run a driver safety programme to help employees protect themselves and their families, combining online learning with practical road safety activities.

Employee development

We want our people to keep growing at every stage of their working lives. We expect all our employees to have a development plan agreed with their manager. To support our employees to take ownership of their development, all employees have access to a new development portal with resources that are most relevant to their roles, development needs and interests.

We have a strong focus on improving the effectiveness of our people managers. One80 is part of our performance system and is critical to holding managers accountable for how they manage the performance and development of their team. Employees provide feedback on their manager through 14 questions which measure leadership effectiveness in three key areas: knowing their people, delivering results and maximising potential.

Engaged workforce

Employee engagement is an important barometer to gauge how our people feel about working at GSK. We survey our employees to get feedback about how we are doing on our long-term priorities and culture change. In 2019, we had a good response rate for both surveys (>90% in April and September) and we achieved our highest engagement score of 94%. We continue to drive engagement through Let's talk sessions with our senior leadership team and Workplace – our collaborative online platform. This enables two-way informal communication and collaboration, discussing topics that matter to both employees and GSK, sharing knowledge and perspectives to support greater understanding and faster, more effective decision-making across the organisation.

Our corporate social responsibility

At GSK, our approach to corporate social responsibility (CSR) supports our purpose to help people do more, feel better and live longer. We strive to work with our partners to address selected national health priorities and work towards elimination of lymphatic filariasis; contribute towards Swachh Bharat; Swachh Vidyalaya (school sanitation); support 'Skill India' and focus on child nutrition under the National Urban Health Mission (NUHM). In doing so, we are helping millions of people across the country.

Our impact:

- 32 million albendazole tablets donated to World Health Organization (WHO) to support mass drug administration across the country to interrupt the transmission of lymphatic filariasis
- Over 1600 ASHA workers trained in 876 Villages across 10 Blocks of Kanpur district in morbidity management and disability prevention for lymphatic filariasis
- Statistically significant increase in line listing of suspected cases of lymphoedema and hydrocele compared to previous data at PHCs
- External impact assessment of employability project in Vemgal shows
  - Positive results regarding student awareness on school sanitation with 95% in the 'good' and 'average' category and only 2% in 'poor' and 'very poor' categories
  - 91% community members surveyed reported that they always use toilets
  - Median contribution to family income by women who were enabled to set up micro enterprises is ₹ 75,000 annually
  - 6 of 8 women attribute improved decision-making powers and 7 of 8 women attribute improved independence to the programme

32 **million albendazole tablets donated to WHO**

92%
of total deliveries were institutional

> We have licensed our TB vaccine to the Bill & Melinda Gates Medical Research Institute.

- Integrated approach to child nutrition deployed across 3,000 households, spanning adolescent health, pre and post-natal care, nutritional status checks and addressing violence among women and children
- 100% eligible married women in reproductive age are using family planning techniques
- 92% of the total deliveries were institutional deliveries
- WASH facilities created in 7 schools and child cabinets established in 20 schools. Members of this cabinet are given different responsibilities pertaining to the personal and community hygiene

For a more detailed report on our CSR activities, please check the following link on our website: https://india-pharma.gsk.com/media/886885/annual-csr-report-2019-20.pdf

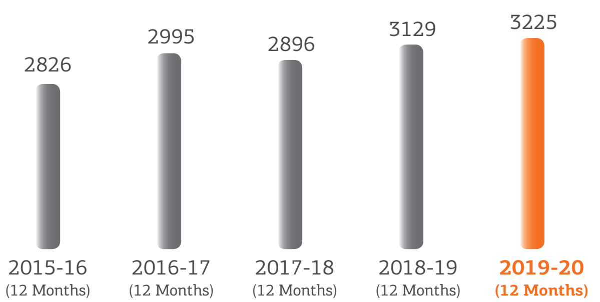
Our global health highlights

In February 2020, the Indian health regulatory authorities approved a new vaccine to help protect children against typhoid fever. This had first been developed by the GSK Vaccines Institute for Global Health (GVGH) and then transferred in 2013 to Indian vaccine company, Biological E, once proof-of-concept had been demonstrated. This is the first licensing of a vaccine created in the GVGH's labs and successfully further developed and brought to market through an effective partnership.

TB is the leading cause of death through infectious disease worldwide and represents a significant public health threat. An effective vaccine against TB will have a marked impact on the disease's control – including drug-resistant TB – through interruption of transmission. It will also help to achieve the World Health Organization (WHO) target of ending the TB epidemic by 2035. In 2019, the final phase IIb results of our candidate vaccine, developed in partnership with International AIDS Vaccine Initiative (IAVI), confirmed primary findings that the vaccine candidate showed reduced risk of developing pulmonary TB by half in HIV-negative adults with latent TB infection. In January 2020, we announced the licensing of this asset to the Bill & Melinda Gates Medical Research Institute for its continued development for low income countries with high TB burden, in line with our global health strategy.

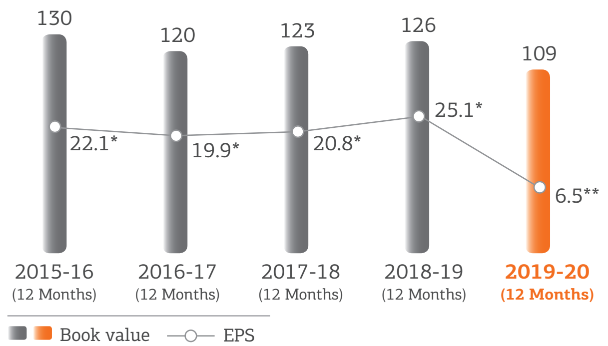
Financial highlights

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, 2018-19 and 2019-20 are not comparable with the previous periods wherein excise duty was included.*

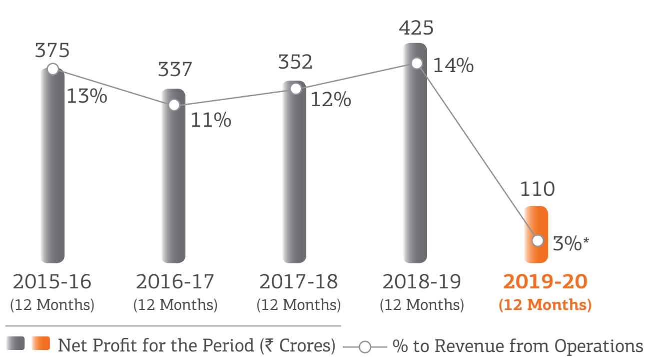
Earnings Per Share (EPS) and Book Value Per Share (₹)



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

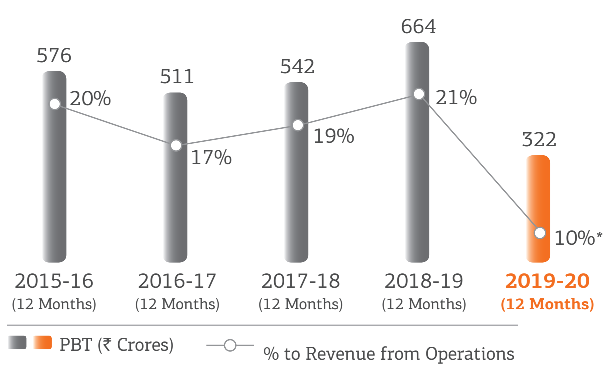
** *Without considering exceptional items Earnings per equity share for the period 2019-20 would be 26.69*

Net Profit for the Period and % to Revenue from Operations



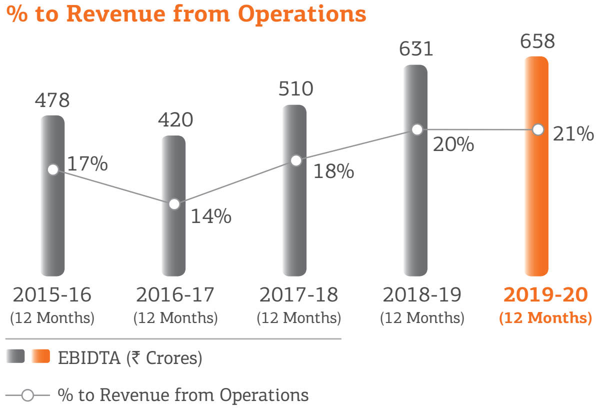
* Without considering exceptional items the net profit % for the period 2019-20 would be 14%

Profit Before Tax and % to Revenue from Operations

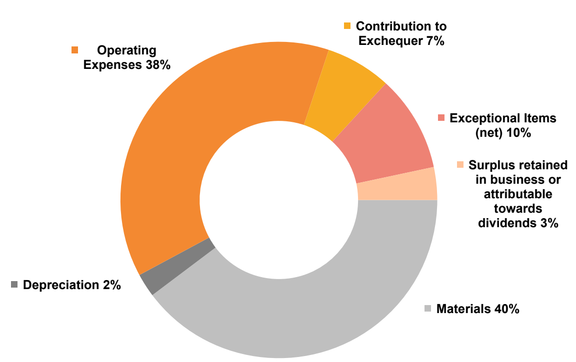


* Without considering exceptional items the profit before tax % for the period 2019-20 would be 20%

EBITDA (Excl. Exceptional Items) and % to Revenue from Operations



Utilisation of Income*



* *% Utilisation of Income excludes Exceptional Income*

Performance summary

(Amounts in ₹ Lakhs)

	2019-20#	2018-19#	2017-18#	2016-17#	2015-16#	15 Months Ended March 2015#	2013	2012	2011	2010
PROFIT AND LOSS ACCOUNT										
Revenue from Operations	3224,68	3128,53	2895,88	2994,51	2826,21	3362,36	2619,37	2700,34	2429,58	2187,48
Profit before exceptional items and tax	646,99	658,82	523,78	465,35	573,63	766,84	703,17	994,78	921,60	867,27
Exceptional items	(324,49)	4,89	17,80	45,73	2,31	(51,88)	26,15	148,22	(322,54)	(26,50)
Profit Before Tax	322,50	663,71	541,58	511,08	575,94	714,96	729,32	1143,00	599,06	840,77
Profit for the Period	110,05	425,36	351,98	336,78	374,53	449,90	501,88	577,26	430,60	563,69
BALANCE SHEET										
Equity share capital	169,41	169,41	84,70	84,70	84,70	84,70	84,70	84,70	84,70	84,70
Other Equity	1670,63	1973,01	1995,25	1943,51	2119,94	2382,38	1932,49	1925,31	1835,23	1846,11
Borrowings	18	58	99	1,60	2,37	2,48	4,14	4,59	4,91	5,16
	1840,22	**2143,00**	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**	**1935,97**
Property, Plant and Equipment, Intangible Assets and CWIP	876,71	1432,63	1245,71	858,17	471,71	238,28	161,93	133,19	115,32	117,65
Investments including investment properties	25,97	26,17	49,43	52,99	53,63	53,80	57,67	102,58	159,80	160,35
Deferred tax assets (net)	108,85	60,48	103,05	91,31	100,81	94,83	92,11	86,54	61,47	56,40
Net Assets (Current and Non-Current)	828,69	623,73	682,75	1027,33	1580,87	2082,65	1709,62	1692,29	1588,25	1601,57
	1840,22	**2143,00**	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**	**1935,97**
OTHER KEY DATA										
Rupees per ₹10/- Equity Share										
Dividend	20.00	20.00	17.50	15.00	25.00	31.25	25.00	25.00	22.50	20.00
Special Additional Dividend	20.00	-	-	-	-	-	-	-	-	-
Total Dividend*	40.00	20.00	17.50	15.00	25.00	31.25	25.00	25.00	22.50	20.00
Earnings per equity share*	6.50**	25.11	20.78	19.88	22.11	26.56	29.63	34.08	25.42	33.28
Book Value*	108.62	126.46	122.78	119.72	130.14	145.63	119.08	118.65	113.34	113.98
Number of employees	4364	4960	4620	4697	4611	4657	5034	4706	5055	4338

Period 15 Months Ended March 2015, Year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 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.*

** *Without considering exceptional items Earnings per equity share for the period 2019-20 would be 26.69*

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 18 May 2020)

Chairperson
Ms. R. S. Karnad

Managing Director
A. Vaidheesh
(upto 31 March 2020)

S. Venkatesh
(w.e.f. 1 April 2020)

Directors
Ms. A. Bansal
(upto 29 March 2020)
P. V. Bhide
N. Kaviratne CBE
R. Krishnaswamy
Dr. Ms. S. Maheshwari
(w.e.f. 18 May 2020)
A. N. Roy
D. Sundaram
Ms. P. Thakur
S. Williams

Company Secretary
A. Nadkarni

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

Corporate Social Responsibility Committee
A. N. Roy - Chairman
Dr. Ms. S. Maheshwari
S. Venkatesh

Nomination & Remuneration Committee
N. Kaviratne CBE - Chairman
Ms. R. S. Karnad
D. Sundaram

Risk Management 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
S. Venkatesh

Management Team

Managing Director
S. Venkatesh

Whole-time Directors
R. Krishnaswamy
- *Technical*

Ms. P. Thakur
- *Chief Financial Officer*

Chief Commercial Officer
A. Iyer
- *Pharmaceuticals*

Executive Vice-Presidents
Ms. S. Choudhary
- *Regulatory Affairs*

S. Dheri
- *Vaccines*

B. Kotak
- *Medical*

Ms. M. Priyam
- *Human Resources*

Ms. S. Zota*
- *Legal*

*on secondment from law firm Talwar Thakore & Associates

Vice-Presidents
S. Balasubramanian
- *Ethics & Compliance*

R. D'Souza
- *Communications & Government Affairs*

Ms. D. Jakate
- *Quality*

A. Nadkarni
- *Real Estate, Administration & Company Secretary*

Registered Office
Dr. Annie Besant Road,
Mumbai - 400030
Tel.: 24959595, Fax: 24959494
Website: www.gsk-india.com
Email: askus@gsk.com
CIN: L24239MH1924PLC001151

Factory
Ambad, Nashik

Share Department
Dr. Annie Besant Road,
Mumbai - 400030
Telephone: 022-24959415/434
Fax: 022-24981526
Email: ajay.a.nadkarni@gsk.com

Statutory Auditor
Deloitte Haskins & 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
KFin Technologies 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
Toll Free No.: 1800-3454-001
Email: einward.ris@kfintech.com

NOTICE

NOTICE IS HEREBY GIVEN THAT the Ninety-Fifth Annual General Meeting of GlaxoSmithKline Pharmaceuticals Limited will be held on **Monday, 27 July 2020 at 2.30 p.m.** through Video Conferencing ("VC") / Other Audio-Visual means ("OAVM") 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 31 March 2020 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares for the financial year ended 31 March 2020.

3. To appoint a Director in place of Ms. Puja Thakur (DIN: 07971789), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **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, 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 subject to the approval of the Central Government and all other statutory provisions if any, the approval of the company be and is hereby granted to the appointment and remuneration of Mr. Sridhar Venkatesh (DIN: 07263117) as the Managing Director of the company for a period of two years from 1 April 2020 to 31 March 2022, on the terms, conditions and stipulations, including remuneration as approved and recommended by the Nomination and Remuneration Committee and as contained in the draft of the Agreement to be entered into between the company and Mr. Sridhar Venkatesh, as placed before the meeting and initialed by the Chairman 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 to between the Board and Mr. Sridhar Venkatesh.

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

5. **Appointment of Dr. Ms. Sunita Maheshwari, as an Independent Director**

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

   "**RESOLVED That** Dr. Ms. Sunita Maheshwari (DIN: 01641411), who was appointed as an Additional Director of the company by the Board of Directors with effect from 18 May 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("Act") but who is eligible for appointment and has consented to act as a Director of the company and in respect of whom the company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the company, be and is hereby appointed as a Director of the company.

   RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Dr. Ms. Sunita Maheshwari (DIN: 01641411), a Director of the company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 18 May 2020 to 17 May 2025."

6. **Approval of transactions / contracts / arrangements with Related Party**

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

   "**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the company be and is hereby accorded to enter into transactions / contracts / agreements with GSK Biological S.A. (Belgium) (a 'related party' as per the Companies Act, 2013 and SEBI Listing Regulations), in the ordinary course of its business and on arm's length basis, for purchase of products, goods, raw material, active pharmaceuticals ingredients, stock in trade as also for reimbursements of expenses, recovery of cost, or such other transactions, on such terms and conditions as may be mutually agreed upon between the company and such related party for an amount not exceeding ₹700 crores (Rupees Seven Hundred Crores only) in each financial year.

RESOLVED FURTHER THAT the Board of Directors of the company, jointly and / or severally, be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalize the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the interest of the company."

7. **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 and 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 31 March 2020, 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. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May, 2020 read with circulars dated 8 April, 2020 and 13 April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the company is being held through VC / OAVM.

2. 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 7 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.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members intending to send their authorized representatives to attend the Meeting through VC, 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.

5 The company has fixed Monday, 20 July 2020 as the Record Date for determining entitlement of members to final dividend (including special dividend) for the financial year ended 31 March 2020, if approved at the AGM.

6. If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, 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 Monday, 20 July 2020;
- 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 Monday, 20 July 2020.

7. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to KFin Technologies Private Limited, Registrar & Share Transfer Agent of the company quoting their Folio number.

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, KFin Technologies Private Limited, in case the shares are held by them in physical 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, you are requested to send to the company or KFin Technologies Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

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

11. In case of joint holders, attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.

12. 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 31 December 2012, which is unclaimed, has been transferred to IEPF. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.

13. 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 shareholders for seven consecutive years or more to the demat account of the IEPF Authority.

    The Members / claimants whose shares, unclaimed dividend, 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.

14. 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 (₹)	Due date for transfer to IEPF
67th Dividend	2013	19 April 2014	50	22 June 2021
68th Dividend	2014-2015	1 August 2015	63	4 October 2022
69th Dividend	2015-2016	29 July 2016	50	2 October 2023
70th Dividend	2016-2017	26 July 2017	30	28 September 2024
71st Dividend	2017-2018	25 July 2018	35	27 September 2025
72nd Dividend	2018-2019	23 July 2019	20	27 August 2026

The Ministry of Corporate Affairs has undertaken a **"Green Initiative in Corporate Governance"** and allowed companies to share documents with its shareholders through an electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the company's website www.india-pharma.com /Investors/Financials Results websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

Members are requested to support this Green Initiative by registering/updating their email addresses for receiving electronic communications.

The instructions for steps to be followed for registering the email ID are provided here.

Shareholders who have not registered their email address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number registered with the company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://karisma.kfintech.com for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com

Process of registration of email addresses:

Electronic folios

(a) Visit the link https://karisma.kfintech.com

(b) Select the company name.

(c) Shareholder to enter DPID-CLID and PAN No.

(d) Shareholder to enter the email ID and Mobile No.

(e) System check the authenticity of the client ID and PAN and send the different OTPs to Mobile and Email to Validate.

(f) Shareholder to enter the OTPs received by SMS and Email ID to complete the validation process. (OTPs will be valid for 5 min. only).

(g) System confirms the email ID for the limited purpose of serviced AGM notice.

(h) System will send the notice and procedure for e-voting to the email ID given by shareholder.

Physical folios:

(a) Visit the link https://karisma.kfintech.com

(b) Select company name.

(c) Shareholder to enter physical Folio No and PAN No.

(d) If PAN No is not available in the records, shareholder to enter one of the Certificate No.

(e) Shareholder to enter the email ID and Mobile No.

(f) System checks the authenticity of the Folio No. and PAN / Certificate No. and sends the different OTPs to Mobile and Email to Validate.

(g) Shareholder to enter the OTPs received by SMS and email to complete the validation process. (OTPs will be valid for 5 min. only).

(h) If PAN is not available, system will prompt to upload the duly signed scan copy of the PAN.

(i) System will send the notice and procedure for e-voting to the email ID given by shareholder.

15. 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.

16. Members who have not registered / updated their email addresses with KFin Technologies Private Limited, are requested to do so for receiving all future communications from company including Annual Reports, Notices, Circulars etc. electronically.

17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. Queries on accounts and operations of the company, if any, may please be sent to the company on

askus@gsk.com, seven days in advance of the Meeting so that the reply can be made available at the Meeting.

19. The documents pertaining to the items of business to be transacted at the AGM and the statutory registers required under the Act are available for inspection in electronic mode. The shareholders may write an email to askus@gsk.com by mentioning "Request for Inspection" in the subject of the email.

20. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the company / KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to einward@kfintech.com by 11:59 p.m. IST on 10 July 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 10 July 2020.

21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

22. **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 95th Annual General Meeting (AGM) by electronic means (remote e-voting) and the business may be transacted through e-voting Services provided by NSDL.

The facility for voting, through electronic voting system on the resolution(s) shall also be made available at the AGM and members attending the meeting through VC/OAVM who have not already cast their vote on the resolution(s) by remote evoting shall be able to exercise their right to vote on such resolution(s) at the meeting.

i. The Members who have already cast their vote by remote e-voting prior to the AGM would be entitled to attend the AGM through VC / OAVM but shall not be entitled to vote on such resolution(s) at the meeting.

ii. The Remote e-voting period commences from 9.00 a.m. on Friday, 24 July 2020 and ends at 5.00 p.m. on Sunday, 26 July 2020. 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 Monday, 20 July 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL 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.

iii. The voting rights of shareholders 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. Monday, 20 July 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the 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 www.evoting.nsdl.com.

iv. Mr. P. N. Parikh (Membership No. FCS 327) and failing him Ms. Jigyasa N. Ved (Membership No. FCS 6488) and failing her 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 and also the voting at the AGM in a fair and transparent manner.

v. 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 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.

vi. 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 NSDL www.evoting.nsdl.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 Remote e-voting:

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

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active voting cycles.

2. After click on Active voting cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-voting as the voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

   In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to askus@gsk.com.

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to askus@gsk.com.

2. Alternatively member may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in 1800-222-990 or contact Mr. Amit Vishal,Senior Manager – NSDL at amitv@nsdl.co.in 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in 022-24994553
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at askus@gsk.com from Monday, 20 July, 2020 (9:00 a.m. IST) to Thursday, 23 July, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board of Directors

A. Nadkarni
Company Secretary
FCS 10640

Mumbai,18 May 2020

Registered Office:
Dr. Annie Besant Road,
Mumbai 400030.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

Mr. Sridhar Venkatesh is a Registered Pharmacist, with a Master's in Pharmacy (Pharmaceutical Marketing) and has more than 24 years of experience. At the Board Meeting held on 3 March 2020 in terms of Notice received from GSK Plc under Article 141(b) and 168 of the Article of Association of the company, Mr. Sridhar Venkatesh (DIN: 07263117) was appointed as a non-retiring Director and Managing Director of the company for the period of two years from 1 April 2020 to 31 March 2022, subject to the approval of the Central Government. He does not hold any shares in the company. He is a Director of Biddle Sawyer Limited. 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 terms of his appointment and the remuneration payable to him as contained in the draft of the Agreement to be entered in to with Mr. Sridhar Venkatesh are given hereunder:

1. **Period:** 1 April 2020 to 31 March 2022
2. **Nature of Duties:**

   Mr. Sridhar Venkatesh, 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.

3. **Remuneration:**

Mr. Sridhar Venkatesh shall be entitled to the following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limits laid down in Section 197 and Schedule V of the Companies Act, 2013:

(i) Mr. Sridhar Venkatesh: Salary not exceeding ₹18,00,000 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.

Special Bonus of ₹22,72,864/- will be paid to him in March 2021. Special Bonus will not be included as part of Salary for the purpose of making contributions to the Provident 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) and (iii) above, the Managing Director will be entitled to perquisites and allowances including provision of rent-free furnished residential accommodation or house rent allowance up to 50% of salary per month in lieu thereof, medical reimbursement and hospitalization insurance, overseas medical insurance for the Managing Director and his family, Leave Travel Allowance as per the company's Rules, club fees (subject to a maximum of 2 clubs and not including admission and life membership fees), personal accident insurance cover, relocation allowance, home leave, dependent visits travel, Singapore social security, pension and life insurance, household goods shipment and storage (both ways), hardship and utilities allowance 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.

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.

The Income tax due on salary, allowance and perquisites provided to the said Employee shall be paid by the company.

The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to five times the annual salary of the Managing Director.

(B) The said employee shall be a member 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 him. (The company will contribute 24% of salary and flexible allowance) Provided that the company's contribution to the Provident 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 shall be entitled to gratuity which shall be paid as per the company's rules and will not be included in the computation of the ceiling on perquisites.

The Managing Director shall be entitled to Annual Leave of thirty-two calendar days on completion of every year of service. 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) The company shall provide and make available to the Managing 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.

Provision of a car for use on company's business will not be considered as perquisites.

Where in any financial year, the company has no profits, or its profits are inadequate, the remuneration payable 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, subject to obtaining such approvals as may be required.

5. Other Terms:

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

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

(iii) His appointment may be terminated by the company or by him by giving not less than three months' prior notice in writing in case of the Managing Director.

(iv) The Agreements also set out the mutual rights and obligations of the company and Mr. Sridhar Venkatesh.

In compliance with the applicable provisions of the Companies Act, 2013, Ordinary Resolution as set out at Item No. 4 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. Sridhar Venkatesh are, is in any way, concerned or interested, in the Ordinary Resolution set out at Item No. 4 of the Notice.

Mr. Sridhar does not have any relationship with any other Directors or Key Managerial Personnel or Manager of the company. Mr. Sridhar has also given a declaration that he is not disqualified or debarred by SEBI or any other statutory authority from being appointed or continuing as Director.

The draft of the Agreement proposed to be entered into with Mr. Sridhar Venkatesh is open for inspection in electronic mode. The shareholders may write an email to askus@gsk.com by mentioning "Request for Inspection" in the subject of the email.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No.5:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Dr. Ms. Sunita Maheshwari (DIN: 01641411) as an Additional Director with effect from 18 May 2020.

In terms of Section 149 and other applicable provisions of the Act, Dr. Ms. Sunita Maheshwari, being eligible, was also appointed as an Independent Director of the company for a term of 5 (five) consecutive years from 18 May 2020 to 17 May 2025 not being liable to retire by rotation subject to the approval of shareholders.

Dr. Ms. Sunita Maheshwari has consented to act as a Director of the company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Dr. Ms. Sunita Maheshwari fulfills the conditions specified in the Act and the Rules thereunder for appointment as Independent Director and she is independent of the management. She has also given a declaration that she is not disqualified or debarred by SEBI or any other statutory authority from being appointed or continuing as Director.

The company has received a Notice in writing from a Member of the company under Section 160 of the Act proposing the candidature of Dr. Ms. Sunita Maheshwari for the office of Director of the company.

The details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirments) 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.

In compliance with the provisions of Section 149 of the Act 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 appointment of Dr. Ms. Sunita Maheshwari as Independent Director is now being placed before the Members at the General Meeting, for their approval.

A copy of the draft letter of Appointment with her as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members in electronic mode. The shareholders may write an email to askus@gsk.com by mentioning "Request for Inspection" in the subject of the email.

The Board considers that her association with the company would be of immense benefit to the company and it is hence desirable to avail services of Dr. Ms. Sunita Maheshwari as an Independent Director.

None of the Directors, Key Managerial Personnel of the company or their relatives other than Dr. Ms. Sunita Maheshwari are, in any way, concerned or interested, in the ordinary Resolution set out in Item No. 5 of the Notice.

Accordingly, the Board recommends the ordinary resolution as set out in Item No. 5 of the Notice for the approval of the members of the company.

Item No. 6:

The company is engaged in the business of manufacturing, selling, distribution and marketing of pharmaceuticals. The company, in the ordinary course of its business and on arm's length basis enters in to various transactions, contracts and agreements, severally, with various GlaxoSmithKline affiliates, including GSK Biological S.A. (Belgium) (a 'related party' as per the provisions of the Companies Act, 2013 and Regulations 2(1) (zb) of the SEBI Listing Regulations). The transactions with GSK Biological S.A. (Belgium), inter alia, include purchase of products (including important vaccines for the Indian market), goods, raw material, active pharmaceuticals ingredients, stock in trade, availing or rendering of services as also reimbursements of expenses, recovery of cost or such other transactions, which are entered into ordinary course of the company's business, at arm's length and in best interest of the company.

Considering the future business projections, the company envisages that the transactions with GSK Biological S.A. (Belgium) may exceed the materiality threshold of ten percent (10%) of the annual turnover of the company (contained in the SEBI Listing Regulations). Thus, in terms of explanation (i) to Regulation 23 of the SEBI Listing Regulations, and by way of an enabling resolution, approval of the shareholders is being sought. The particulars of the transactions/contracts/ arrangements are as under:

The particulars of the transactions/contracts/ arrangements are as under:

Name of the Related Party	GSK Biological S.A. (Belgium)
Name of Director(s) or Key Managerial Personnel who is related	NA
Nature of Relationship	GSK Biological S.A. (Belgium) and company are both indirect subsidiaries of GSK Plc, UK
Material terms of the transactions/ contracts/ arrangements	Purchase of products (including important vaccines for Indian market), goods, raw material, active pharmaceuticals ingredients, stock in trade, availing or rendering of services, reimbursements of expenses, recovery of cost, or such other transactions.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the company's transfer pricing consultants	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes
Aggregate amount of transactions to be entered with related party	Up to ₹700 crores in each financial year

The annual value of the transactions proposed is estimated on the basis of the company's current transactions and future business.

The Audit Committee and the Board of Directors, at their meeting held on18 May 2020 considered and approved the aforesaid transaction.

The Board is of the opinion that of above transactions shall be in best interest of the company. 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 at Item No. 6 of the Notice for approval by the Members.

Item No. 7:

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 year ended 31 March 2020. 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 at Item No. 7 of the Notice for approval by the Members.

By Order of the Board of Directors

A. Nadkarni
Company Secretary
FCS 10640

Mumbai,18 May 2020

Registered Office:
Dr. Annie Besant Road,
Mumbai 400030.

Directors' Report

The Directors have pleasure in submitting their Report for the year ended 31 March 2020.

1. Financial Results for the year ended 31 March 2020

₹ in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	3224,68	3128,53
Other Income	77,56	101,48
Total Income	3302,24	3230,01
Profit before Exceptional items and Tax	646,99	658,82
(Less) /Add: Exceptional Items	(324,49)	4,89
Profit before Tax	322,50	663,71
Less: Income tax expenses	212,45	238,35
Profit for the year	110,05	425,36
Add: Opening balance of retained earnings from the previous year (excluding other comprehensive income)	1181,17	1113,21
Less: Transactions with owners of the Company:		
Dividend paid on Equity Shares (including tax on distributed Profits) (₹20 Per Share for FY 2018-19 and ₹17.5 Per Share for FY 2017-18, retrospectively adjusted for September 2018 bonus issue)	408,45	357,40
Balance of retained earnings at the end of the reporting period (excluding other comprehensive income)	882,77	1181,17

2. Dividend

Your Directors are pleased to recommend a Dividend of ₹40 per Equity share for the year (including special dividend of ₹20 per equity share). The Dividend for the year ended 31 March 2020 is subject to the approval of shareholders at the ensuing Annual General Meeting on 27 July 2020 and will be paid on or after 27 July 2020. If approved by the shareholders at the Annual General Meeting, the Dividend will absorb ₹678 crores.

The Board of the Directors of your company have approved the Dividend Distribution Policy on 27 October 2016 and it is available on your company's website at https://india-pharma.gsk.com/media/834228/dividend-distrubtion-policy.pdf

3. Management Discussion and Analysis

(a) Finance and accounts

Your company's strategy, which was introduced in 2018, gained traction in FY19-20 and delivered double digit growth in the key therapeutic areas where your company is investing resources to drive growth. Identified key therapies which were supported by incremental sales force investment have expanded our reach by over 30%. The new trade channel strategy is also showing initial success. 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.

Your company has significantly enhanced its technological capabilities to optimise its medical and field force engagement with healthcare professionals. With the unprecedented challenge in the form of a global pandemic and the nation-wide lockdown, your company's investment into digital transformation has helped it immensely during these times to stay connected to healthcare professionals (HCPs) and pay closer attention to their needs.

Your company continues to be the No. 1 vaccines company in the self-pay segment with almost 40% value market share in represented segments. As part of your company's unwavering commitment to serving patients, it continues to invest to bring innovative medicines and vaccines to India. Your company has seen some early success on the launch of Nucala (Mepolizumab) which is a humanised monoclonal antibody and indicated as an add-on treatment for severe refractory eosinophilic asthma in adult patients. In December 2019, your company launched Menveo (Quadrivalent Meningococcal Conjugate Vaccine), which has demonstrated early success and within four months of its launch, has a 30% unit share.

Revenue from operations of ₹3225 crores increased by 3% in value terms for the year ended 31 March 2020 as compared with the previous year. Despite the headwinds caused by Covid-19 towards the year end and the voluntary global recall of ranitidine products including Zinetac in India, your company benefitted from its strategy of focusing its efforts towards key brands and divestment and discontinuation of its tail-end portfolio. The underlying sales growth, adjusting for tail-end brand rationalisation and divestments, is a healthy 13% driven by key brands that grew by over 20%.

The other income was lower primarily on account of a liability write back payable to a group company in the previous year.

A focused drive to improve operational efficiencies, use of smart technology, cost reduction and a positive product mix has resulted in EBITDA margin improving by 1% points versus previous year.

Profit After Tax for the year was at ₹110 crores primarily impacted by exceptional charges during the year. Consequent to the detection of NDMA in ranitidine products, your company voluntarily made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products, including Zinetac, as a precautionary action. Your company also initiated a comprehensive strategic review of the impact of this recall on all related assets in India. Exceptional charges during the year of ₹324 crores include impact of financial impairment of ₹637 crores connected to the underutilisation of its manufacturing facilities and ₹96 crores on account of other related assets / cost; costs related to the voluntary recall of Zinetac of ₹108 crores and other charges ₹29 crores. The exceptional charges are offset by profit on sale of company's land at Thane of ₹546 crores which was concluded during the year. Profit Before Exceptional Items and Tax amounted to ₹647 crores and margins were at 20% of revenue from operations for the year.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios are given below:

Particulars	**2020**	**2019**
Operating Profit Margin(%) (Profit From Operations/Sale of Products)	18%	18%
Net Profit margin (%) (Profit After Tax/Revenue from operations)*	3%	14%
Return on Net Worth (%) (Profit After Tax/ Shareholders Equity)*	6%	20%
Current Ratio (Current Assets/Current liabilities)	1.7	1.4
Inventory turnover Ratio (Sale of products/Average Inventories)	6.6	6.3
Debtors Turnover Ratio (Sale of products/Average trade receivables)	28.9	23.2

Interest coverage ratio and Debt Equity Ratio are not relevant for the company as it has negligible debt.

** Due to exceptional items this ratio has declined during the year; without considering exceptional items the net profit margin (%) would be 14% and return on net worth (%) would be 25%.*

Cash generation from operations continued to remain favourable this year and is in line with business performance. Your company focused its efforts on achieving working capital efficiencies and remains focused on unlocking cash. Your company spent ₹41 crores as capital expenditure, towards renovation of its corporate office into a modern workplace. Your company continues to look for ways and means of deploying accumulated cash balances as on 31 March 2020, which remain invested largely in bank deposits.

Your company also focused its attention towards resolution of old tax assessments and litigations which has seen initial success.

There are no loans or 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 31 March 2020.

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

(b) Business performance and outlook

Pharmaceuticals

In 2019, your company continued to focus on delivering sustainable profitable growth. It accelerated growth in the anti-infectives, dermatology and anti-pyretic therapy areas, through a skill-enhanced sales force and improved engagement with healthcare professionals (HCPs). Trade channel was further strengthened through a dedicated salesforce and your company also initiated trade engagements leveraging cutting end technology. This led to an increase in share of voice for focus brands as also an increase in the number of touchpoints in HCP engagement.

Your company's multi-channel marketing has also evolved, not just to enhance customer touchpoints but also to improve customer engagement. Your company reached 21.6 million HCP touchpoints through various channels like webinars, e-mails, text messages, virtual calls and through the GSK Pro platform. Your company's major primary care brands are growing faster than the Indian Pharmaceutical Market. The Evolution Index for top brands are: Augmentin at 114; Ceftum at 106; Calpol at 108 and CCM at 107 (MAT Dec 2019, IQVIA, Internal MCM Dashboard).

Your company maintained and consolidated its leadership in the dermatology segment in the Indian Pharmaceutical Market during the year. In addition to gaining share in topical antibiotics market, your company is now gaining consistently in the anti-fungal market with Zimig and Zoderm, two key anti-fungal medications. The BRIDGE (Bringing Insights from Dermatology Group of Experts) forum gained further traction and mobilized commitment amongst the dermatology fraternity with over 50 meets conducted last year, connecting 450 specialists from 17 cities in India.

Vaccines

In preventive healthcare, your company continues to be the No. 1 vaccine company in the self-pay segment with almost 40% value market share in represented segments. The vaccines self-pay market is currently estimated to be ₹2400 crores and is growing at around 10% (IMS MAT Mar 2020). Six of your company's vaccines feature in the Top-20 list of vaccines in the self-pay market (IMS MAT Mar 2020). Your company currently markets vaccines for varied age groups - infants, adolescents and adults.

Since its launch about eight years back, your company has distributed more than ten million (one crore) doses of Synflorix protecting kids against pneumococcal diseases. Infanrix Hexa (6-in-1 combination DTP vaccine), launched in April 2018, is already a market leader in the Inactivated Polio Vaccine (IPV) containing combination vaccine segment. In December 2019, your company launched Menveo (Quadrivalent Meningococcal Conjugate Vaccine). Menveo has demonstrated early success and currently has a 30% unit share within four months of its launch (IMS Mar 2020).

Your company continues to promote maternal immunisation against pertussis with Boostrix. Your company is partnering with Federation of Obstetric and Gynaecological Societies of India (FOGSI) and Indian Academy of Pediatrics (IAP), to drive awareness among women for vaccination against maternal and neonatal pertussis.

Your company also launched an awareness campaign on vaccination for school-going kids who may have either missed childhood vaccines or may be due for certain vaccines.

(c) Opportunities, risks, concerns and threats

The Covid-19 pandemic is re-defining the conventional way of business. It has also exposed sectoral vulnerabilities, forcing the policy-makers to take corrective measures that will benefit the industry in the long-term. Dependency on imported Active Pharmaceutical Ingredient(s) (APIs) is one such area. The recent government's decision on promotion of domestic manufacturing of critical APIs and Key Starting Materials (KSMs) bodes well for the country.

A robust domestic supply shall also help greatly in stabilising the API prices.

The healthcare policy landscape in India is at an inflection point. The government has begun a fresh exercise to revise the National List of Essential Medicines (NLEM) hoping that it would result in better quality of medical care, better management of medicines and cost-effective use of healthcare resources. The government started the process in late 2019, and since then has had a series of stakeholder dialogues. Additionally, new regulations like the Personal Data Protection Bill 2019 and the E-Pharmacy Rules are expected to be introduced in the current financial year. Your company is a part of various stakeholder discussions with the government and the relevant subject-matter committees on these and has been presenting your company's perspectives on a regular basis.

Your company is aligned with the government's broader mandates on public health and its various programmes to reduce the disease burden of the country. Your company's existing commitment and support to the government on various public health mandates shall continue unabated and collaboration opportunities will continue to be explored to leverage mutual synergies for greater good.

(d) Regulatory affairs

In the financial year 2019-20, your company made various applications to the central drug regulator – the Central Drugs Standard Control Organisation (CDSCO) – in accordance with the existing laws and regulations.

Applications were made for registration of a (i) new fixed dose combination of Fluticasone Furoate, Umeclidinium and Vilanterol Powder for Inhalation (Trelegy) for chronic obstructive pulmonary disease (COPD), (ii) new strength of an already marketed oral suspension of Augmentin viz. Amoxycillin and Potassium Clavulanate Oral Suspension 642.9 mg/5ml (Augmentin ES), (iii) registration of a ready-to-use liquid formulation of Rotavirus vaccine (Rotarix). In addition, indication expansion application was submitted and subsequently successfully approved, for quadrivalent inactivated influenza vaccine (Fluarix tetra) to extend its use in children and adults (approval received). Application for indication expansion for Mepolizumab Powder for solution for Injection (Nucala) to include paediatric population of severe eosinophilic asthma is under consideration by the regulator.

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 products with new formulation and strength.

Medical affairs and medical governance

In the year under review, your company's medical team worked closely with various external stakeholders to build an informed healthcare community. During this period, the team made about 750 scientific presentations through GSK standalone Scientific Promotional Meetings (SPMs), reaching close to 50000 HCPs. In addition, the team conducted more than 2500 scientific in-person interactions with HCPs focusing on patient benefit. Your company's medical team also participated in various medical conferences – both national and state level – and leveraged speaking opportunities to position your company as a science and innovation led organisation.

In anti-infective therapy area, with a vision of driving science that curbs antimicrobial resistance (AMR) and benefits patients, your company's medical team collaborated with various medical associations to deliver 360 scientific presentations and 1300 one-to-one interactions with experts. In dermatology, under the 'Differential Diagnosis Campaign', the medical team delivered more than 100 scientific presentations, 1200 one-to-one scientific interactions, thus, reaching out to 15000 doctors.

In respiratory, your company's medical experts and field based medical team partnered with respiratory experts on planning of the conduct of Phase 4 clinical trial, Real World Evidence and Investigator Sponsored Clinical Research.

In Vaccines, your company's medical team buttressed numerous research studies, had key review articles published in the peer-reviewed indexed medical journals and supported over 500 scientific meetings, thereby engaging more than 10000 HCPs.

(e) Internal Control Framework

Your company conducts its business with integrity and high standards of ethical behaviour and in compliance with the laws and regulations that govern its business. The Internal Control Framework (ICF) is a comprehensive enterprise-wide risk management model and supports the continuous process of identification, evaluation and management of the company's risks. ICF is supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises.

Compliance with laws and regulations is monitored through a matrix of a well-laid down framework. As required by the Companies Act 2013, your company has implemented an Internal Financial Control (IFC) Framework. 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.

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 as part of a detailed 'Third Party Oversight' process.

As an annual exercise, your company's senior executives review and confirm adherence to GSK's ICF. Mandatory training on the GSK Code of Conduct is conducted for all employees. During the year, enterprise-wide 'Living our Values' training was issued to all employees and complementary workers. The training included scenarios that explored our values and their application to the company's ways of working and risks including those related to privacy and Anti-bribery and Corruption (ABAC).

Risk management

Your company has a Risk Management and Compliance Board (RMCB), a team of senior leaders, responsible for promoting the '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 managing 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 RMCB. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of your company.

Vigil mechanism

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 channel and procedures encourage 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 channels (https://gsk.i-sight.com/landing-page/) are available to people within and outside of your company. An independent third party 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 Chairperson of the 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 at https://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

(f) Human resources

Your company, in the year under consideration, focused on embedding the culture narrative and delivering on the strategic priorities set under the IPT (Innovation, Performance, Trust) agenda.

Organisational culture

In 2019, your company's commitment to be a 'Modern Employer' resonated well with the employees and we built upon our experience and employee feedback to make the initiative more inclusive and topical. As a part of this, the company focused on the following three pillars:

- Inclusion and diversity
- Wellness and wellbeing
- Learning and development

The GSK Culture Survey continued to be administered to garner feedback from employees. For India, engagement scores remained >90%. Initiatives like the Great Manager, Manager One80 survey, and Global Employee Recognition scheme designed to build capabilities and acknowledge talent continued to be implemented and received encouraging responses from the employees.

Since its launch, Workplace by Facebook has become the preferred mode of connecting and collaborating with employees across the globe. The tool has helped to transform the way employees work together and accelerate the delivery of IPT and influence the necessary culture change in your company.

Inclusion and diversity

Your company has instituted the Women's Leadership Initiative (WLI) with a purpose of creating an inclusive culture, which helps your company to bring diverse perspectives, accelerate capabilities, build talent pool and pave way for growth. Your company boasts of over 15% gender diversity in its workforce, 18% of new hires being women in the commercial organisation, 30% women at Board level and 38% women representation in top leadership positions. Your company launched Wave Regional Circles for the commercial organisation as a platform for women in sales to connect, engage and inspire. Your company also launched a development programme GSK WeLeAP – GSK Women Leadership Action Programme - to develop high potential mid-level women talent.

In 2019, your company won the 100 Best Companies for Women by Working Mother and AVTAR, Best Workplaces for Women by Great Places to Work and Advancement of Women Award by Community Business.

Your company launched Spectrum, an employee resource group for raising awareness on LGBT+ among the employees. Several initiatives were undertaken to cater to the differently abled as well.

Wellness and wellbeing

Your company in the year under consideration, sustained its offerings under 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; personalised fitness and nutrition consultation and group participation in marathons and sports events. A driver safety programme was sustained for around 3000 of your company's employees who work as sales representatives and are required to drive for work purposes.

Learning and development

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, Asia Global Leaders Programme, IMPACT programme for building specific capabilities to develop leadership talent.

In 2019, the selling excellence team partnered with HR team to launch a 'Performance Conversations' training module for all first and second-line sales managers. This capability positively impacted performance conversations with over 3000 commercial colleagues with 93% of the participants rating the programme as highly effective. Your company continued to invest in the 'Future Leader Programme' where hires from premier B-Schools undergo an extensive experiential training for 18 months before off-boarding in first line sales leader roles. Your company also launched two additional local early talent programmes - Commercial Leadership Programme and Pharma Supply Chain Leadership Programme - to meet the talent demand in the commercial and pharma supply chain teams. In 2019, with the objective to enhance your company's brand awareness among potential campus hires, a case study competition was launched across top B-schools, named as GSK E^3 (Engaging and Exciting minds for Excellence).

Employee relations

Your company has four recognised unions based on the selling area zones - North, East, West and South - to address the grievances of employees in the sales force. Union in the West zone also represents the workers of Nashik manufacturing site. These Unions are an integral part of the business and are committed to the progress of your company. The management and the unions of your company are currently engaged in negotiation for arriving at long-term settlement contracts, valid for a period of four years. Your company thanks its Unions for its contributions and maintenance of cordial relations.

Prevention of sexual harassment at workplace

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 thereunder. Your company has also established Internal Committees, across its commercial offices, head office and manufacturing site. The focus is on increasing awareness around POSH and the working of internal committees. During the said year, your company received three complaints, which were investigated and closed after taking appropriate action.

(g) Supply chain

Manufacturing excellence

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 patients. The 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 the Nashik site were shared with your company's partnering Contract Manufacturing Organisations and Warehouse and Distribution teams, where it is being currently implemented. Apart from financial gains, the GPS culture is proving to be a morale booster for the teams and helping to meet the increased demands without significant investments.

Vemgal update

The Vemgal greenfield site was completed in March 2019 and the registration batches of Zinetac 150 mg was initiated in April 2019 and completed by end of June 2019. The site had obtained all necessary licenses to operate the factory including obtaining the manufacturing license in August 2019.

The NDMA issue in ranitidine was brought to notice in September 2019. As a result, and in compliance with your company's values of placing patient safety at the forefront, the site did not start the planned commercial production in October 2019. Following GSK Plc's decision to initiate a global voluntary recall (pharmacy/retail level) of ranitidine products including Zinetac in India and a comprehensive strategic review of the impact of this recall on all related assets in India, your company took a financial impairment of ₹637 crores connected to the under-utilisation of the Vemgal site. Your company is currently exploring future options for the Vemgal facility, including a potential sale of the site.

Warehousing and distribution

Your company has initiated Warehouse Network Optimisation, which will make your company's distribution set up lean and yet enhance the service capability in 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 and trace mechanisms, temperature maintenance during transit of 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 customers demands and has also taken up measures to reduce any type of wastage.

Your company has been leaders in incorporating digital capabilities in its packaging with implementation of the Quick Response (QR) code instead of physical leaflets on all packs. With effective use of technology, your company will be able to provide most updated patient information and at the same time, demonstrate 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 of your company, from raw materials to product delivery. The policy on EHSS conforms to local laws as well as your company's global standards.

Under the Extended Producer Responsibility (EPR), your company has collected and disposed 310 MT in FY18-19 and 1828 MT for FY19-20 of post-consumed plastic waste (brand, sector and geography neutral) on pan-India basis. This is first-of-its-kind project ever initiated in the Global GSK network under Plastic Waste Management. This initiative will ensure environmental sustainability and compliance with local regulations.

Various initiatives for EHSS were undertaken at your company's manufacturing site in Nashik. In relation to Safety, Nashik site achieved Zero reportable incident and illness rate (RIIR). The site crossed two million safe man hours since last reported incident.

Under GSK global driver safety programme, 'Safe Driving: Every Journey Counts' for the safety of employees in the field, various initiatives are ongoing to imbibe defensive driving skills.

Two projects - leaflet digitalisation and last mile vaccine distribution in active mode have won special recognition from Corporate Executive Team (GSK Plc) EHSS in 2019.

(h) Corporate social responsibility

Your company has a rich legacy of partnering with the communities in which it operates. 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. Your company works to fulfill this and other social change efforts, through its Corporate Social Responsibility (CSR) programmes. During the year in review, your company's CSR programmes touched the lives of over a million people across India, with its lead CSR project being 'Partnering India for Eliminating Lymphatic Filariasis'. Pursuant to the provisions of Section 135 and rules made thereunder of the Companies Act, 2013, your company has constituted a CSR Committee to monitor the CSR programmes. The CSR policy of your company can be accessed on the company website from the following link: https://india-pharma.gsk.com/en-in/about-us/policies-codes-and-standards/. Report on the CSR programmes undertaken during the year given in **Annexure 'A'**, forms a part of this Report.

(i) Material impact of COVID 19 pandemic

The spread of Covid-19 from mid-March 2020 is having an unprecedented impact on people and economy. Your company has been swift in extending support to multiple stakeholders and maintain operations through the crisis. Your company's response to the pandemic and its impact have been driven by its core guiding principles:

a) employee safety and well-being,

b) business continuity, and

c) social responsibility

Your company's people are its priority. Your company has been proactive and swift in ensuring safe working conditions and providing the necessary infrastructure and equipments across all operations. Your company has been working closely with all its partners, associations and the various authorities to ensure undisrupted supply of products and continued service to the patients. Despite the initial disruptions to supply chain, due to the lockdown, your company has been able to smoothly manage its production cycles and distribution. Both at company and at channel levels, sufficient inventory is maintained to meet patient requirements. With relaxation of the lockdown across various zones of the country, your company has redeployed its front line salesforce as per the guidelines received from the Central / State / Municipal authorities.

From an operational perspective, your company has discharged all its obligations in full on payroll (including all contractual workers). There is no impact on capital and financial resources of your company. None of the assets of your company have been impacted or impaired as a result of the pandemic.

4. Directors

Ms. A. Bansal, Independent Director, completed her term on 29 March 2020. Mr. A. Vaidheesh retired as Managing Director as on 31 March 2020. The Board places on record its appreciation of the valuable services rendered by Ms. A. Bansal and Mr. A. Vaidheesh during their tenure and for their contribution to the deliberations of the Board.

The Board of Directors have appointed Mr. S. Venkatesh as Non-Retiring Director and Managing Director with effect from 1 April 2020.

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. Mr. P. V. Bhide, Mr. N. Kaviratne, Mr. A. N. Roy and Mr. D. Sundaram for a second term of five years from 30 March 2020.

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 31 March 2020, five Board and six 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 and Disclosures Regulations (LODR), the Board of Directors on the recommendation of the Nomination and 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 year under review, the details of which are given in the Corporate Governance Report.

Familiarisation programmes for the Independent Directors

In compliance with the requirements of SEBI Regulations, your 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 your company, nature of the industry, operating business model, etc. It is also available on your company's website: https://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

5. Particulars of contracts and related party transactions

In line with the requirements of the Companies Act, 2013 and Listing Obligations and Disclosures Regulations, 2015 (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 that may have a potential conflict of interest of your company at large. The Policy of related party transactions can be accessed on your company's website: https://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 omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions that are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected 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.

6. Directors' responsibility statement

Your Directors confirm:

(i) that in 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 to give a true and fair view of the state of affairs of your company as on 31 March 2020 and of the profit of your 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 your 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 your 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.

7. Annual return

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31 July 2018, the extract of annual return, is no longer required to be part of the Board's Report. However, for the compliance of conditions of Section 92 and Section 134, copy of the Annual Return shall be placed on your company's website https://india-pharma.gsk.com/en-in/investors/shareholder-information/Annual Return.

8. Corporate governance and 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 and 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, given in **Annexure 'C'**, forms a part of this Report.

9. Auditors

As per the provisions of Section 139 of the Companies Act 2013, Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of your company for the period of five years at the ninety second Annual General Meeting held on 25 July 2017 to hold office from the conclusion of the said Meeting till the conclusion of the ninety seventh Annual General Meeting to be held in 2022 on a remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members of your 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 7 May 2018, the requirement for seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the statute. 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 Companies Act, 2013 and the Rules made thereunder, your company has appointed Parikh & Associates, Practicing Company Secretaries, to undertake Secretarial Audit of your 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 your company for its Formulations for 2020-21. The Committee recommended ratification of remuneration for year 2019-20 to the Shareholders at the ensuing Annual General Meeting. As required by Section 92(3) of the Act and the Rules framed thereunder, the extract of the Annual Return in Form MGT-9 is enclosed as **Annexure 'E'** and also forms a part of this Report.

10. Transfer of equity shares unpaid/unclaimed dividend to the Investor Education Protection Fund (IEPF)

In line with the statutory requirements, your company has transferred to the credit of the Investor Education and Protection Fund 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 timelines laid down by the MCA. Unpaid/unclaimed dividend for seven years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

11. Compliance with secretarial standards

The Board of Directors affirms that your 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.

12. 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 thereunder 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 your 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 a 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 said report will be available for inspection of the shareholders through electronic mode. The shareholders may write an email to askus@gsk.com by mentioning "Request for Inspection" in the subject of the email.

13. Acknowledgments

The Directors express their appreciation for the contribution made by the employees to the significant improvement in the operations of your 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 organisation, in providing new healthcare solutions that are products of its discovery labs and the technology improvements, which benefits your company immensely.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2020

Annexure 'A' to Directors' 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 2019-20, 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. A. N. Roy - Chairman, Mr. S. Venkatesh and Dr. Ms. S. Maheshwari are the members of this Committee.

Ms. A. Bansal and Mr. A. Vaidheesh were members of the committee up to 29 March 2020 and 31 March 2020 respectively. Mr. S. Venkatesh and Dr. Ms. S. Maheshwari were appointed members of the Committee with effect from 1 April 2020 and 18 May 2020 respectively.

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

	2018-19	2017-18	2016-17
Profit before tax and after exceptional items	663,70.63	541,58.35	511,07.91
Average net profit			572,12.30
CSR @ 2% of average net profit			11,44.25

In 2019, your company exited the project implemented in partnership with Don Bosco Tech Society and received a remittance of the surplus amount of ₹8,58,687. Against the budget, your company has spent ₹11.54 crores on CSR projects, including overheads and the remittance received. This spend amounts to 2% of the average of net profits for preceeding three financial years. Your company's CSR projects are aligned to the Schedule VII of the Companies Act, 2013 and focus on promoting health care, including preventive health care and education.

Details of the CSR spend in FY2019-20 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 up to 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	6,79,42,079	40,89,03,154	World Health Organisation
2	Integration of Morbidity Management and Disability Prevention with public health system	Kanpur, Uttar Pradesh	3,99,00,000	1,21,00,000	1,21,00,000	Project Concern International

Sr. No.	CSR Project	Project area (local area, state and district)	Project-wise outlay (budget)*	Direct expenditure in reporting period	Cumulative expenditure up to reporting period*	Implementation agencies called 'CSR Partners'
Mother and child healthcare						
3	Addressing child nutrition through a holistic approach, extending from adolescent health, pre-conception care, through pregnancy, childbirth and the postnatal period, into early childhood	Mumbai, Maharashtra	3,38,00,000	78,68,000	2,01,68,000	Society for Nutrition, Education and Health Action
4	Awareness building on ante and post-natal care; child and maternal nutrition and newborn care	Kolkata, West Bengal	50,00,000	10,00,000	44,50,000	BITAN Institute for Training, Awareness and Networking
Skilling our youth						
5	Employability enhancement through skills training	Kolar district, Karnataka	4,33,15,000	80,00,000	4,33,15,000	Bal Raksha Bharat (Save the Children)
School sanitation						
6	WASH facilities in schools with behaviour change communication	Nashik, Maharashtra	2,78,00,000	52,00,000	1,72,67,000	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	46,29,000	Nai Dharti
8	Holistic care for children affected with cancer and their parents	Mumbai, Maharashtra	1,72,00,000	36,00,000	1,72,00,000	St. Jude India Child Care Centres
Education						
9	Mainstreaming children who are school drop outs by enhancing their grade level competencies	Gurugram, Haryana	50,00,000	9,96,000	9,96,000	Sakshi
Monitoring and evaluation of CSR projects, including finance audits and beneficiary feedback				19,69,987		NextGen and Asher and Associates
Total project expense on CSR in FY19-20, including monitoring and evaluation				10,96,76,066		
Total administrative expense on CSR FY19-20				57,21,250		
Total CSR expense in FY19-20				**11,53,97,316**		

*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.

S. Venkatesh
Managing Director

A. N. Roy
Chairman, CSR Committee

Mumbai, 18 May 2020

Annexure 'B' to Directors' 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 and 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 nine 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 Executive Directors. There are six Non-Executive Directors, of which, four 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**

  Five Board meetings were held during the year ended 31 March 2020 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 and 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.	20 May 2019	10	9
2.	22 July 2019	10	9
3.	22 October 2019	10	7
4.	3 February 2020	10	10
5.	3 March 2020	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 31 March 2020)

Name of Director	Category of Directorship	Number of Board Meetings attended	Attendance at the last AGM held on 22 July 2019	*Number of Directorships in other companies (including GSK)	**Number of mandatory committee positions held in other companies	
					Chairman	Member
Ms. R. S. Karnad Chairperson	Non-Executive	5	Yes	10	3	5
Ms. A. Bansal (up to 29.03.2020)	Non-Executive & Independent	2	No	NA	NA	NA
Mr. P. V. Bhide	Non-Executive & Independent	5	Yes	9	3	4
Mr. N. Kaviratne	Non-Executive & Independent	5	Yes	1	Nil	1
Mr. R. Krishnaswamy	Executive	5	Yes	2	Nil	Nil
Mr. A. N. Roy	Non-Executive & Independent	4	Yes	8	2	3
Mr. D. Sundaram	Non-Executive & Independent	4	Yes	6	5	3
Mr. A. Vaidheesh Managing Director (up to 31.03.2020)	Executive	5	Yes	2	Nil	1
Mr. S. Venkatesh Managing Director (w.e.f. 01.04.2020)	Executive	NA	NA	2	Nil	1
Mr. S. Williams	Non-Executive	4	Yes	1	Nil	Nil
Ms. P. Thakur	Executive	5	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.

Ms. A. Bansal, Independent Director of the company completed her term on 29 March 2020. Mr. A Vaidheesh ceased to be Managing Director from 31 March 2020 due to his retirement. Mr. S. Venkatesh was appointed as Non-Retiring and Managing Director with effect from 1 April 2020.

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

(DIN: 00008064)

Ms. Renu Sud 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 and 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 and Remuneration Committee and Chairperson of Stakeholders' Relationship Committee of the company.

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

Sr. No.	Directorship in listed / public entities	Category of Directorship	Expertise in Specific Functional Areas
1	ABB India Limited	Independent Director	Housing and Real Estate, Finance and Human Resources
2	Maruti Suzuki 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	
8	Unitech Limited	Nominee Director	
9	HDFC Bank	Additional Director	

*Resigned w.e.f. 31 March 2020

Mr. Damodarannair Sundaram – Independent Director

(DIN: 00016304)

Mr. Damodaran Sundaram's experience spans corporate finance, business performance, monitoring operations, governance, mergers and 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 Senior 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 Private Ltd. managing a growth capital Private Equity Fund (TVS Shriram Growth Fund). Mr. Sundaram is a post-graduate in Management Studies (MMS) from Chennai, Fellow of the Institute of Cost Accountants, and has done Harvard Business School's Advanced Management Program (AMP). He is Chairman of Audit Committee and Risk Management Committee of the company.

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

Sr. No.	Directorship in listed / public entities	Category of Directorship	Expertise in Specific Functional Areas
1	ACC Limited	Independent Director	Commercial, Finance, IT, Corporate Governance, M&A and Treasury
2	TVS Electronics Limited	Non-Executive Director	
3	Crompton Greaves Consumer Electricals Limited	Independent Director	
4	Infosys Limited	Independent Director	
5	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 and Remuneration Committee and member of Audit Committee and Risk Management Committee of the company. He is an Independent, Non-Executive Director of several Temasek-linked companies including StarHub 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 and 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 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 of the company.

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

Sr. No.	Directorship in listed / public entities	Category of Directorship	Expertise in Specific Functional Areas
1	Bajaj Auto Limited	Independent Director	Human Resource, Administration, Security and Intelligence matters, Anti-Corruption and Vigilance
2	Bajaj Holdings & Investment Limited	Independent Director	
3	Bajaj Finance Limited	Independent Director	
4	Bajaj Finserv Limited	Independent Director	
5	Finolex Industries	Independent Director	
6	Bajaj Allianz Life Insurance Company Limited	Independent Director	
7	Bajaj Allianz General Insurance Company Limited	Independent Director	

Mr. Pradeep Bhide - Independent Director
(DIN: 03304262)

Mr. Pradeep 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 Executive 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. P. Bhide retired as Secretary, Department of Revenue, Ministry of Finance in January 2010, a position which he held from June 2007. He is member of Audit Committee, Risk Management Committee and Stakeholders Relationship committee of the company.

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

Sr. No.	Directorship in listed / public entities	Category of Directorship	Expertise in Specific Functional Areas
1	Borosil Renewables Limited	Independent Director	Finance, Administration and Taxation
2	Tube Investments of India Limited	Independent Director	
3	L&T Finance Holdings Limited	Independent Director	
4	Nocil Limited	Independent Director	
5	L&T Housing Finance Limited	Independent Director	
6	L&T Finance Limited	Independent Director	
7	TRL Krosaki Refractories Limited	Independent Director	
8	GlaxoSmithKline Consumer Limited*	Independent Director	

*Resigned w.e.f. 1 April 2020

Mr. Annaswamy Vaidheesh – Managing Director

(DIN: 01444303) (Up to 31.03.2020)

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 recognized 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 and Policy making and Organization Development.

He was the President of the Organization 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 retired as Managing Director from 31 March 2020. He was a Director in Biddle Sawyer Limited upto 31 March 2020. He was member of Stakeholders' Relationship Committee and Corporate Social Responsibility Committee upto 31 March 2020.

Ms. Puja Thakur – Whole-time Director and CFO

(DIN: 07971789)

Ms. Puja Thakur, aged, 44, 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 1 January 2018 and she is a Director in Biddle Sawyer Limited. She has expertise in field of Finance and Treasury. She does not hold any shares in the company and is also not related to any Directors of the company.

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 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 1 August 2011 in the company. His expertise is in the field of Supply Chain, Logistics and Manufacturing operations.

Mr. Subesh Williams – Non- Executive Director
(DIN: 07786724)

Mr. Subesh Williams 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 has expertise in the field of Finance, Business Development, and Merger and Acquisitions.

Mr. Sridhar Venkatesh - Managing Director
(DIN: 07263117) (w.e.f. 01.04.2020)

Mr. Sridhar Venkatesh, aged, 51, is a senior business leader with more than 24 years of diverse experience in pharmaceuticals and healthcare. He joined GSK in 2011 as Head of Commercial, Established Products, Branded Generics, and Biosimilars and moved as General Manager, Singapore before taking up the role of Commercial Head, India from 2014 to 2016. He was then promoted as Vice President of Central America and Caribbean before taking the current role as Vice President Emerging Market, East, managing direct oversight of six markets (Philippines, Vietnam, Thailand, Malaysia, Indonesia and Srilanka). Sridhar started his career with Eli Lily and then moved to Pfizer and held increasingly senior roles including the role of Senior Director, Business Development (Asia) for Pfizer before joining GSK. Mr. Sridhar is a Registered Pharmacist, with a Master's in Pharmacy (Pharmaceutical Marketing). His expertise is in field of Business Strategy, Market Creation, Marketing and Organization Development.

He is member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee. 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.

Dr. Ms. Sunita Maheshwari - Independent Director
(DIN: 01641411) (w.e.f. 18.05.2020)

Dr. Ms. Sunita Maheshwari, aged, 54, Outlook Business WOW 2019 (Woman of Worth) and 'Amazing Indian' 2014 award by Times Now, is a US Board certified Pediatric Cardiologist who did her MBBS at Osmania Medical College followed by postgraduation at AIIMS, Delhi and Yale University in the US. She was the winner of the

'Young Clinician Award' from the American Heart Association and the 'Best Teacher Award' at Yale University. She was nominated one of the Top 20 women achievers in medicine in India in 2009 and in the list of 50 most powerful women in India in 2016.

Apart from her medical clinical work, she is a medical entrepreneur and cofounded and is the Chief Dreamer at Teleradiology Solutions (India's first and largest teleradiology company that has provided over 5 million diagnostic reports to patients and hospitals globally), Telrad Tech which builds AI enabled tele health software, RXDX multi-specialty neighbourhood clinics in Bangalore, and has incubated other start-up companies in the tele-health space such as Healtheminds - a tele-counselling platform. She is active in the social arena in India where she runs 2 trust funds. People4people has put up over 300 playgrounds in government schools and Telrad Foundation provides teleradiology and telemedicine services to poor areas in Asia that do not have access to high quality medical care. Her expertise is in the field of Medical Science.

She is member of Corporate Social Responsibility Committee. She does not hold any shares in the 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 Directors of the Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

- In the opinion of the Board, Independent Director proposed to be appointed at the Annual General Meeting, fulfill the conditions specified in the SEBI Listing Regulations and is independent of the Management.

- Independent Directors meeting was held on 20 May 2019 where all the Independent Directors were present, including Ms. R. S. Karnad 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 https://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 31 March 2020 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 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 https://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 27 October 2016 and the policy is available on the company website https://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/.

- **Directors Inductions 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 https://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 the 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.

  Ms. P. Thakur retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for 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 and Disclosures Regulations, 2015 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 and 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, shareholders (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 and 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 Whole-time 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.

y) To review Cyber security policy of the company.

z) To review 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 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 31 March 2020. The Committee comprises of Independent and Non-Executive Directors and their meetings were held on 4 April 2019, 20 May 2019, 22 July 2019, 22 October 2019, 14 December 2019 and 3 February 2020.

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

All the members of Audit Committee are financially literate. The Managing Director, Chief Financial Officer, other Executive 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 22 July 2019.

Risk Management Committee

The Risk Management Committee consists of the same members as Audit Committee. During the year under review, the Committee met on 4 April 2019. The Chairman and all the members attended the meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of Reference**

The terms of reference of this Committee cover the matters specified for Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Clause 19 of the Listing Obligations and 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 and Remuneration Committee is as follows:

Name of the Member	Designation	Category of Directorship
Mr. N. Kaviratne	Chairman	Non-Executive and Independent
Ms. R. S. Karnad	Member	Non-Executive
Ms. A. Bansal (up to 29.03.2020)	Member	Non-Executive and Independent

Mr. D. Sundaram was appointed as member of the committee w.e.f. 18 May 2020.

During the year under review, the Committee met on 20 May 2019, 3 February 2020 and 3 March 2020. The Chairman and all the members attended the meeting, except Ms. A. Bansal who attended the meeting on 3 March 2020.

Remuneration Policy and Evaluation Criteria

The Nomination and Remuneration Committee has adopted Policy on Remuneration to the Senior Management and Executive 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 and Executive Directors

a) All the Executive Directors including the Managing Director is paid such remuneration as may be mutually agreed between the company and the Executive 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 Executive 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, 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 https://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 and Disclosures Regulations, 2015 the Board has carried out the annual performance evaluation of its own, including the various Committees 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 shareholders.

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 whole-time employment of the company and Directors who are in the employment of the GlaxoSmithKline Group Companies are entitled to receive commission collectively upto 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 31 March 2020 are given below:

(₹ in lakhs)

Executive Directors	Salary	Performance Bonus and Retirals	Perquisites and Allowances	GSK Plc -Share Value Plan	Contribution to Provident Fund / Superannuation Fund/NPS	Total
Mr. A. Vaidheesh	293.64	456.82	117.93	326.95	79.28	1274.62*
Mr. R. Krishnaswamy	86.22	95.59	55.39	28.90	23.28	289.38
Ms. P. Thakur	110.14	151.22	113.74	35.35	23.31	433.76

*includes retiral benefits and Share Value Plan paid in May 2020.

There has been a change in the month of annual performance bonus payment to March from FY 2019-20.

(₹ in lakhs)

Independent Directors and Non-Executive Directors	Commission#	Sitting Fees	Total
Ms. R. S. Karnad	20.00	9.00	29.00
Ms. A. Bansal (upto 29.03.2020)	14.92	2.00	16.92
Mr. P. V. Bhide	15.00	7.00	22.00
Mr. N. Kaviratne	15.00	7.50	22.50
Mr. A. N. Roy	15.00	3.00	18.00
Mr. D. Sundaram	15.00	6.00	21.00

payable in 2020

Notes:

a) The agreement between the company and Executive Directors is;

- Mr. R. Krishnaswamy for a period from 1 August 2019 to 31 July 2022
- Ms. P. Thakur for a period from 1 January 2018 to 31 December 2020
- Mr. S. Venkatesh for a period from 1 April 2020 to 31 March 2022

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 months' notice 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 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. A.N. Roy	Chairman	Non-Executive and Independent
Ms. A. Bansal (up to 29.03.2020)	Member	Non-Executive and Independent
Mr. A. Vaidheesh (up to 31.03.2020)	Member	Managing Director
Mr. S. Venkatesh (w.e.f. 01.04.2020)	Member	Managing Director

Dr. Ms. S. Maheshwari was appointed as member w.e.f. 18 May 2020.

During the year under review, the Committee met on 3 March 2020 and all the members attended the 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 and Disclosures Regulations, 2015, the composition of the Investors / Shareholders Grievance Committee is as follows:

Name of the Member	Designation	Category of Directorship
Ms. R. S. Karnad	Chairman	Non-Executive
Mr. P. V. Bhide	Member	Non-Executive and Independent
Mr. A. Vaidheesh (up to 31.03.2020)	Member	Managing Director
Mr. S. Venkatesh (w.e.f. 01.04.2020)	Member	Managing Director

During the year under review, the Committee met on 22 July 2019 and 22 October 2019 and 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 - 400030
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	00
2	Received during the year	128
3	Resolved during the year	128
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 shareholders and 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
22 July 2019	1 April 2018 to 31 March 2019	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai – 400 020	2.30 p.m.	• Re-appointment of Mr. Pradeep V. Bhide as an Independent Director • Re-appointment of Mr. Nihal Kaviratne CBE as an Independent Director • Re-appointment of Mr. Anami N. Roy as an Independent Director • Re-appointment of Mr. D. Sundaram as an Independent Director
24 July 2018	1 April 2017 to 31 March 2018		2.30 p.m.	None
25 July 2017	1 April 2016 to 31 March 2017		3.00 p.m.	None

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

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 shareholders.
- The company's results and official news releases are displayed on the company's website at www.gsk-india.com. During the year, the company held and made presentations at seven institutional investor and analysts meetings.
- The Management Discussion and Analysis Report form a part of this Annual Report.

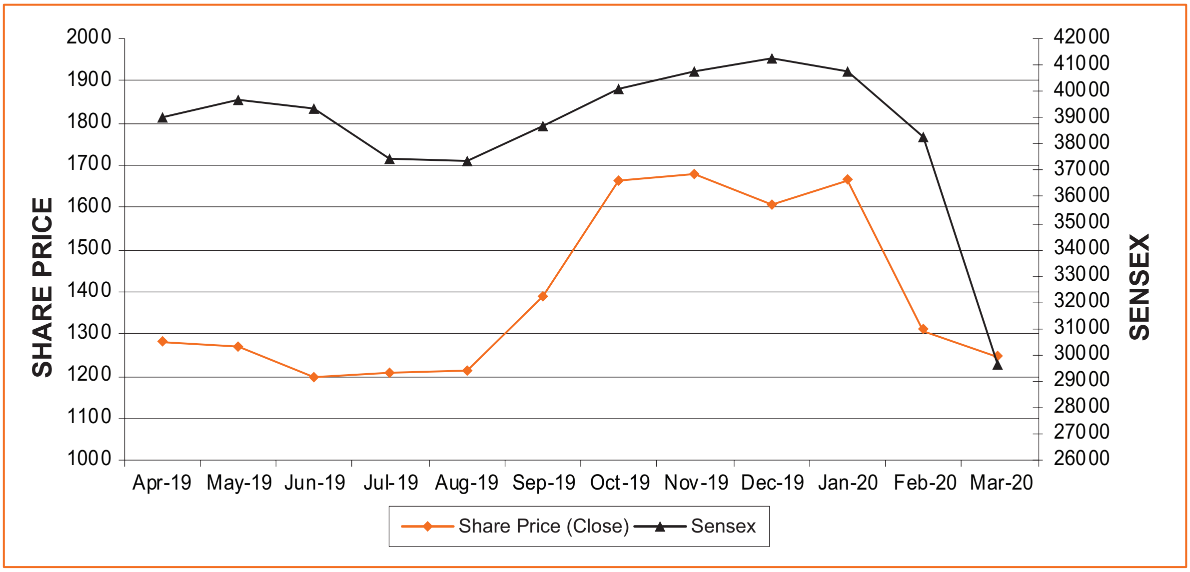
9. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Day, Time and Venue	27 July 2020, Monday at 2.30 p.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
Financial Year	i) April to March ii) First Quarter Results – July 2020 iii) Half-Yearly Results – October 2020 iv) Third Quarter Results – February 2021 v) Results for the year ending 31 March 2021 - May 2021
Record Date	20 July 2020
Dividend Payment date(s)	On and after 27 July 2020
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 year 1 April 2019 to 31 March 2020 and from 1 April 2020 to 31 March 2021.
Stock Code	500660 on BSE GLAXO on NSE
Demat ISIN Number for NSDL and CDSL	INE 159A01016

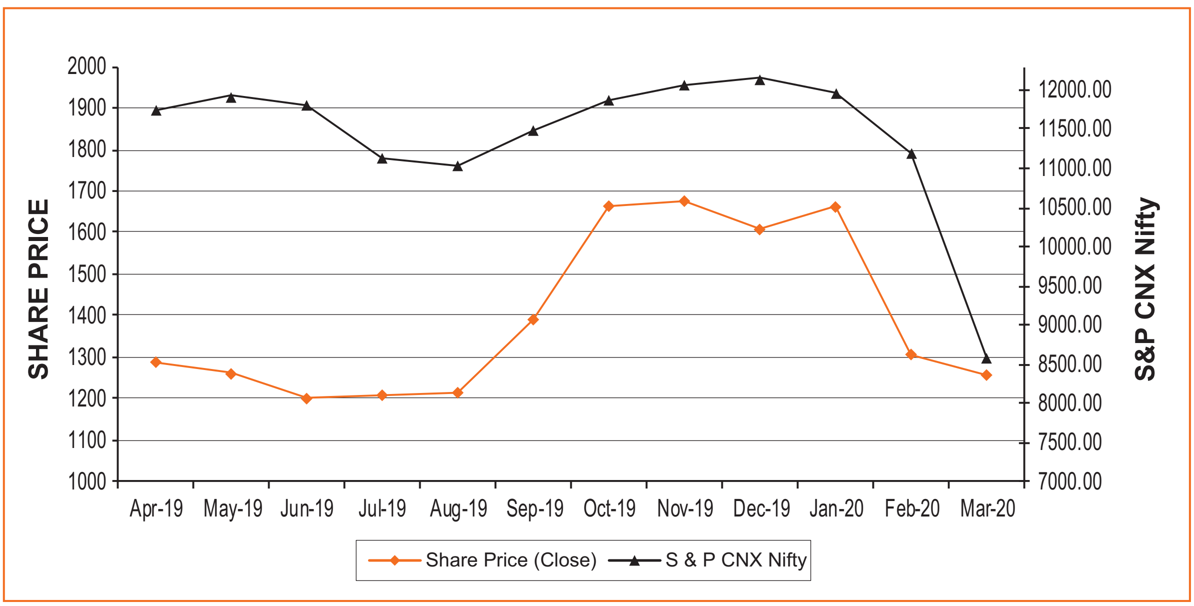
- High/low of market price of the company's shares traded along with the volumes on the Stock Exchange, Mumbai and on the National Stock Exchange during the year April 2019 to March 2020 is furnished below:

Month and Year	**BSE**			**NSE**		
	High (Rupees)	**Low (Rupees)**	**Volume (No. of Shares)**	**High (Rupees)**	**Low (Rupees)**	**Volume (No. of Shares)**
April 2019	1405.40	1275.00	35046	1328.80	1275.00	227037
May 2019	1299.00	1245.50	31048	1290.00	1246.60	389116
June 2019	1280.95	1198.45	25663	1280.00	1198.00	354018
July 2019	1224.00	1131.05	44556	1220.00	1130.00	593899
August 2019	1242.00	1170.35	64877	1248.00	1180.05	677760
September 2019	1480.00	1224.30	122662	1473.00	1219.00	1758190
October 2019	1699.95	1311.70	136158	1703.65	1310.10	904237
November 2019	1735.00	1589.60	81225	1737.00	1590.00	903552
December 2019	1727.00	1585.40	395597	1729.00	1585.00	998430
January 2020	1745.00	1589.70	223072	1748.00	1589.00	1912868
February 2020	1707.00	1280.00	242678	1687.00	1280.05	2622019
March 2020	1349.00	1046.40	103281	1340.00	962.65	805208

- **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

Particulars	No. of shares issued (of ₹10 each)	Year of issue
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 30 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 29 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 shareholders 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	5.60
2.	Aditya Birla Sun Life Trustee Company Private Limited	3.41
3.	General Insurance Corporation of India	1.16
4.	SBI Healthcare Opportunities Fund	0.69
5.	Investor Education and Protection Fund Authority	0.47
6.	The New India Assurance Company Limited	0.26
7.	The Oriental Insurance Company Limited	0.23
8.	BNP Paribas Mutual Fund	0.16
9.	UTI-MNC Fund	0.14
10.	Coupland Cardiff Funds Plc	0.09

- The distribution of shareholding as on 31 March 2020 is as follows:

No. of Equity Shares held	Folios	%	Shares	%
Upto 25	36310	32.11	402775	0.24
26 to 50	15215	13.46	618601	0.37
51 to 100	16340	14.45	1375940	0.81
101 to 500	38006	33.61	9389849	5.54
501 to 1000	4761	4.21	3371992	1.99
1001 to 10000	2327	2.06	4660492	2.75
10001 and above	104	0.09	149586385	88.30
Grand Total	**113063**	**100.00**	**169406034**	**100.00**

- Shareholding pattern as on 31 March 2020 is as follows:

Category	No. of Shares	%
Promoter and 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	78,06,965	4.61
Financial Institutions / Banks / Insurance Companies	1,14,50,770	6.76
Foreign Institutional Investors / NRI / OCB	12,35,248	0.73
Bodies Corporates	1,015,920	0.60
Foreign Nationals	284	0.00
Individuals	1,89,52,525	11.19
Others	18,89,798	1.11
Total	**16,94,06,034**	**100.00**

- Registrar and Share Transfer Agent: KFin Technologies Private Limited
  (previously known as Karvy Fintech Private Limited)
  Unit: GlaxoSmithKline Pharmaceuticals Limited
  Karvy Selenium Tower B, Plot No 31 and 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@kfintech.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: 98.60% of the paid-up capital has been dematerialised as on 31 March 2020. 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, Maharashtra 422001

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 31 March 2020.
- Company has not raised any funds through preferential allotment or QIP for the financial year ended 31 March 2020.
- Company has paid ₹ 110.10 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 https://india- pharma.gsk.com/en-in/investors/shareholder-information/policies/.
- There were three sexual harassment cases which were 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 second 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 shareholders 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, 18 May 2020

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 July 4, 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, 2020, 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, 2020.
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)

R. K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABP8015

Place : Mumbai
Date : 18 May 2020

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 31 March 2020.

For GlaxoSmithKline Pharmaceuticals Limited

Sridhar Venkatesh
Managing Director

Mumbai, 18 May 2020

Annexure ‘C’ to the Directors’ Report

Business Responsibility (BR) 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, Mumbai - 400030
4.	Website	:	www.gsk-india.com
5.	Email ID	:	askus@gsk.com
6.	Financial year reported	:	1 April 2019 to 31 March 2020

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 and Pneumococcal Polysaccharide and Conjugate Vaccine (adsorbed) Ph. Eur.
9.	Total number of locations where business activity is undertaken by the company:		
a.	Number of international locations	:	Nil
b.	Number of national locations	:	One Manufacturing Plant at Nashik and 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)	:	3224,68.02
3.	Total profit after taxes (₹ in lakhs)	:	110,05.26

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The company’s total spending on CSR is 2% 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 company(s).

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 Email 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 / guideline 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	NA	Y	NA	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?	https://india-pharma.gsk.com/en-in/investors/shareholder-information/code-of-conduct/ 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 / guideline 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	NA	NA	NA	NA	NA	NA	NA	NA	NA
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done within next six months	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done within next one year	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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 https://india-pharma.gsk.com/en-in/investors/financial-results/annual-reports/

Section E: Principle-wise Performance

Ethics, transparency and accountability

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 its values and expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. Your company also extends these ethical expectations to its third parties.

Your company conducts business in an ethical way. It engages stakeholders directly to understand and prioritise the issues that are important to them. As a global corporation, your company has a common Code of Conduct across the globe. This code sets out fundamental standards for all employees and is supported by the written standards, which helps employees take ethical decisions and emphasises the company's values: transparency, respect for people, integrity, and patient focus. This Code also extends to anyone who works for and on behalf of your company.

Your company markets prescription medicines and vaccines to healthcare professionals, hospitals and the government. Policies and updated Global Code of Practice for Promotion of Prescription Medicines and for Scientific Engagement prescribes the nature of your company's practices. This code, as the name suggests, is applicable worldwide. Regional and local policies, standard operating procedures and other written standards provide additional guidance to employees. In addition, your company is also a signatory to the code of practice of International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and the code of Pharmaceutical Practices of Organisation of Pharmaceutical Producers of India (OPPI).

Your company has an extensive Anti-Bribery and Corruption (ABAC) Programme. ABAC is a part of your company's response to the threat and risk of bribery and corruption. The programme includes the ABAC Policy, 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.

Safety and sustainability of products and services

Sustainability in business is critically important to deliver continued innovation and success. Your company's 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, your company can grow its business and add value to patients, consumers, employees, shareholders and society. Through a wide range of products and services, your company touches the lives of millions of patients every day. In the best interest of the patient, your company endeavours to work with responsible suppliers who adhere to the quality, social and environmental standards that are mandated by your company. The interest of the patient is of prime importance at every stage in your company - from development until the final distribution.

A significant proportion of ingredients for your company's 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 and as mentioned above, these vendors comply to your company's standards. To ensure the same, all vendors must go through the GSK Audit and Approval process, which is based on global guidelines. Your company's operational 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 your company's 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 your company's products are related to health, these cannot be recycled. However, there is a mechanism to segregate the waste given to an authorised vendor for recycling, wherever appropriate.

Your company follows the GSK Manufacturing Practices guidelines with respect to product packaging. Your company's products have overt anticounterfeiting measures and these are reviewed from time to time.

Employee wellness and wellbeing

Your company believes that it cannot deliver on performance unless it invests in and supports its people. Your company aims to create an inclusive and engaging working environment that empowers employees to contribute their best and help in achieving strategic business needs.

To support employees in the journey of wellness, your company offers a wide range of health and wellbeing programmes, focusing mainly on five key elements – physical health, mental wellbeing, nutrition, preventive health screening and de-addiction. Your company provides support to this programme by making investments, engaging senior leadership and subject matter experts who can provide directive guidelines for the programmes and establish its tracking and monitoring system.

Employee Assistant Programme (EAP) and Partnership for Prevention(P4P) are the main interventions offered to employees and their family members. EAP is a 24*7 independent counseling service available to all employees and their family members in multiple languages and accessible through mobile application, phone call and online. P4P offers eight types of preventive health services – adult and child immunisations, adult and child preventive care, de-addiction support, heart and diabetes care, women health and cancer screening.

Your company's manufacturing facility in Nashik also runs Project-WoW ('Work on Wellness') since 2014. The WoW project focuses on four main pillars of health improvement: health awareness, health surveillance, health prevention and health enhancement. Some key highlights of offerings made under WoW project are - strict 'No Tobacco Policy' supported by awareness and counselling while maintaining confidentiality; providing healthy food options and avoiding junk food/trans-fat items in the canteen; creating awareness by displaying food calorie chart, theme-based canteen standees, food posters and conducting food exhibitions with volunteers from amongst the employees; offering complimentary face-to-face counseling with dietitian at a regular interval and motivating and engaging employees for improving their physical fitness by providing discounted rates for gym membership, observing sports day, sponsoring employees to participate in marathon events and providing services of a physiotherapist for designing risk-based ergo exercise programme for shop floor staff. These measures have helped in improving overall health of the people and reduced sickness related absenteeism at the site.

Your company has also developed a global driver safety programme, 'Safe Driving: Every Journey Counts' for the safety of its employees in the field force. This initiative aims at increasing awareness on road and motor vehicle safety and trains employees on defensive driving.

Stakeholder engagement

Engaging and building trust with the broad range of stakeholders that interact with, or are impacted by your company's business, is key to delivering its strategy and ensuring the success of your company over the long term.

Patients	**How your company engages with patients** • Interactions with HCPs help shed light on patient needs • Market research help to uncover consumer insights	**What matters** • The pricing of healthcare products, particularly out-of-pocket expenses • Product innovation • Access to a reliable supply of high-quality, safe products **What your company is doing** • Taking a values-based approach to pricing to balance reward for innovation with access and affordability • Strengthening its pipeline to bring innovative products to patients and ensure that the company maintains high standards for product quality and safety

Investors	Your company maintains regular and constructive dialogue with investors to communicate its strategy and performance in order to promote investor confidence. **How your company engages with investors** • Annual General Meeting • Analysts' meet • Detailed company information online • One-to-one meetings between institutional investors and Managing Director and Chief Financial Officer	**What matters** • Financial performance and commercial success • Management of key environment, social and governance issues to mitigate risk and create opportunity **What your company is doing** • Continuing to report in line with best practice disclosure on progress towards strategic goals • Specific business and R&D updates
Healthcare professionals	Your company works with healthcare professionals (HCPs) to understand patient needs and to ensure the HCPs understand the science behind company's medicines. **How your company engages with HCPs** • Scientific dialogue to increase understanding of disease management and patient experience • Providing high-quality, balanced information about your company medicines and vaccines	**What matters** • Access to product and scientific information • Responsible sales and marketing practices • Safety, efficacy and differentiated innovation **What your company is doing** • Increasing the use of digital channels to deliver a more personalised and effective sharing of information to HCPs • Implementing a salesforce incentive policy linked to scientific knowledge and quality of engagement instead of targets around number of prescriptions
Government and regulators	Your company works with governments and regulators to advocate for policies that encourage innovation, promote efficient management of healthcare spending and give patients the support they need. **How your company engages with governments and regulators** • Meeting with regulatory bodies throughout the product introduction process to ensure high quality and safe new products • Engaging with government health agencies to demonstrate the value of your company's products • Working with governments to build a strong operating environment for life sciences	**What matters** • Environment which values innovation and drives investment in life sciences • Scientific funding and collaboration • Medicine pricing • Public health threats **What your company is doing** • Working with policymakers to support an operating environment that remains competitive for investment, enables mobility of scientific talent and accelerates the uptake of innovative medicines • Actively engaging on government proposals for healthcare reform • Partnering with authorities to ensure support for global innovation

NGOs and multilateral organisations	Your company works with non-governmental organisations (NGOs) and multilateral organisations to improve access to healthcare through its corporate social responsibility (CSR) initiatives. **How your company engages with NGOs and multilateral organisations** • Working with NGOs and partners to implement CSR initiatives in communities • Partnering with multilateral organisations like the World Health Organisation (WHO) to address public health issue of lymphatic filariasis in India	**What matters** • Access to medicines and vaccines • Achieving the United Nation's Sustainable Development Goals and WHO targets for specific disease areas **What your company is doing** • Leveraging CSR programmes to deliver more impact for communities and vulnerable sections • Focusing on unique value-add as a global health partner to develop products where we have scientific expertise through our global health programmes
Suppliers	Your company works with multiple suppliers, large and small, who provide goods and services that support your company in delivering a reliable supply of high-quality, safe products for patients. **How your company engages with suppliers** • Regular direct engagement between business owner and supplier to ensure they support your company's strategies and targets • Engaging with suppliers through your company's Third-Party Oversight programme and by conducting in-depth audits • Participating in cross-industry forums such as the Organisation of Pharmaceuticals Producers in India (OPPI) to improve supply chain sustainability	**What matters** • Prompt payment for smaller suppliers • Understanding GSK standards and policies to ensure compliance • Opportunities to innovate and grow the relationship **What your company is doing** • Updating payment practices to ensure that smaller suppliers benefit from preferential payment terms • Conducting business with suppliers who share your company's values and high quality and ethical standards to ensure security of supply • Engaging with suppliers to develop improvement plans and track progress when areas for improvement are identified
Employees	Your company involves and listens to employees to help maintain strong employee engagement and retain talented people. **How your company engages with employees** • Regular interactive 'Let's talk' events with the India Leadership Team • Facilitating dialogue and collaboration through internal communications platform • Women's Leadership Initiative and Employee Resource Groups covering different strands of diversity • Global all-employee survey and One80 Survey for employees to provide feedback on line managers	**What matters** • Opportunities for career and personal development • Flexible working to support balancing wider responsibilities • Working in an inclusive and diverse environment • Working for a purposeful company and a great line manager **What your company is doing** • Providing all employees with access to a new development portal with resources that are most relevant to their roles, development needs and interests • Formal flexible working and career policies • Monitoring employee engagement through the employee survey and acting on feedback to improve engagement

Human Rights

Your company conforms to national laws as well as global policies. It complies with and adheres to all human rights laws and guidelines of the Constitution of India, national laws and policies and the content of the International Bill of Human Rights.

Your company has direct control over human rights in its own operations and aims to act responsibly across all spheres, which includes its employees, suppliers, local communities and more broadly, the society.

Approach to human rights

Employees – your company's employment standards cover issues including diversity, equal opportunities, health and safety and protection of employees' human rights.

Suppliers – your company's third parties are required to meet GSK guidelines for ethical standards and human rights. Environmental, Health and Safety (EHS) audits help us identify potential breaches of human rights clauses.

Communities – your company acts responsibly towards communities in which it operates and in ways that do not infringe their human rights.

Society – your company's efforts to improve access to healthcare support society more broadly to fulfill its right to health.

Read GSK's Human Rights Position Statement at https://www.gsk.com/media/4503/human-rights-statement-policy.pdf

Environment protection

Your company continues to support environmental initiatives through its environmental sustainability strategy that is implemented across the entire value chain - from raw materials to product disposal. As your company grows its business to bring innovative medicines to people across the world, environmental sustainability continues to be a priority and your company remains committed to reducing any adverse impact to the environment. Your company's policy on environment conforms to local laws as well as GSK's global standards.

The packaging of your company's products plays an important role in delivering safe, stable and trusted medicines and vaccines. However, plastic used in product packaging has an impact on the environment. Under Extended Producer Responsibility (EPR), your company has collected and disposed 310MT in FY18-19 and 1,828MT for FY19-20 of post-consumed plastic waste (brand, sector and geography neutral) on pan-India basis.

Various initiatives for energy efficiency and renewable energy were undertaken at your company's manufacturing site at Nashik during the year. The site undertook initiatives for reducing water consumption on principles of reduction, recycling and re-use in applications across the site. There was zero discharge with respect to water and treated site effluent was used for site gardening. There were also continued efforts to monitor noise levels and gaseous emissions from the boiler and recycle waste. These initiatives resulted in sustaining a high level of energy efficiency. The emissions generated by your company were within the limit specified by the Maharashtra Pollution Control Board. Regarding waste management, waste was segregated and given to government approved vendors for recycling and incineration, wherever appropriate.

Read more about GSK's global environmental initiatives at https://www.gsk.com/en-gb/responsibility/environment/

Public policy and patient advocacy

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

Inclusive growth and equitable development

Your company has a long legacy of partnering with the communities in which it operates. It undertakes corporate social responsibility (CSR) projects, focused on making life-changing, long-term differences in human health by addressing some of the major health-related concerns. Your company works to fulfil this through community-based partnerships since 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 your company's CSR projects, please refer to Annual CSR Report 2019-20 at https://india-pharma.gsk.com/media/886885/annual-csr-report-2019-20.pdf

Your company also encourages its employees to contribute towards community initiatives through employee volunteering programmes. Your company has a range of volunteering initiatives from one day of volunteering called Orange Day to a more structured, skills-based full-time volunteering opportunity called PULSE. In 2019, more than 1,000 employees contributed nearly 10,000 volunteering hours.

Patient engagement

Patients are at the core of your company's business. Your company is constantly seeking new ways of delivering healthcare and making its products available and affordable to people who need them, wherever they live. To expand access to its products, GSK has led the industry by adopting a flexible pricing approach for its medicines and vaccines, which is based on a country's ability to pay. This has resulted in significant reduction in prices in India, representing a good outcome for the patients.

Your company adheres to national and GSK global standards with respect to product quality and provides all information as required under the Drugs and Cosmetics Act and Rules in its product packaging.

Your company is committed to identifying and managing Human Safety Information (HSI) to help safeguard those who take its products or take part in GSK clinical trials (HSI is defined as information relating to human health and/or wellbeing following exposure to GSK products). If anyone becomes aware of any HSI in the course of their work, they must report it to the Central Safety Department (CSD), or your company's medical department within 24 hours, which can be done through the HSI/Adverse Events (AE) Reporting Email ID - india.pharmacovigilance@gsk.com. Protecting our patients means taking this information seriously and your company provides regular reports and discusses actions with regulatory authorities.

As on 31 March 2020, from a quality perspective, 47 complaints that were made directly to your company are being investigated and closed as per company standards. As on 31 March 2020, there are 5 consumer complaints pending before the court and consumer forums.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2020

Annexure 'D' to the Directors' Report

Secretarial Audit Report for the Financial year ended 31 March 2020

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 authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2020, 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 31 March, 2020 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, 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, 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 Executive Directors, Non-Executive Directors and Independent Directors. The Board comprised of 9 Directors out of which 4 were Independent Directors, consequent upon retirement of Ms. Anjali Bansal, an Independent Director on March 29, 2020. On May 18, 2020, the Board appointed Dr. Ms. Sunita Maheshwari as an Additional and Independent Director. 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 no events occurred which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
Udin: F000327B000249961

Place: Mumbai
Date: 18.05.2020

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. Whereever 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
Udin: F000327B000249961

Place: Mumbai
Date: 18.05.2020

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 'E' to the Directors' Report

Extract of Annual Return

FORM MGT - 9

[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	13 November 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	GSK House, 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:	KFin Technologies Private Limited (previously known as Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli Financial District Nanakramguda, Serillingampally Hyderabad, Telangana – 500032 Tel: 040- 67162222, Fax: 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, Mumbai 400030	U51900MH1948PLC006218	Subsidiary	100	2(87)

IV. Share Holding Pattern (equity share capital breakup as percentage of total equity):

i. Category-wise shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% 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	127054524	0	127054524	75.00	127054524	0	127054524	75.00	0
Sub-total (A)(2):	**127054524**	**0**	**127054524**	**75.00**	**127054524**	**0**	**127054524**	**75.00**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**127054524**	**0**	**127054524**	**75.00**	**127054524**	**0**	**127054524**	**75.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	4925613	21042	4946655	2.92	7785955	21010	7806965	4.61	1.69
b) Banks / FI	13793627	28224	13821851	8.16	11422720	28050	11450770	6.76	-1.40
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	2451486	800	2452286	1.45	508911	400	509311	0.30	-1.15
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
Qualified Foriegn Investor	0	0	0	0	970542	0	970542	0	0.57
Sub-total (B)(1):	**21170726**	**50066**	**21220792**	**12.53**	**20688128**	**49460**	**20737588**	**12.24**	**-0.29**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	880829	28393	909222	0.54	988972	26948	1015920	0.60	0.60
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	15666080	2607003	18273083	10.79	16181455	2268293	18450372	10.89	0.10

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	412389	10480	422869	0.25	492297	10480	502777	0.30	0.05
c) Others (specify)									
NBFCs Registered with RBI	87372	0	87372	0.05	58877	0	58877	0.03	-0.02
Non-Resident Indian Repatriable	511028	6184	517212	0.31	546971	6024	552995	0.33	0.02
Trusts	32970	0	32970	0.02	29112	0	29112	0.02	0.00
Non-Resident Indians	125593	98	125691	0.07	170094	0	170094	0.10	0.03
Clearing Members	9255	0	9255	0.01	27373	0	27373	0.02	0.01
Non-Resident Companies									
Non-Resident Indian Non Repatriable	0	2848	2848	0.00	0	2848	2848	0.00	0.00
Directors	600	0	600	0.00	600	0	600	0	0.00
Foreign Nationals	150	0	150	0.00	284	0	284	0.00	0.00
IEPF	749446	0	749446	0.44	802670	0	802670	0.47	0.03
Sub-total(B)(2):	**18475712**	**2655006**	**21130718**	**12.47**	**19299329**	**2314593**	**21613922**	**12.76**	**0.29**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**39646438**	**2705072**	**42351509**	**25.00**	**39987457**	**2364053**	**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)	**166700962**	**2705072**	**169406034**	**100.00**	**167041981**	**2364053**	**169406034**	**100.00**	**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 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	60970500	35.99	0	60970500	35.99	0	0
2	Eskaylab Limited	11760000	6.94	0	11760000	6.94	0	0
3	Burroughs Wellcome International Limited	6720000	3.97	0	6720000	3.97	0	0
4	GlaxoSmithKline Pte Limited	47604024	28.10	0	47604024	28.10	0	0
	Total	**127054524**	**75.00**	**0**	**127054524**	**75.00**	**0**	**0**

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

There is no change in promoters holding during the year.

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		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	**LIFE INSURANCE CORPORATION OF INDIA**						
		01/04/2019	At the beginning of the year	10768929	0.00	10768929	6.36
		19/04/2019	Sale	-620	0.00	10768309	6.36
		14/06/2019	Sale	-16050	-0.01	10752259	6.35
		21/06/2019	Sale	-10000	-0.01	10742259	6.34
		28/06/2019	Sale	-22378	-0.01	10719881	6.33
		05/07/2019	Purchase	95000	0.06	10814881	6.38
		05/07/2019	Sale	-130664	-0.08	10684217	6.31
		12/07/2019	Purchase	4000	0.00	10688217	6.31
		12/07/2019	Sale	-15820	-0.01	10672397	6.30
		19/07/2019	Sale	-18788	-0.01	10653609	6.29
		06/12/2019	Purchase	5000	0.00	10658609	6.29
		06/12/2019	Sale	-31205	-0.02	10627404	6.27
		13/12/2019	Sale	-155615	-0.09	10471789	6.18
		20/12/2019	Sale	-309701	-0.18	10162088	6.00
		27/12/2019	Sale	-56036	-0.03	10106052	5.97
		31/12/2019	Sale	-6101	0.00	10099951	5.96
		03/01/2020	Sale	-43352	-0.03	10056599	5.94
		10/01/2020	Sale	-141459	-0.08	9915140	5.85
		17/01/2020	Sale	-29158	-0.02	9885982	5.84
		24/01/2020	Sale	-223600	-0.13	9662382	5.70
		31/01/2020	Sale	-7933	0.00	9654449	5.70
		07/02/2020	Sale	-18681	-0.01	9635768	5.69
		14/02/2020	Sale	-51463	-0.03	9584305	5.66
		21/02/2020	Sale	-87847	-0.05	9496458	5.61
		28/02/2020	Sale	-13084	-0.01	9483374	5.60
		31/03/2020	At the end of the year	9483374	5.60	9483374	5.60
2	**ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED**						
		01/04/2019	At the beginning of the year	4352161	0.00	4352161	2.57
		05/04/2019	Purchase	21150	0.01	4373311	2.58
		12/04/2019	Purchase	12600	0.01	4385911	2.59
		19/04/2019	Purchase	14381	0.01	4400292	2.60
		19/04/2019	Sale	-7631	0.00	4392661	2.59
		26/04/2019	Purchase	20700	0.01	4413361	2.61

Sr. No.	Name of the Shareholder	Date	Remarks	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
		03/05/2019	Purchase	17200	0.01	4430561	2.62
		10/05/2019	Purchase	22050	0.01	4452611	2.63
		17/05/2019	Purchase	31500	0.02	4484111	2.65
		24/05/2019	Purchase	32340	0.02	4516451	2.67
		31/05/2019	Purchase	24750	0.01	4541201	2.68
		07/06/2019	Purchase	18450	0.01	4559651	2.69
		14/06/2019	Purchase	27450	0.02	4587101	2.71
		21/06/2019	Purchase	35217	0.02	4622318	2.73
		28/06/2019	Purchase	37800	0.02	4660118	2.75
		05/07/2019	Purchase	23400	0.01	4683518	2.76
		12/07/2019	Purchase	28710	0.02	4712228	2.78
		19/07/2019	Purchase	26640	0.02	4738868	2.80
		26/07/2019	Purchase	24480	0.01	4763348	2.81
		02/08/2019	Purchase	37440	0.02	4800788	2.83
		09/08/2019	Purchase	30780	0.02	4831568	2.85
		16/08/2019	Purchase	19440	0.01	4851008	2.86
		23/08/2019	Purchase	44460	0.03	4895468	2.89
		30/08/2019	Purchase	33255	0.02	4928723	2.91
		06/09/2019	Purchase	10350	0.01	4939073	2.92
		13/09/2019	Purchase	4050	0.00	4943123	2.92
		20/09/2019	Sale	-13611	-0.01	4929512	2.91
		27/09/2019	Purchase	40161	0.02	4969673	2.93
		30/09/2019	Purchase	14400	0.01	4984073	2.94
		04/10/2019	Purchase	30600	0.02	5014673	2.96
		11/10/2019	Purchase	32618	0.02	5047291	2.98
		18/10/2019	Purchase	29700	0.02	5076991	3.00
		25/10/2019	Purchase	38319	0.02	5115310	3.02
		01/11/2019	Purchase	22500	0.01	5137810	3.03
		08/11/2019	Purchase	36000	0.02	5173810	3.05
		15/11/2019	Purchase	47515	0.03	5221325	3.08
		22/11/2019	Purchase	44862	0.03	5266187	3.11
		29/11/2019	Purchase	33800	0.02	5299987	3.13
		06/12/2019	Purchase	13500	0.01	5313487	3.14
		13/12/2019	Purchase	35100	0.02	5348587	3.16
		20/12/2019	Purchase	18000	0.01	5366587	3.17
		27/12/2019	Purchase	52770	0.03	5419357	3.20
		31/12/2019	Purchase	19800	0.01	5439157	3.21
		03/01/2020	Purchase	36000	0.02	5475157	3.23
		10/01/2020	Purchase	25000	0.01	5500157	3.25
		17/01/2020	Purchase	53763	0.03	5553920	3.28

Sr. No.	Name of the Shareholder	Date	Remarks	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
		24/01/2020	Purchase	34200	0.02	5588120	3.30
		31/01/2020	Purchase	10800	0.01	5598920	3.31
		07/02/2020	Purchase	10800	0.01	5609720	3.31
		14/02/2020	Purchase	100000	0.06	5709720	3.37
		21/02/2020	Purchase	19043	0.01	5728763	3.38
		06/03/2020	Purchase	5000	0.00	5733763	3.38
		13/03/2020	Purchase	9000	0.01	5742763	3.39
		20/03/2020	Purchase	19839	0.01	5762602	3.40
		27/03/2020	Purchase	11700	0.01	5774302	3.41
		31/03/2020	Purchase	4869	0.00	5779171	3.41
		31/03/2020	At the end of the year	5779171	0.00	5779171	3.41
3	**GENERAL INSURANCE CORPORATION OF INDIA**						
		01/04/2019	At the beginning of the year	1931436	1.14	1931436	1.14
		06/12/2019	Sale	-6460	0.00	1924976	1.14
		13/12/2019	Sale	-13540	-0.01	1911436	1.13
		31/12/2019	Sale	-17000	-0.01	1894436	1.12
		03/01/2020	Sale	-3000	0.00	1891436	1.12
		14/02/2020	Purchase	2992	0.00	1894428	1.12
		21/02/2020	Purchase	45000	0.03	1939428	1.14
		28/02/2020	Purchase	6884	0.00	1946312	1.15
		06/03/2020	Purchase	458	0.00	1946770	1.15
		13/03/2020	Purchase	10091	0.01	1956861	1.16
		20/03/2020	Purchase	13017	0.01	1969878	1.16
		27/03/2020	Purchase	715	0.00	1970593	1.16
		31/03/2020	At the end of the year	1970593	1.16	1970593	1.16
4	**SBI HEALTHCARE OPPORTUNITIES FUND**						
		01/04/2019	At the beginning of the year	1780	0.00	1780	0.00
		20/12/2019	Purchase	208396	0.12	210176	0.12
		27/12/2019	Purchase	20000	0.01	230176	0.14
		03/01/2020	Purchase	140399	0.08	370575	0.22
		10/01/2020	Purchase	85536	0.05	456111	0.27
		17/01/2020	Purchase	8347	0.00	464458	0.27
		24/01/2020	Purchase	700339	0.41	1164797	0.69
		31/03/2020	At the end of the year	1164797	0.69	1164797	0.69

Sr. No.	Name of the Shareholder	Date	Remarks	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
5	ABERDEEN GLOBAL INDIAN EQUITY LIMITED						
		01/04/2019	At the beginning of the year	1052558	0.62	1052558	0.62
		24/05/2019	Sale	-18310	-0.01	1034248	0.61
		31/05/2019	Sale	-13247	-0.01	1021001	0.60
		07/06/2019	Sale	-9019	-0.01	1011982	0.60
		14/06/2019	Sale	-5514	0.00	1006468	0.59
		21/06/2019	Sale	-11117	-0.01	995351	0.59
		28/06/2019	Sale	-1182	0.00	994169	0.59
		05/07/2019	Sale	-8044	0.00	986125	0.58
		12/07/2019	Sale	-44506	-0.03	941619	0.56
		19/07/2019	Sale	-15995	-0.01	925624	0.55
		26/07/2019	Sale	-39643	-0.02	885981	0.52
		02/08/2019	Sale	-30448	-0.02	855533	0.51
		09/08/2019	Sale	-31803	-0.02	823730	0.49
		16/08/2019	Sale	-48916	-0.03	774814	0.46
		23/08/2019	Sale	-68323	-0.04	706491	0.42
		30/08/2019	Sale	-23110	-0.01	683381	0.40
		06/09/2019	Sale	-69975	-0.04	613406	0.36
		13/09/2019	Sale	-312903	-0.18	300503	0.18
		20/09/2019	Sale	-61267	-0.04	239236	0.14
		27/09/2019	Sale	-181900	-0.11	57336	0.03
		30/09/2019	Sale	-13807	-0.01	43529	0.03
		04/10/2019	Sale	-12468	-0.01	31061	0.02
		11/10/2019	Sale	-22511	-0.01	8550	0.01
		18/10/2019	Sale	-8550	-0.01	0.00	0.00
		31/03/2020	At the end of the year	0.00	0.00	0.00	0.00
6	INVESTOR EDUCATION & PROTECTION FUND						
		01/04/2019	At the beginning of the year	749446	0.44	749446	0.44
		14/06/2019	Transferred	62281	0.04	811727	0.48
		21/06/2019	Transferred	254	0.00	811981	0.48
		28/06/2019	Investor claimed	-96	0.00	811885	0.48
		26/07/2019	Investor claimed	-248	0.00	811637	0.48
		02/08/2019	Investor claimed	-267	0.00	811370	0.48
		09/08/2019	Investor claimed	-354	0.00	811016	0.48
		06/09/2019	Investor claimed	-240	0.00	810776	0.48
		27/09/2019	Investor claimed	-120	0.00	810656	0.48
		30/09/2019	Investor claimed	-1044	0.00	809612	0.48
		11/10/2019	Investor claimed	-686	0.00	808926	0.48

Sr. No.	Name of the Shareholder	Date	Remarks	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
		25/10/2019	Investor claimed	-200	0.00	808726	0.48
		01/11/2019	Investor claimed	-90	0.00	808636	0.48
		08/11/2019	Investor claimed	-654	0.00	807982	0.48
		15/11/2019	Investor claimed	-586	0.00	807396	0.48
		22/11/2019	Investor claimed	-294	0.00	807102	0.48
		29/11/2019	Investor claimed	-596	0.00	806506	0.48
		13/12/2019	Investor claimed	-160	0.00	806346	0.48
		20/12/2019	Investor claimed	-40	0.00	806306	0.48
		27/12/2019	Investor claimed	-14	0.00	806292	0.48
		31/12/2019	Investor claimed	-1028	0.00	805264	0.48
		10/01/2020	Investor claimed	-250	0.00	805014	0.48
		24/01/2020	Investor claimed	-420	0.00	804594	0.47
		31/01/2020	Investor claimed	-590	0.00	804004	0.47
		07/02/2020	Investor claimed	-54	0.00	803950	0.47
		21/02/2020	Investor claimed	-380	0.00	803570	0.47
		28/02/2020	Investor claimed	-500	0.00	803070	0.47
		13/03/2020	Investor claimed	-400	0.00	802670	0.47
		31/03/2020	At the end of the year	802670	0.00	802670	0.47
7	**THE ORIENTAL INSURANCE COMPANY LIMITED**						
		01/04/2019	At the beginning of the year	710009	0.42	710009	0.42
		30/09/2019	Sale	-2500	0.00	707509	0.42
		04/10/2019	Sale	-5072	0.00	702437	0.41
		11/10/2019	Sale	-6269	0.00	696168	0.41
		18/10/2019	Sale	-16853	-0.01	679315	0.40
		25/10/2019	Sale	-21027	-0.01	658288	0.39
		01/11/2019	Sale	-10000	-0.01	648288	0.38
		08/11/2019	Sale	-11800	-0.01	636488	0.38
		15/11/2019	Sale	-14500	-0.01	621988	0.37
		22/11/2019	Sale	-9924	-0.01	612064	0.36
		29/11/2019	Sale	-9513	-0.01	602551	0.36
		06/12/2019	Sale	-10005	-0.01	592546	0.35
		13/12/2019	Sale	-16130	-0.01	576416	0.34
		20/12/2019	Sale	-18102	-0.01	558314	0.33
		27/12/2019	Sale	-19327	-0.01	538987	0.32
		31/12/2019	Sale	-14319	-0.01	524668	0.31
		03/01/2020	Sale	-22900	-0.01	501768	0.30
		10/01/2020	Sale	-20582	-0.01	481186	0.28
		17/01/2020	Sale	-21669	-0.01	459517	0.27
		24/01/2020	Sale	-20886	-0.01	438631	0.26
		31/01/2020	Sale	-32459	-0.02	406172	0.24

Sr. No.	Name of the Shareholder	Date	Remarks	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
		07/02/2020	Sale	-10978	-0.01	395194	0.23
		31/03/2020	At the end of the year	395194	0.23	395194	0.23
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A-SERIES						
		01/04/2019	At the beginning of the year	476619	0.28	476619	0.28
		10/05/2019	Sale	-2015	0.00	474604	0.28
		24/05/2019	Sale	-1945	0.00	472659	0.28
		31/05/2019	Sale	-378	0.00	472281	0.28
		28/06/2019	Sale	-1698	0.00	470583	0.28
		30/08/2019	Sale	-11498	-0.01	459085	0.27
		27/09/2019	Sale	-30328	-0.02	428757	0.25
		11/10/2019	Sale	-3520	0.00	425237	0.25
		25/10/2019	Sale	-1784	0.00	423453	0.25
		08/11/2019	Sale	-4354	0.00	419099	0.25
		29/11/2019	Sale	-3495	0.00	415604	0.25
		27/12/2019	Sale	-10548	-0.01	405056	0.24
		24/01/2020	Sale	-405056	-0.24	0.00	0.00
		31/03/2020	At the end of the year	0.00	0.00	0.00	0.00
9	THE INDIA FUND INC						
		01/04/2019	At the beginning of the year	328214	0.19	328214	0.19
		24/05/2019	Sale	-5709	0.00	322505	0.19
		31/05/2019	Sale	-4132	0.00	318373	0.19
		07/06/2019	Sale	-2812	0.00	315561	0.19
		14/06/2019	Sale	-2465	0.00	313096	0.18
		21/06/2019	Sale	-4142	0.00	308954	0.18
		28/06/2019	Sale	-719	0.00	308235	0.18
		05/07/2019	Sale	-2625	0.00	305610	0.18
		12/07/2019	Sale	-13793	-0.01	291817	0.17
		19/07/2019	Sale	-5214	0.00	286603	0.17
		26/07/2019	Sale	-12275	-0.01	274328	0.16
		02/08/2019	Sale	-9429	-0.01	264899	0.16
		09/08/2019	Sale	-9847	-0.01	255052	0.15
		16/08/2019	Sale	-15145	-0.01	239907	0.14
		23/08/2019	Sale	-21155	-0.01	218752	0.13
		30/08/2019	Sale	-7155	0.00	211597	0.12
		06/09/2019	Sale	-21666	-0.01	189931	0.11
		13/09/2019	Sale	-96884	-0.06	93047	0.05
		20/09/2019	Sale	-18970	-0.01	74077	0.04
		27/09/2019	Sale	-56323	-0.03	17754	0.01
		30/09/2019	Sale	-4275	0.00	13479	0.01

Sr. No.	Name of the Shareholder	Date	Remarks	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
		04/10/2019	Sale	-3861	0.00	9618	0.01
		11/10/2019	Sale	-6970	0.00	2648	0.00
		18/10/2019	Sale	-2648	0.00	0.00	0.00
		31/03/2020	At the end of the year	0.00	0.00	0.00	0.00
10	**L AND T MUTUAL FUND TRUSTEE LIMITED**						
		01/04/2019	At the beginning of the year	305754	0.18	305754	0.18
		05/04/2019	Sale	-14915	-0.01	290839	0.17
		12/04/2019	Sale	-15386	-0.01	275453	0.16
		19/04/2019	Sale	-17187	-0.01	258266	0.15
		26/04/2019	Sale	-10799	-0.01	247467	0.15
		03/05/2019	Sale	-9816	-0.01	237651	0.14
		10/05/2019	Sale	-2216	0.00	235435	0.14
		17/05/2019	Sale	-19824	-0.01	215611	0.13
		24/05/2019	Sale	-21627	-0.01	193984	0.11
		31/05/2019	Sale	-29566	-0.02	164418	0.10
		14/06/2019	Sale	-6996	0.00	157422	0.09
		21/06/2019	Sale	-5987	0.00	151435	0.09
		28/06/2019	Sale	-25591	-0.02	125844	0.07
		05/07/2019	Sale	-657	0.00	125187	0.07
		12/07/2019	Sale	-2475	0.00	122712	0.07
		16/08/2019	Sale	-33994	-0.02	88718	0.05
		23/08/2019	Sale	-63727	-0.04	24991	0.01
		30/08/2019	Sale	-24991	-0.01	0.00	0.00
		31/03/2020	At the end of the year	0.00	0.00	0.00	0.00
11	**THE NEW INDIA ASSURANCE COMPANY LIMITED**						
		01/04/2019	At the beginning of the year	282186	0.17	282186	0.17
		12/07/2019	Purchase	31000	0.02	313186	0.18
		19/07/2019	Purchase	19000	0.01	332186	0.20
		16/08/2019	Purchase	30016	0.02	362202	0.21
		23/08/2019	Purchase	69984	0.04	432186	0.26
		27/03/2020	Purchase	15474	0.01	447660	0.26
		31/03/2020	At the end of the year	447660	0.00	447660	0.26
12	**BNP PARIBAS MUTUAL FUND**						
		01/04/2019	At the beginning of the year	0.00	0.00	0.00	0.00
		26/07/2019	Purchase	20000	0.01	20000	0.01
		02/08/2019	Purchase	5000	0.00	25000	0.01
		20/09/2019	Purchase	5000	0.00	30000	0.02

Sr. No.	Name of the Shareholder	Date	Remarks	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
		27/09/2019	Purchase	37500	0.02	67500	0.04
		04/10/2019	Purchase	2500	0.00	70000	0.04
		18/10/2019	Purchase	16048	0.01	86048	0.05
		25/10/2019	Purchase	31500	0.02	117548	0.07
		08/11/2019	Purchase	5000	0.00	122548	0.07
		06/12/2019	Purchase	40000	0.02	162548	0.10
		13/12/2019	Purchase	11500	0.01	174048	0.10
		20/12/2019	Sale	-7500	0.00	166548	0.10
		03/01/2020	Purchase	4000	0.00	170548	0.10
		10/01/2020	Purchase	10000	0.01	180548	0.11
		17/01/2020	Purchase	3000	0.00	183548	0.11
		31/01/2020	Purchase	15000	0.01	198548	0.12
		07/02/2020	Purchase	5700	0.00	204248	0.12
		14/02/2020	Purchase	9300	0.01	213548	0.13
		28/02/2020	Purchase	10952	0.01	224500	0.13
		06/03/2020	Purchase	14000	0.01	238500	0.14
		13/03/2020	Purchase	5000	0.00	243500	0.14
		20/03/2020	Purchase	23400	0.01	266900	0.16
		27/03/2020	Purchase	12000	0.01	278900	0.16
		31/03/2020	At the end of the year	278900	0.16	278900	0.16
13	**UTI-MNC FUND**						
		01/04/2019	At the beginning of the year	216000	0.13	216000	0.13
		20/09/2019	Purchase	50000	0.03	266000	0.16
		27/09/2019	Purchase	15488	0.01	281488	0.17
		31/01/2020	Sale	-3897	0.00	277591	0.16
		07/02/2020	Sale	-33415	-0.02	244176	0.14
		31/03/2020	At the end of the year	244176	0.00	244176	0.14
14	**COUPLAND CARDIFF FUNDS PLC**						
		01/04/2019	At the beginning of the year	0.00	0.00	0.00	0.00
		06/09/2019	Purchase	36635	0.02	36635	0.02
		13/09/2019	Purchase	21936	0.01	58571	0.03
		30/09/2019	Purchase	14418	0.01	72989	0.04
		04/10/2019	Purchase	10000	0.01	82989	0.05
		18/10/2019	Purchase	5500	0.00	88489	0.05
		28/02/2020	Purchase	60000	0.04	148489	0.09
		31/03/2020	At the end of the year	148489	0.09	148489	0.09

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 the Directors and KMP hold shares in the company except Ms. R. S. Karnad, Chairperson who holds 600 equity shares in the company which remained 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	-	58.30	-	58.30
ii)	Interest due but not paid	-	0	-	-
iii)	Interest accrued but not due	-	0	-	-
Total (i+ii+iii)		-	58.30	-	58.30
Change in Indebtedness during the financial year					
•	Addition	-	0	-	-
•	Reduction	-	40.60	-	40.60
Net Change		-	40.60	-	40.60
Indebtedness at the end of the financial year					
i)	Principal Amount	-	17.70	-	17.70
ii)	Interest due but not paid	-	0	-	-
iii)	Interest accrued but not due	-	0	-	-
Total (i+ii+iii)		-	17.70	-	17.70

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	372.92	109.50	133.45	615.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	117.93	55.39	113.74	287.06
	(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	326.95	28.90	35.35	391.20
5	Others Performance Bonus & retiral benefits	456.82	95.59	151.22	703.63
	Total	1274.62	289.38	433.76	1997.76
	Ceiling as per the Act (@10 % of profits calculated under section 198 of the Companies Act, 2013)				4,064.24

*includes retiral benefits and Share Value Plan paid in May 2020.

There has been a change in the month of annual performance bonus payment to March from FY2019-20

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				
	Ms. A. Bansal (upto 29.03.2020)	2.00	14.92	-	16.92
	Mr. P. V. Bhide	7.00	15.00	-	22.00
	Mr. N. Kaviratne	7.50	15.00	-	22.50
	Mr. A. N. Roy	3.00	15.00	-	18.00
	Mr. D. Sundaram	6.00	15.00	-	21.00
	Total (1)	25.50	74.92	-	100.42
2	Other Non-Executive Directors				
	Ms. R. S. Karnad	9.00	20	-	29.00
	Total (2)	9.00	20	-	29.00
	Total Managerial Remuneration (1+2)	34.50	94.92	-	129.42
	Overall Ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)				406.42

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 u/s 17(1) of the Income-tax Act, 1961	46.32	46.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41.74*	41.74*
	(c) Profits in lieu of salary u/s 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	14.14	14.14
5	Others– Performance Bonus	30.23	30.23
	Total	132.43	132.43

*includes IPT award for year 2019 of ₹ 6,67,644.

There has been a change in the month of annual performance bonus payment to March from FY 2019-20.

VII Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31 March 2020.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2020

Annexure 'F' to the Directors' 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

Nashik site has undertaken various initiatives for energy and water conservation in the FY19-20 to reduce energy consumption at site, including the improvement of biomass boiler efficiency, secondary chilled water automation system for Utility-1 area, condensate recovery system for ointment manufacturing vessels and purified water system, installation of Heat Exchanger instead of cooling tower for process cooling of ointment manufacturing, installation of compressed air dryer, conversion of 02 AHU blower from belt driven blower to plug type blower and re-layout of facility to enable stoppage of additional AHU's post closure of Zinetac in October 2019. For the improvement project on biomass efficiency, Nashik site has won the Pharma Supply Chain India competition on Continuous Improvement for 2019. These initiatives have yielded an overall benefit of 715 T of CO_2 in the year, which is a 5.5% net reduction. Similarly, with initiatives like enhanced use of effluent water as recycled water and with rain water harvesting, the site has also reduced the water consumption by 10% in 2019 as compared to 2018.

The emissions generated by your company are within limits specified by Maharashtra Pollution Control Board. With regards to waste management, 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 and recycled water use applications like cooling towers.

b) Technology absorption

The following major projects have been completed during the period using new technologies at the Nashik site:

- Installed automated system for site-wide headcount reconciliation during Emergency Response situation
- In Ointment, one old line with manual packaging activity was eliminated by upgrading an unused cartoner and integrating with line at low cost, thereby reducing 4FTE, along with productivity and output improvement
- Installation of a 235kw heat pump for HVAC system
- Installation of ventilation system for warehouse with auto chilled water control and VFD controlled blowers
- Installation of spot extractors with VFD control blowers and ventilated balance enclosures as engineering controls for reducing QC Lab risk reduction and progressing towards respirator free
- Second compression machine of Eltroxin upgraded for meeting containment requirements as per respirator free standards
- Electrical upgrades including replacement of 1x2500 KVA Transformer, with this all site HT Transformers are now upgraded
- One Genset of 1500 KVA has been installed, replacing an old Genset and the Genset building has been upgraded, removing asbestos sheets. New Chimney meeting all new PCB guidelines is also installed.

c) Foreign exchange earnings and outgo

The foreign exchange earnings for the year ended 31 March 2020 was ₹27,56.68 lakhs and foreign exchange outgo for the year ended 31 March 2020 was ₹874,97.39 lakhs. The foreign exchange earnings for the period ended 31 March 2019 was ₹53,38 lakhs and foreign exchange outgo for the period ended 31 March 2019 was ₹709,05 lakhs.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2020

Annexure 'G' to the Directors' Report

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

1. Ratio of Remuneration of Non-Executive Directors to the median remuneration of the employees of your company for the financial year ended 31 March 2020.

Sr no	Name of Directors	Designation	Remuneration of Directors in the financial year in (₹ lakhs)	Ratio to Median Remuneration
1	Ms. R.S. Karnad	Chairperson, Non-Executive Director	29.00	2.59
2	Ms. A. Bansal (upto 29.03.2020)	Independent Director	16.92	1.52
3	Mr. P. V. Bhide	Independent Director	22.00	1.97
4	Mr. N. Kaviratne	Independent Director	22.50	2.01
5	Mr. A. N. Roy	Independent Director	18.00	1.61
6	Mr. D. Sundaram	Independent Director	21.00	1.88

2. Ratio medium Remuneration of whole-time Directors and 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	1274.62	105.78	7%
2	R. Krishnaswamy	Whole-time Director	289.38	24.05	8.1%
3	Ms. P. Thakur	Whole-time Director & CFO	433.76	36.00	5%
4	A. Nadkarni	Company Secretary	132.43	10.99	10%

*includes retiral benefits and Share Value Plan paid in May 2020.

There has been a change in the month of annual performance bonus payment to March from FY2019-20.

3. There was 9.63% increase in the median remuneration of employees.

4. There were 4364 permanent employees on the rolls of your company as on 31 March 2020.

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 percentage increase made in the salaries of employees and managerial personnel was 9.63% in 2019-20, 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 your company.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2020

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, 2020, 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, 2020, 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 Matters	Auditor's Response
1	**Information Technology (IT) systems which impact financial reporting** 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.	**Principal audit procedures performed with the assistance of our IT specialists:** • 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	**Impairment of Property, Plant and Equipment including Capital work in progress and Intangible Assets amounting to ₹ 637,42.85 Lakhs being assets relating to Ranitidine products including Zinetac in India (referred to 'Specified Assets') [Refer Note 2(d), 3 and 5 to the standalone financial statement].** Following the decision to initiate a global voluntary recall (pharmacy/retail level) of Ranitidine products including Zinetac in India, the Company performed Impairment analysis as required by Ind AS 36 for the Specified Assets. Management has considered the recoverable amount of the specified assets based on 'fair value less cost to sell' and has engaged an independent valuer to determine such value. Management applied significant judgements and assumptions to determine the recoverable amount of the specified assets particularly the appropriateness of valuation approach, marketability discount and estimated cost of disposal. In view of the foregoing, impairment of the specified assets has been identified as a Key Audit Matter. As at March 31, 2020, carrying values of such specified assets aggregates ₹ 436,96 Lakhs post recognition of impairment loss of ₹ 637,42.85 Lakhs including cost to sell.	**We performed the following audit procedures:** Evaluated the design and implementation of internal controls over financial reporting over the Management's review of valuation of specified assets and tested the operating effectiveness of the said controls. These particularly include determination of the appropriateness of valuation approach, marketability discount and cost of disposal. As part of our substantive testing procedures, we evaluated the independent valuer's competence, capability and objectivity, assessed the methodologies used by the independent valuer appointed by the Management to estimate the fair value less cost to sell, and tested the accuracy and relevance of the input data provided by the Management to the independent valuer. With the assistance of our internal specialists, carried out a fair check of the valuation assumptions considered by the independent valuer and evaluated the sensitivity analysis performed by such independent valuer. Assessed the appropriateness of the disclosures for inclusion in the standalone financial statements of the Company, in accordance with the applicable financial reporting framework.
3	**Existence and condition of inventory of raw and packing materials, work in progress, finished goods (manufactured and traded)** **[Refer to Note 10 to the standalone financial statements]** The Company has its inventory located at factory, clearing & forwarding agent (CFA) locations and third party manufacturing locations. The Company's management conducts physical verification of inventories during the year at reasonable intervals, in factory, CFA locations and third party manufacturing locations however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories and verification was carried out subsequently for Factory and CFA locations.	**We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification:** Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any. For stocks at third party manufacturing locations, we obtained direct confirmations, and tallied with stock quantities at year-end. Also, we read the third party manufacturing agreements to understand the obligations of the third party with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company. Verified the analytical reviews performed by the Company such as consumption analysis

Sr. No.	Key Audit Matters	Auditor's Response
	Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end, obtaining confirmations from third party manufacturing locations and carrying out consumption analysis and to determine the quantities of the inventory at the balance sheet date. Further due to COVID-19 related lockdown we could participate in the physical verification of inventory that was carried out by the management subsequent to the year end only through virtual medium. In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.	Observed the physical verification of inventories carried out by the Management at the select locations subsequent to year-end through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory. On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any. We have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales, production records and results of cyclical count performed by the Management through the year and such other third party evidences where applicable.

Information Other than the 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 in Annual Report but does not include the consolidated financial statements, 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 statement 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.

Those 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

      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 & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABQ2695

Place : Mumbai
Date : May 18, 2020

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, 2020 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, 2020, 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 & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABQ2695

Place : Mumbai
Date : May 18, 2020

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, 2020 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, 2020 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 involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Income - tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals)	2006-07, 2007-08, 2010-11, 2012-13 to 2017- 2018	187,83.03	123,05.51
		Income Tax Appellate Tribunal	2011-12	19,55.26	4,18.94
Sub-total				**207,38.29**	127,24.45
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	14.89
		Customs, Excise and Service Tax Appellate Tribunal	1996-97 to 2002-03, 2007-08, 2010-11 to 2012-13	6,26.94	5,78.98
		High Court	1976-77 to 1980-81, 1987-88 to 1991-1992	1,60.83	1,60.83
Sub-total				**8,02.66**	**7,54.70**
Custom Act, 1962	Custom Duty	Appellate Authority - up to Commissioners / Revisional authorities Level	1992-93, 1993-94	10.71	10.71
		Customs, Excise and Service Tax Appellate Tribunal	1994-95	66.53	66.53
Sub-total				**77.24**	**77.24**
Finance Act, 1994	Service Tax	High Court	2000-01, 2002-03	1,29.20	1,29.20
Sub-total				**129.20**	**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	26,88.76	20,89.09
		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	68,09.97	63,40.84
		High Court	1990-91, 1999-2000, 2001-02 to 2005-06	1,91.26	1,20.12
		Supreme Court	1993-94, 1994-95	42.14	42.14
Sub-total				**97,32.13**	**85,92.18**
Total				**314,79.52**	**222,77.78**

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to government. The Company has not taken loans from financial institutions and banks and has not issued debentures

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABQ2695

Place : Mumbai
Date : May 18, 2020

Standalone Balance Sheet

as at March 31, 2020

(₹ in lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	667,62.95	364,45.26
Right of use Assets	46	39,33.57	-
Capital work-in-progress	3	120,12.15	1002,64.42
Investment property	4	1,47.25	1,61.63
Intangible assets	5	49,62.51	65,54.00
Financial assets			
(i) Investments	6	24,49.31	24,54.98
(ii) Deposits	7	10,52.27	11,43.05
(iii) Other financial assets	8	4,13.53	4,06.30
Current tax assets (net)	48	304,86.90	308,22.77
Deferred tax assets (net)	45	108,84.73	60,48.06
Other non-current assets	9	45,99.82	75,00.11
		1377,04.99	**1918,00.58**
Current assets			
Inventories	10	483,03.22	486,49.35
Financial assets			
(i) Trade receivables	11	99,80.12	120,48.73
(ii) Cash and cash equivalents	12	98,02.79	97,77.88
(iii) Bank balances other than (ii) above	13	968,37.73	1057,55.47
(iv) Other financial assets	14	30,91.22	89,62.62
Other current assets	15	76,51.75	135,91.39
		1756,66.83	1987,85.44
Assets classified as held for sale	16	11.23	3,32.71
		1756,78.06	**1991,18.15**
TOTAL ASSETS		**3133,83.05**	**3909,18.73**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	169,40.60	169,40.60
Other equity	18	1670,63.37	1973,00.99
Total equity		**1840,03.97**	**2142,41.59**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	2.40	17.70
(ii) Other financial liabilities	20	2,05.97	2,19.47
(iii) Other financial lease liabilities	20	26,83.72	-
Provisions	21 & 26	260,49.12	313,52.37
		289,41.21	**315,89.54**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	5,21.38	4,28.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	349,49.78	398,67.88
(ii) Other financial liabilities	23	148,50.42	231,11.60
(iii) Other financial lease liabilities	23	14,82.58	-
Other current liabilities	24	48,12.08	571,47.86
Provisions	25 & 26	276,84.01	91,88.75
Current tax liabilities (net)	48	161,37.62	153,43.28
		1004,37.87	**1450,87.60**
Total liabilities		**1293,79.08**	**1766,77.14**
TOTAL EQUITY AND LIABILITIES		**3133,83.05**	**3909,18.73**

The accompanying notes 1 to 57 are an integral part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in lakhs)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	3224,68.02	3128,53.46
Other income	28	77,55.56	101,47.84
Total income		**3302,23.58**	**3230,01.30**
Expenses			
Cost of materials consumed	29	474,37.97	682,07.04
Purchases of stock-in-trade		868,92.28	645,89.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(35,43.27)	25,56.55
Employee benefits expense	31	628,55.35	537,19.59
Finance costs	32	6,33.55	55.43
Depreciation and amortisation expense	33	82,67.77	48,59.07
Other expenses	34	629,80.69	631,32.59
Total expenses		**2655,24.34**	**2571,19.55**
Profit before exceptional items and tax		646,99.24	658,81.75
Exceptional items (net)	38	(324,49.31)	4,88.88
Profit before tax		**322,49.93**	**663,70.63**
Tax expense:			
Current tax	45	235,31.46	192,82.27
Deferred tax	45	(47,72.41)	45,52.31
Tax adjustment of earlier year		24,85.62	-
		212,44.67	**238,34.58**
Profit for the year		**110,05.26**	**425,36.05**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	45	(4,56.06)	(8,44.47)
Investments written off		(5.50)	-
Income tax relating to items that will not be reclassified to profit or loss	45	64.27	2,95.09
		(3,97.29)	**(5,49.38)**
Total comprehensive income for the year		**106,07.97**	**419,86.67**
Profit for the year attributable to owners of the Company		110,05.26	425,36.05
Other comprehensive income / (loss) attributable to owners of the Company		(3,97.29)	(5,49.38)
Total comprehensive income for the year attributable to owners of the Company		106,07.97	419,86.67
Earnings per equity share	47		
Basic and diluted earnings per share before exceptional item		26.69	25.07
Basic and diluted earnings per share after exceptional item		6.50	25.11

The accompanying notes 1 to 57 are an integral part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		646,99.24	658,81.75
Adjustments for :			
Gain on disposal of property, plant and equipment (net)		(2,33.36)	(1,41.39)
Interest income		(75,22.20)	(76,44.45)
Rental income		-	(48.00)
Finance costs		6,33.55	55.43
Depreciation and amortisation expense		82,67.77	48,59.07
Allowance for doubtful debts and advances		2,74.08	(1,33.10)
Change in operating assets and liabilities			
(Increase) / Decrease in inventories		(67,71.67)	13,68.98
(Increase) / Decrease in trade receivables		(4.97)	26,89.19
(Increase) / Decrease in other assets		148,00.45	13,84.87
(Decrease) / Increase in trade payables		(48,24.95)	(99,56.49)
(Decrease) / Increase in provisions		12,77.16	13,67.02
(Decrease) / Increase in other liabilities		(1,16.77)	23,88.24
Cash generated from operations		**704,78.33**	**620,71.12**
Income taxes paid (net of refunds)		(185,70.86)	(200,05.71)
Cash flow from operating activities before exceptional items		**519,07.47**	**420,65.41**
Exceptional items:			
Sale of brands		50.69	4,69.50
Payment of Associated cost to impairment		(7,13.89)	
Payment of redundancy cost		(27,63.21)	(20,07.75)
Income taxes paid on exceptional items		6,16.28	5,90.49
Net cash inflow from operating activities	**A**	**490,97.34**	**411,17.65**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment and other intangible assets		(155,89.81)	(291,28.17)
Proceeds from sale of property, plant and equipment		3,49.96	4,65.39
Margin money deposits		29.81	1,64.30
Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(1106,00.00)	(1241,00.00)
Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		1193,00.00	1261,00.00
Rent received		-	48.00
Interest received		64,01.16	75,69.02
Changes in earmarked balances		1,80.70	1,09.66
Cash inflow from investing activities before exceptional items		**71.82**	**(187,71.80)**
Exceptional items:			
Proceeds from /(expenses incurred) for sale of property		(2,48.24)	43,39.13
Income taxes paid on Exceptional items		(61,33.86)	(10,10.84)
Net cash outflow from investing activities	**B**	**(63,10.28)**	**(154,43.51)**

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(40.60)	(40.60)
Interest paid		(82.83)	(55.43)
Interest paid on Lease Payments		(3,28.53)	-
Payment of lease liability		(14,64.60)	-
Dividend paid to company's shareholders		(338,81.21)	(296,46.06)
Tax on distributed profit		(69,64.38)	(60,93.83)
Net cash outflow from financing activities	**C**	**(427,62.15)**	**(358,35.92)**
Net (decrease) / increase in cash and cash equivalents	**(A + B + C)**	**24.91**	**(101,61.78)**
Cash and cash equivalents at the beginning of the year		97,77.88	199,39.66
Cash and cash equivalents at the end of the year		98,02.79	97,77.88
Net (decrease) / increase in cash and cash equivalents		**24.91**	**(101,61.78)**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		28,60.85	60,48.43
Term deposits with original maturity period of less than three months		6,00.00	30,03.00
Cheques on hand		63,41.94	7,26.45
Total		**98,02.79**	**97,77.88**

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

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting period	169,40.60	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**	**169,40.60**

(b) Other equity

(₹ in lakhs)

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, 2019	**1,65.51**	**790,74.14**	**1181,17.28**	**2,61.95**	**(3,17.89)**	**1973,00.99**
Total comprehensive income						
Profit for the year	-	-	110,05.26	-	-	110,05.26
Other comprehensive loss for the year	-	-	-	-	(3,97.29)	(3,97.29)
Transactions with owners of the company						
Dividend on equity shares (₹ 20 per share)	-	-	(338,81.21)	-	-	(338,81.21)
Dividend distribution tax	-	-	(69,64.38)	-	-	(69,64.38)
Balance as at March 31, 2020	**1,65.51**	**790,74.14**	**882,76.95**	**2,61.95**	**(7,15.18)**	**1670,63.37**
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 (₹ 17.5 per share retrospectively adjusted for bonus issue)	-	-	(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**

(i) The Company had allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the previous year 2018-19 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.

(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

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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;
- the amount of revenue can be measured reliably;

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

- 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, 2020 (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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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

Implementation of Ind AS 116 Leases

The Company has applied Ind AS 116 'Leases' with effect from April 1, 2019. Ind AS 116 introduces new requirements for the definition of a lease, lessee accounting and lessor accounting as well as a number of new disclosures. In general, all leases within the scope of Ind AS 116 are required to be brought on to the balance sheet by lessees, recognising a 'right-of-use' asset and a related lease liability at the commencement of the lease. Ind AS 116 establishes a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Company has adopted Ind AS 116 applying the same to the lease contracts existing on April 1, 2019 using the modified retrospective approach, and accordingly prior year results have not been restated. For all the leases, the right of use asset was set equal to the lease liability at April 1, 2019, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before April 1, 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019

The Company recognises right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised on the balance sheet. The corresponding liability to the lessor is recognised as a lease obligation. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability, the lessee's incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the Company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market.

Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Variable rents are not part of the lease liability and the right of use asset. These payments are charged to the income statement as incurred. If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

i. Relying on previous assessments performed immediately before initial application on whether leases are onerous as per Ind AS 37 Provisions, Contingent liabilities and Contingent Assets, as an alternative to performing an impairment review as per Ind AS 36 Impairments of assets as on the date of initial application, there were no onerous contracts as at April 1, 2019.

ii. Initial direct costs were excluded from the measurement of the right of use asset at the transition date on a lease-by-lease basis.

iii. Hindsight was applied, such as in determining the lease term where contracts contained options to extend or terminate the lease.

The application of Ind AS 116 has had no material impact on the Company's income statement and earnings per share, or on overall cash flows for the Company. However, the presentation of the lease payments in the cash flow statement has changed, resulting in an increase to the net cash inflow from operating activities, and hence free cash flow, and a corresponding increase in the net cash outflow from financing items (split between interest paid and repayment of lease liabilities).

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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."

<u>Gratuity and Post-Retirement Medical</u>

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

(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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2020.

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.

d Impairment of assets

The Company reviews the carrying amounts of its property, plant and equipment, capital work in progress and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Further details on the Company's accounting policies on this are set out in the accounting policy above. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires company to estimate the Fair value less cost of disposal.The significant assumptions used by the Company in determining the impairment loss have been detailed in Note 3(b).

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation					Net Carrying Value
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	As at March 31, 2020	As at March 31, 2020
Freehold land	2.00	-	-	2.00	-	-	-	-	-	2.00
Leasehold land	55,99.13	-	-	55,99.13	2,11.58	36.98	-	19,49.99	21,98.55	34,00.58
Freehold buildings	25,66.59	42.93	4.22	26,05.30	1,83.17	66.58	0.22	-	2,49.53	23,55.77
Leasehold buildings	73,44.52	341,74.97	-	415,19.49	7,38.43	5,08.53	-	184,45.63	196,92.59	218,26.90
Plant and equipment (Refer Note (a) below)	297,15.64	468,91.70	16,22.63	749,84.71	90,46.83	40,95.30	16,22.24	269,41.61	384,61.50	365,23.21
Furniture and fixtures	7,95.61	39,84.01	81.58	46,98.04	3,92.65	4,49.33	49.90	24,16.92	32,09.00	14,89.04
Vehicles	14,39.84	2,66.77	2,84.95	14,21.66	6,73.95	2,64.33	2,14.88	23.71	7,47.11	6,74.55
Office equipment	5,23.54	5,49.28	48.10	10,24.72	2,95.00	1,57.09	37.64	1,19.37	5,33.82	4,90.90
Total	**479,86.87**	**859,09.66**	**20,41.48**	**1318,55.05**	**115,41.61**	**55,78.14**	**19,24.88**	**498,97.23**	**650,92.10**	**667,62.95**

Notes:

Note 3 (a)

Plant and equipment includes computers.

Note 3 (b)

The Ultimate Holding Company had been contacted by regulatory authorities regarding the detection of genotoxic nitrosamine NDMA in ranitidine products. Based on the information received and correspondence with regulatory authorities, the Ultimate Holding Company made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products to all markets, including India, as a precautionary action. The Company manufactures Ranitidine Hydrochloride IP Tablets 150 mg and 300 mg (Zinetac) for supply to the Indian market. Further as a precautionary action, the Company made the decision to initiate a voluntary pharmacy/retail level recall of the Zinetac products above from the Indian market.

During the year the Company undertook a comprehensive strategic review of the impact of this recall on all related assets in India. As part of this strategic review, the Company is exploring future options for the Vemgal facility including a potential sale of the site. Consequent to the above, the Company has recognized financial impairment of ₹ 637,42.85 lakhs (including cost to sell ₹ 30,91.76 lakhs) in respect of the property, plant and equipment, capital work in progress and intangible assets ("specified assets") connected to the underutilization of its manufacturing facilities. Additionally, the Company created provision of ₹ 40,33.00 lakhs on account of other related assets.

The recoverable amount of the specified assets is estimated to be ₹ 442,36.00 lakhs, which is its fair value less costs of disposal. The fair value is classified as a level 3 fair value measurement in fair value hierarchy as it more accurately reflects the recoverable amount based on our view of the assumptions that would be used by a market participants. The fair value of the specified assets is determined basis consideration of orderly liquidation scenario mainly using depreciated replacement cost method and estimation of cost of disposal. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Provision for the impairment is excess of carrying value over its recoverable value of the specified assets, which is included in the exceptional item in the statement of profit and loss.

Further impairment charge for the year ended March 31, 2020 also includes provision in respect of certain capital work in progress amounting to ₹ 26,31.00 lakhs due to abandonment of assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ 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	Impairment	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) above)	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**

Capital work-in-progress:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	1002,64.42	922,89.71
Additions	99,62.37	234,39.64
Less:		
Capitalisation	(869,71.22)	(154,64.93)
Impairment (Refer Note 3(b) above)	(112,43.42)	-
Closing Balance	**120,12.15**	**1002,64.42**

Capital work-in-progress as at March 31, 2020 and March 31, 2019 mainly comprise investment in Vemgal facility and corporate office renovations.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	2,24.33	2,24.33
Additions	-	-
Closing gross carrying amount	2,24.33	2,24.33
Accumulated Depreciation		
Opening Accumulated Depreciation	62.70	48.32
Depreciation	14.38	14.38
Closing Accumulated Depreciation	77.08	62.70
Net carrying amount	**1,47.25**	**1,61.63**

(i) Amounts recognised in the Statement of Profit and Loss for investment property

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Rental Income	-	48.00
Depreciation	(14.38)	(14.38)
Amount recognised in the Statement of Profit and Loss (net)	(14.38)	33.62

(ii) Premises given on operating lease

The company had an apartment given on operating lease on cancellable terms which had been sold during the previous year 2018-19, the carrying value of which was nil. Rental income of ₹ nil (Previous Year: 48.00 lakhs) is disclosed under other income.

(iii) Estimation of fair value

The Company has two properties (March 31, 2019: two properties) that have been considered as Investment Properties. These comprise of two vacant land sites (March 31, 2019: two vacant land sites) that are not in operational use at present.

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 ₹ 340,88.28 lakhs (March 31, 2019: ₹ 304,08.91 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, 2020 (contd.)

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Amortisation					Net Carrying Value
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) above)	As at March 31, 2020	As at March 31, 2020
Intangible Assets										
Software	79,18.54	15,27.94	-	94,46.48	13,64.54	9,77.99	-	21,41.44	44,83.97	49,62.51
Total	**79,18.54**	**15,27.94**	**-**	**94,46.48**	**13,64.54**	**9,77.99**	**-**	**21,41.44**	**44,83.97**	**49,62.51**

(₹ 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	Charge for the Year	On Disposals	Impairment	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**

Intangible assets under development:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	-	-
Additions	15,27.94	2,61.14
Less:		
Capitalisation	(15,27.94)	(2,61.14)
Closing Balance	**-**	**-**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 6 : INVESTMENTS		
Unquoted equity instruments		
In subsidiary		
Biddle Sawyer Limited	47,61.31	47,61.31
9,60,000 Equity Shares of ₹ 10 each fully paid		
Less: Provision for impairment	(23,12.00)	(23,12.00)
	24,49.31	**24,49.31**

Note:

During the previous year 2018-19 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, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
In others (measured at fair value through OCI)*		
Biotech Consortium India Limited	-	5.00
50,000 equity Shares of ₹ 10 each fully paid		
Dinette Exclusive Club Private Limited	-	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
*these investments have been written off during the year	**24,49.31**	**24,54.98**
Aggregate of unquoted investments	**24,49.31**	**24,54.98**
NOTE 7 : NON-CURRENT FINANCIAL ASSETS - DEPOSITS		
(Unsecured considered good)		
Security deposits	10,52.27	11,43.05
	10,52.27	**11,43.05**
NOTE 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS		
Margin money / deposit against bank guarantee	4,13.53	4,06.30
	4,13.53	**4,06.30**
NOTE 9 : OTHER NON-CURRENT ASSETS		
Capital advances	2,84.25	3,85.83
Less : Allowance for doubtful advances	(2,83.17)	(2,83.17)
	1.08	1,02.66
Balances with Government authorities	10,37.23	27,08.31
Sundry deposits	32,58.25	43,11.29
Others	3,03.26	3,77.85
	45,99.82	**75,00.11**
NOTE 10 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw and packing materials	76,47.89	115,53.92
Work-in-progress	30,72.62	22,08.98
Finished goods	92,38.26	174,06.81
Stock-in-trade (includes in-transit as on March 31, 2020: ₹ 23,20.70 lakhs; March 31, 2019: ₹ 10,58.70 lakhs)	280,02.46	171,54.28
Stores and spares	3,41.99	3,25.36
	483,03.22	**486,49.35**

The cost of inventories recognised as an expense during the year ended March 31, 2020 is ₹ Nil (March 31, 2019: ₹ 2.10 lakhs) in respect of write-downs of inventory to net realisable value.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 11 : TRADE RECEIVABLES		
Unsecured, considered good	99,80.12	120,48.73
Receivables which have significant increase in credit risk (Refer Note 49 C)	18,01.02	15,26.94
Less : Allowance for doubtful receivables	(18,01.02)	(15,26.94)
	99,80.12	**120,48.73**

During the year ended March 31, 2020 the Company has additional allowance for doubtful debts created ₹ 274.08 lakhs (Previous Year: reversed the allowance for doubtful debts by ₹ 42.03 lakhs).

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 12 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	28,60.85	60,48.43
Term deposit with original maturity period of less than three months	6,00.00	30,03.00
Cheques on hand	63,41.94	7,26.45
	98,02.79	**97,77.88**
NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unpaid dividend accounts	20,44.33	22,25.03
Term deposit with original maturity period of more than three months but less than twelve months	947,00.00	1034,00.00
Margin money	93.40	1,30.44
	968,37.73	**1057,55.47**
NOTE 14 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	7,30.82	67,02.64
Interest accrued on deposits with banks	23,15.78	22,15.36
Advances recoverable	44.62	44.62
	30,91.22	**89,62.62**
NOTE 15 : OTHER CURRENT ASSETS		
Balances with Government authorities	43,23.56	88,61.04
Advance to creditors	15,43.00	27,77.55
Sundry advances	-	7.31
Prepayments and prepaid expenses	11,78.88	11,13.02
Others	6,06.31	8,32.47
	76,51.75	**135,91.39**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building (Refer note (a) below)	9.60	3,31.08
Plant and Machinery (Refer note (b) below)	1.63	1.63
	11.23	**3,32.71**

Notes:-

(a) The previous year amount includes the Written Down Value of the property at Thane for which the sale was executed in the current year 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.

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 17 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2019: 18,00,00,000) equity shares of ₹ 10 each	180,00.00	180,00.00
Issued		
16,94,15,420 (March 31, 2019: 16,94,15,420) equity shares of ₹ 10 each	169,41.54	169,41.54
Subscribed and Paid-Up		
16,94,06,034* (March 31, 2019: 16,94,06,034) equity shares of ₹ 10 each, fully paid up	169,40.60	169,40.60
	169,40.60	**169,40.60**

* excludes 9,386 (March 31, 2019: 9,386) 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 had allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the previous year 2018-19 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.

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
a) Reconciliation of the number of shares				
Balance at the beginning of the year	169,406,034	169,40.60	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**	**169,406,034**	**169,40.60**

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

c) Shares held by subsidiaries of ultimate holding company in aggregate

	As at March 31, 2020		As at March 31, 2019	
	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**	**127,054,524**	**127,05.46**

d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Glaxo Group Limited, U.K.	60,970,500	35.99%	60,970,500	35.99%
GlaxoSmithKline Pte Limited, Singapore	47,604,024	28.10%	47,604,024	28.10%
Eskaylab Limited, U.K.	11,760,000	6.94%	11,760,000	6.94%
Life Insurance Corporation of India	9,483,374	5.60%	10,768,929	6.36%

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 18 : OTHER EQUITY		
Capital redemption reserve	2,61.95	2,61.95
General reserve	790,74.14	790,74.14
Capital reserve	1,65.51	1,65.51
Retained earnings (including Other Comprehensive Income)	875,61.77	1177,99.39
	1670,63.37	**1973,00.99**
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Unsecured		
Interest free deferred sales tax incentive	2.40	17.70
	2.40	**17.70**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2020 of ₹ 17.70 lakhs (March 31, 2019: ₹ 58.30 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in three instalments as at March 31, 2020 (March 31, 2019 - six instalments) and closing on April 30, 2021. The current maturity amount as at March 31, 2020 ₹ 15.30 lakhs (March 31, 2019: ₹ 40.60 lakhs) of the loan has been disclosed under Note 23.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 20 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received	2,05.97	2,19.47
Other financial lease liabilities (Refer Note 46)	26,83.72	-
	28,89.69	**2,19.47**
NOTE 21 : NON-CURRENT PROVISIONS		
For pricing matters (Refer Note 41, 42 and 26)	122,70.82	122,70.82
For employee benefits (Refer Note 39)		
Gratuity	24,22.27	79,67.51
Leave encashment and compensated absences	32,07.75	28,85.36
Post retirement medical and other benefits	60,37.58	36,68.49
For long term incentive plan (Refer Note 26 and 53)	3,44.52	2,27.76
For divestment / restructuring (Refer Note 26)	1,92.96	12,02.83
For expected sales returns (Refer Note 26)	-	-
For others (Refer Note 26)	15,73.22	31,29.60
	260,49.12	**313,52.37**
NOTE 22 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 44)	5,21.38	4,28.23
Due to others	349,49.78	398,67.88
	354,71.16	**402,96.11**
NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer Note 19)	15.30	40.60
Unclaimed dividends *	20,44.34	22,25.03
Salaries, wages, bonus and employee benefits payable	95,55.20	117,33.52
Creditors for capital goods	24,03.59	76,71.93
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other financial lease liabilities - current (Refer Note 46)	14,82.58	-
Other payables	7,01.71	13,10.24
	163,33.00	**231,11.60**
* 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	44,32.53	15,05.14
Advance from customers	3,79.55	4,42.72
Advance received towards disposal of land (Refer note (a) below)	-	552,00.00
	48,12.08	**571,47.86**

Note:-

(a) During the year 2017-18, the company had received the money in advance towards disposal of Thane Land. However, actual transfer has concluded in the current year 2019-20 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, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 25 : CURRENT PROVISIONS		
For employee benefits (Refer Note 39)		
Leave encashment and compensated absences	3,53.52	3,65.64
Post retirement medical and other benefits	3,26.13	2,14.66
For long term incentive plan (Refer Note 26 and 53)	6,61.55	5,85.88
For rationalisation relating to a manufacturing site (Refer Note 26)	-	31.43
For expected sales returns (Refer Note 26)	48,63.28	39,69.13
For others (Refer Note 26)	214,79.53	40,22.01
	276,84.01	**91,88.75**

NOTE 26 : MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	Rationalisation relating to a manufacturing site	Pricing matters	Long term incentive Plan	Divestment / restructuring	Expected sales returns	Associated cost to impairment and cost to sell	Severance pay	Provision for Zinetac (Other costs)	Others
	Refer note (i)	Refer note (ii)	Refer note (iii)	Refer note (ii)	Refer note (iv)	Refer note (v)	Refer note (v)	Refer note (vi)	Refer note (vii)
Balance as at April 01, 2019	**31.43**	**122,70.82**	**8,13.64**	**12,02.83**	**39,69.13**	**-**	**-**	**-**	**71,51.61**
Add: Provision during the year	-	-	13,21.17	-	49,01.79	71,24.76	63,25.51	18,91.00	64,57.77
Less: Amounts utilised/reversed during the year	31.43	-	11,28.74	10,09.87	40,07.64	7,13.89	31,73.77	-	20,10.24
Balance as at March 31, 2020	**-**	**122,70.82**	**10,06.07**	**1,92.96**	**48,63.28**	**64,10.87**	**31,51.74**	**18,91.00**	**115,99.14**
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**

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 was utilised/reversed during 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 and 42.

(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.

(v) Associated cost to impairment, cost to sell and severance pay: Refer Note 3(b) and Note 38(b).

(vi) Provision for Zinetac (Other costs) : Refer Note 38(a).

(vii) Consists mainly of provisions in respect of indirect tax matters.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 27 : REVENUE FROM OPERATIONS		
A. Sale of products		
Sale of products	3187,35.11	3089,48.40
	3187,35.11	**3089,48.40**
B. Other operating revenue		
Service income	24,08.67	25,61.62
Manufacturing charges recovery	11,73.34	9,22.62
Others	1,50.90	4,20.82
	37,32.91	**39,05.06**
Total Revenue from operations (A + B)	**3224,68.02**	**3128,53.46**
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the country of domicile - India	3207,22.07	3102,72.94
Revenue from foreign countries	17,45.95	25,80.52
	3224,68.02	**3128,53.46**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3362,56.90	3242,46.83
Less: Trade discounts, volume rebates, etc.	137,88.88	113,93.37
Net revenue recognised from contracts with customers	**3224,68.02**	**3128,53.46**
NOTE 28 : OTHER INCOME		
Interest income on:		
Deposits with banks	64,80.21	66,27.55
Income Tax Refund	10,20.62	9,90.77
Loans	19.36	20.26
Others	2.01	5.87
Gain on disposal of property, plant and equipment (net)	2,33.36	1,41.39
Rental income	-	48.00
Liabilities written back payable to a group company	-	23,14.00
	77,55.56	**101,47.84**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 29 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	474,37.97	682,07.04
	474,37.97	**682,07.04**
NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening 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**
Less: Closing stock		
Finished goods	92,38.26	174,06.81
Stock-in-trade	280,02.46	171,54.28
Work-in-progress	30,72.62	22,08.98
	403,13.34	**367,70.07**
	(35,43.27)	**25,56.55**
NOTE 31 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	571,05.16	478,26.63
Contributions to : Provident and pension funds (Refer Note 39)	25,81.71	24,06.65
Gratuity funds (Refer Note 39)	12,83.41	12,46.93
Staff welfare expense	18,85.07	22,39.38
	628,55.35	**537,19.59**
NOTE 32 : FINANCE COSTS		
On security deposits	21.53	22.19
Interest in respect of financial lease liability	3,28.53	-
Interest on income tax payment	2,22.19	-
Others	61.30	33.24
	6,33.55	**55.43**
NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSE		
On property, plant and equipment (Refer Note 3)	55,78.14	38,69.37
On investment properties (Refer Note 4)	14.38	14.38
On other intangible assets (Refer Note 5)	9,77.99	9,75.32
On right to use assets (Building) (Refer Note 46)	16,97.26	-
	82,67.77	**48,59.07**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 34 : OTHER EXPENSES		
Sales promotion	108,25.07	120,36.40
Stock point commission	19,96.50	19,49.41
Freight	54,17.01	62,95.36
Travelling	88,24.39	74,29.86
Exchange loss (net)	12,36.98	4,37.33
Manufacturing charges	89,67.47	86,49.79
Repairs:		
Buildings	6,11.52	5,82.13
Plant and Machinery	11,00.90	14,63.48
	17,12.42	**20,45.61**
Consumption of stores and spares	3,82.38	8,23.35
Power, fuel and water	33,36.11	27,93.93
Rent	6,98.88	34,41.95
Rates and taxes	29,90.34	7,82.05
Printing, postage and telephones	8,21.85	9,72.77
Sales training, briefing and conference	38,91.56	22,47.41
Insurance	4,03.57	4,37.59
Remuneration to auditors :		
Statutory audit fees	1,00.00	87.00
In other capacity in respect of :		
Tax audit fees	6.00	6.00
Other services	1.00	1.00
Reimbursement of expenses	3.10	3.75
	1,10.10	**97.75**
Cost audit fees	9.77	10.47
Corporate social responsibility (Refer Note 37)	10,89.07	10,40.08
Commission to non whole-time directors	95.21	1,50.00
Directors' sitting fees	34.50	57.84
Legal and professional fees	11,77.39	22,22.87
Miscellaneous	59,30.80	66,68.01
Reimbursement of expenses (net) (Refer Note 36)	30,29.32	25,42.76
	629,80.69	**631,32.59**

NOTE 35: The recurring expenditure on research and development charged off to revenue amounts to ₹ 2,18.02 lakhs (Previous Year: ₹ 2,32.66 lakhs)

NOTE 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 37: EXPENSES TOWARDS CSR

Expense towards activities relating to Corporate Social Responsibility (CSR) in compliance with section 135 of the Companies Act, 2013 is as under:

(₹ in lakhs)

			Year ended March 31, 2020	Year ended March 31, 2019
a)	Amount spent			
	(i)	Construction/ acquisition of the asset	-	-
	(ii)	On purposes other than (i) above	11,46.28	10,94.36
Total amount spent			**11,46.28**	**10,94.36**
The above includes allocation of ₹ 57.21 lakhs (Previous Year ₹ 54.28 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		11,44.25	10,85.73

NOTE 38 : EXCEPTIONAL ITEMS (NET)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit on sale of property	546,30.28	43,39.13
Impairment of assets (Refer Note 3(b))	(637,42.85)	-
Associated cost to impairment (Refer Note 3(b))	(40,33.00)	-
Provision for product recall (Refer note (a) below)	(108,08.80)	-
Redundancy costs (Refer note (b) below)	(59,14.63)	(20,07.75)
Impairment of capital work-in-progress	(26,31.00)	-
Sale of brands	50.69	4,69.50
Provision for impairment of investment in subsidiary	-	(23,12.00)
	(324,49.31)	**4,88.88**

Notes:

a) The Ultimate Holding Company had been contacted by regulatory authorities regarding the detection of genotoxic nitrosamine NDMA in ranitidine products. Based on the information received and correspondence with regulatory authorities, the Ultimate Holding Company made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products to all markets, including India, as a precautionary action. The Company manufactures Ranitidine Hydrochloride IP Tablets 150 mg and 300 mg (Zinetac) for supply to the Indian market. Further as a precautionary action, the Company made the decision to initiate a voluntary pharmacy/retail level recall of the Zinetac products above from the Indian market.

Consequently, the Company recognised provisions of ₹ 108,08.80 Lakhs relating to estimates of loss on account of sales returns, stocks withdrawn and inventories held including incidental costs thereto and other related costs.

b) ₹ 59,14.63 Lakhs (Previous Year ₹ 20,07.75 Lakhs) is on account of restructuring of manufacturing and commercial organisation.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (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, 2020. 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, 2020	Year ended March 31, 2019
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,89.46	5,44.61
Employees' pension scheme	6,04.33	5,76.63

(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 ₹ 35,61.27 lakhs. (March 31, 2019: ₹ 32,51.00 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, 2020 (contd.)

(₹ in lakhs)

		Year ended March 31, 2020			Year ended March 31, 2019		
		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	97,27.99	38,83.15	532,07.18	92,67.21	37,51.20	501,16.98
	Amount recognised in Statement of profit and loss/capitalised						
	Current service cost	7,05.70	37.50	13,82.19	6,93.46	24.78	13,52.18
	Past service cost	-	23,79.58	-	-	-	-
	Interest cost	6,91.37	2,76.97	39,62.81	6,78.68	2,73.47	38,41.05
		13,97.07	**26,94.05**	**53,45.00**	**13,72.14**	**2,98.25**	**51,93.23**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	5,59.16	3,85.52	-	2,40.45	82.50	-
	Demographic assumptions	-	-	-	(4.57)	(94.97)	-
	Experience adjustment	26.41	(2,51.96)	7.79	2,99.37	2,11.65	(11,37.30)
		5,85.57	**1,33.56**	**7.79**	**5,35.25**	**1,99.18**	**(11,37.30)**
	Contributions by employee	-	-	35,14.66	-	-	34,39.86
	Liabilities assumed on acquisition/(settled on divestiture)	(13.50)	-	(6,50.53)	(12.53)	-	(12,34.71)
	Benefits paid	(17,11.88)	(3,47.05)	(35,03.48)	(14,34.08)	(3,65.48)	(31,70.88)
	Closing defined benefit obligation	**99,85.25**	**63,63.71**	**579,20.62**	**97,27.99**	**38,83.15**	**532,07.18**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	17,60.48	-	532,07.18	19,79.37	-	501,16.98
	Amount recognised in the statement of profit and loss/capitalised	-	-	-	-	-	-
	Expected return on plan assets	1,01.31	-	39,62.81	1,25.22	-	38,41.05
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	2,63.07	-	7.79	(1,10.03)	-	(11,37.30)
	Contributions by employer	71,50.00	-	13,82.19	12,00.00	-	13,52.18
	Contributions by employee	-	-	35,14.66	-	-	34,39.86
	Assets acquired on acquisition/(settled on divestiture)	-	-	(6,50.53)	-	-	(12,34.71)
	Benefits paid	(17,11.88)	-	(35,03.48)	(14,34.08)	-	(31,70.88)
	Closing fair value of plan assets	**75,62.98**	**-**	**579,20.62**	**17,60.48**	**-**	**532,07.18**
	Actual return on plan Assets	3,64.38	-	39,70.60	15.19	-	27,03.75

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		Year ended March 31, 2020			Year ended March 31, 2019		
		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	7,05.70	37.50	13,82.19	6,93.46	24.78	13,52.18
	Past service cost	-	23,79.58	-	-	-	-
	Net interest expense	5,90.06	2,76.97	-	5,53.46	2,73.47	-
	Less : Employee cost capitalised for vemgal	-	-	-	-	-	(66.77)
	Components of defined benefit costs recognised in the statement of profit and loss	**12,95.76**	**26,94.05**	**13,82.19**	**12,46.92**	**2,98.25**	**12,85.41**
(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)	2,63.07	-	7.79	(1,10.03)	-	(11,37.30)
	Acturial gain / (loss) arising from changes in demographic assumptions	-	-	-	4.57	94.97	-
	Acturial gain / (loss) arising from changes in financial assumptions	(5,59.16)	(3,85.52)	-	(2,40.45)	(82.50)	-
	Acturial gain / (loss) arising from changes in experience adjustments	(26.41)	2,51.96	(7.79)	(2,99.37)	(2,11.65)	11,37.30
	Components of defined benefit costs recognised in Other Comprehensive Income	**(3,22.50)**	**(1,33.56)**	**-**	**(6,45.28)**	**(1,99.18)**	**-**
(v)	**Amount recognised in the Balance Sheet**						
	Present value of obligations as at year end	99,85.25	63,63.71	579,20.62	97,27.99	38,83.15	532,07.18
	Fair value of plan assets as at year end	75,62.98	-	579,20.62	17,60.48	-	532,07.18
	Net (asset) / liability recognised as at year end	**24,22.27**	**63,63.71**	**-**	**79,67.51**	**38,83.15**	**-**
(vi)	**The major categories of plan assets are as follows:**						
	Government of India securities	6%		47%	47%		46%
	Corporate bonds	11%		45%	41%		44%
	Special deposit Scheme	0%		0%	0%		0%
	Insurer managed funds	82%		0%	0%		0%
	Others	1%		8%	12%		10%
(vii)	**Principal actuarial assumptions used**						
	Discount rate (p.a.)	6.95%	6.95%	6.95%	7.50%	7.50%	7.50%
	Expected rate of return on plan assets (p.a.)	6.95%		9.12%	7.50%		9.12%
	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, 2020 (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, 2020		Year ended March 31, 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement) - Gratuity	-4.34%	4.69%	-3.99%	4.29%
Future salary growth (0.5% movement) - Gratuity	4.14%	-3.94%	3.85%	-3.67%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.60%	6.21%	-5.27%	5.82%
Health care cost rate (1% movement)	12.61%	-10.00%	10.73%	-8.89%
Life expectancy +/- 1 year	2.94%	-3.01%	2.42%	-2.76%

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, 2021 is ₹ 12,00.00 lakhs (March 31, 2020: ₹ 79,67.52 lakhs)

The weighted average duration of defined benefit obligation is 9.02 years (March 31, 2019: 8.27 years)

The expected maturity analysis of un-discounted gratuity and post employment medical benefits is as below:

(₹ in lakhs)

March 31, 2020	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Defined benefit obligations (Gratuity)	9,28.45	6,98.05	28,59.92	175,31.75	220,18.17
Post employment medical benefits	3,29.50	3,49.91	11,48.39	177,09.96	195,37.76
Total	**12,57.95**	**10,47.96**	**40,08.31**	**352,41.71**	**415,55.93**

(₹ 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	169,77.32	216,75.45
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**	**283,33.40**	**342,29.35**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

			As at March 31, 2020	As at March 31, 2019
A.	**Contingent Liabilities not provided for:**			
	(i)	Cheques discounted with banks	16,77.01	1,05.60
	(ii)	In respect of claims made against the Company not acknowledged as debts by the Company		
		(a) Sales tax matters	57,83.08	147,97.22
		(b) Excise and custom matters	8,31.50	7,30.36
		(c) Service tax matters	1,29.20	1,29.20
		(d) Labour matters	60,11.73	58,50.00
		(e) Other legal matters	23,07.28	25,08.23
		(f) Other matters	-	23,14.00
			150,62.79	**263,29.01**
	(iii)	Income-tax matters in respect of which appeals are pending		
		Tax on matters in dispute	302,11.00	248,45.05

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.

(₹ in lakhs)

			As at March 31, 2020	As at March 31, 2019
B.	**Commitments**			
	(i)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	11,61.90	60,71.85
		(Refer note (a) below)		
	(ii)	Uncalled liability on partly paid shares:		
		- in Hill Properties Limited	0.04	0.04
		(Refer note (c) below)		

Notes:

(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at March 31, 2020 mainly comprise the investments in the corporate office renovations and other miscellaneous capitalisations at site and as at March 31, 2019 mainly comprised the investments in the new greenfield manufacturing factory constructed at Bengaluru and corporate office renovations.

(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.

(c) Future cash outflow is dependent on the call to be made by Hill Properties Limited.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 41 : PRICING MATTERS

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, May 16, 2019, July 18, 2019, September 20, 2019, February 5, 2020, May 5, 2020, the DPEA matter now stands adjourned to June 2, 2020.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(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 ₹ 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.

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)

			As at March 31, 2020	As at March 31, 2019
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,60.08	4,20.83
	(ii)	Interest due thereon	61.30	7.40
			5,21.38	**4,28.23**
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	30,33.74	45,23.48
	(ii)	Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(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	61.30	7.40
	(ii)	Total Interest accrued during the year and remaining unpaid	61.30	7.40

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, 2020 (contd.)

NOTE 45 : TAX EXPENSE

(a) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax		
Current tax on profits for the year	235,31.46	192,82.27
Current tax on account of earlier years	24,85.62	-
Total current tax expense	260,17.08	192,82.27
Deferred tax		
In respect of current year	(64,14.45)	45,52.31
Adjustment to deferred tax attributable to change in income tax rate	16,42.04	-
Total Deferred tax (benefit) / expense	(47,72.41)	45,52.31
Total tax expense	**212,44.67**	**238,34.58**

(b) Amounts recognised in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	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	(4,56.06)	64.27	(3,91.79)	(8,44.47)	2,95.09	(5,49.38)
	(4,56.06)	**64.27**	**(3,91.79)**	**(8,44.47)**	**2,95.09**	**(5,49.38)**

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax	322,49.93	663,70.63
Tax using the Company's domestic tax rate at 25.168% on normal profit	(56,45.44)	215,12.23
Tax using the Company's domestic tax rate in terms of long term capital gain at 22.88%	125,11.01	11,20.22
Total tax	68,65.57	226,32.45
<u>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</u>		
Corporate social responsibility expenditure	1,74.02	2,54.86
Donations	1,00.08	54.29
Due to change in income tax rate from 34.944% to 25.168%.	16,42.04	-
Impairment in subsidiary	-	8,07.90
Impairment of assets	175,40.33	-
Difference in rate on account of capital gain tax and Indexation	(63,65.55)	-
Gratuity expense deductible on actual payment basis	(13,23.57)	-
Other items	1,26.13	85.08
Tax effect on account of earlier years:		
Current tax on account of earlier years:	2,485.62	-
Total tax expense	**212,44.67**	**238,34.58**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its net deferred tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended March 31, 2020. Tax expense includes charge on account of exceptional items ₹ 17,57 Lakhs, prior year charge of ₹ 24,86 Lakhs and impact on net deferred tax due to change in tax rates ₹ 16,92 Lakhs of which ₹ 50 Lakhs is accounted in Other Comprehensive Income. Consequent to the reconciliation items shown above, the effective tax rate is 65.88% (Financial Year 2018-19: 35.91%).

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	Balance as at April 01, 2019	Due to change in income tax rate during the FY 2019-20 #	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2020
Deferred tax asset					
Provision for employee benefits	24,91.06	(6,46.94)	6,89.53	64.27	25,97.91
Voluntary retirement schemes	1,65.41	(46.28)	2,62.76	-	3,81.89
Allowance for doubtful debts	6,29.59	(1,76.13)	68.98	-	5,22.44
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,63.88	(6,33.34)	-	-	16,30.54
Expenses allowable for tax purpose when paid	29,09.89	(8,13.45)	53,79.31	-	74,75.75
Total Deferred tax asset	**84,59.83**	**(23,16.14)**	**64,00.58**	**64.27**	**126,08.53**
Deferred tax liabilities					
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(24,11.77)	6,74.10	13.87	-	(17,23.80)
Deferred tax asset (net)	**60,48.06**	**(16,42.04)**	**64,14.45**	**64.27**	**108,84.73**

Adjustment to deferred tax attributable to change in income tax rate from 34.944% to 25.168% during the FY 2019-20.

(₹ in lakhs)

Particulars	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**

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 46 : LEASES

Future contractual charges on leases:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in lakhs)

0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
15,35.66	12,36.38	8,99.08	6,87.51	2,85.72	1,16.19

Right of use asset (₹ in lakhs)

Particulars	Buildings
Balance as on April 1, 2019	49,92.52
Additions	6,38.31
Less: Depreciation	(16,97.26)
Balance as on March 31, 2020	**39,33.57**

Other financial lease liabilities (₹ in lakhs)

Particulars	Buildings
Lease liabilities recognised as at April 1, 2019	49,92.52
Additions	6,38.38
Add: Interest accrued during the period	3,28.53
Less: Payments	(17,93.13)
Lease liabilities recognised as at March 31, 2020	**41,66.30**
Current lease liabilities	14,82.58
Non current lease liabilities	26,83.72

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under note 46 of Annual report 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

Borrowing rate - discounting rate used by the Company

The lessee's weighted average incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 7.26% to 7.59%.

NOTE 47 : EARNINGS PER SHARE

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year	Rupees in lakhs	110,05.26	425,36.05
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earnings per share before Exceptional items (Basic and Diluted)	₹	26.69	25.07
Earnings per share after Exceptional items (Basic and Diluted)	₹	6.50	25.11
Face value per share	₹	10	10

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 48 (a) Current tax liabilities are net of taxes paid amounting to ₹ 1345,05.19 lakhs (March 31, 2019: ₹ 1349,74.65 lakhs)

(b) Current tax assets (net) represents payments in excess of provisions of ₹ 2836,56.39 lakhs (March 31, 2019: ₹ 2579,64.18 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, 2020	As at March 31, 2019
Financial assets at fair value through OCI (FVTOCI)		
Investment in equity instruments	-	5.50
Total Investment in Equity Instruments	**-**	**5.50**
Financial assets at amortised cost *		
National Savings Certificate	-	0.17
Security deposits	10,52.27	11,43.05
Margin money/ deposit against bank guarantee	4,13.53	4,06.30
Trade receivables	99,80.12	120,48.73
Cash and cash equivalents	98,02.79	97,77.88
Bank balances other than cash and cash equivalents	968,37.73	1057,55.47
Interest accrued on deposits with bank	23,15.78	22,15.36
Receivable from group companies	7,30.82	67,02.64
Advances recoverable	44.62	44.62
Total financial assets	**1211,77.66**	**1380,94.22**
*Excludes investments in subsidiary		
Financial liabilities at amortised cost		
Borrowings	17.70	58.30
Other financial lease liabilities	41,66.30	-
Security deposits received	2,05.97	2,19.47
Payable to employees	95,55.20	117,33.52
Unclaimed dividends	20,44.34	22,25.03
Trade payables	354,71.16	402,96.11
Creditors for capital goods	24,03.59	76,71.93
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	7,01.71	13,10.24
Total financial liabilities	**546,96.25**	**636,44.88**

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (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 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, 2020	As at March 31, 2019
Financial Instruments measured at fair value (Level 3)		
Investment in equity instruments*	-	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, 2020	As at March 31, 2019
Financial assets		
National Savings Certificate		
Carrying value	-	0.17
Fair value	-	0.17
Security deposits		
Carrying value	10,52.27	11,43.05
Fair value	10,52.27	11,43.05
Margin money/ deposit against bank guarantee		
Carrying value	4,13.53	4,06.30
Fair value	4,13.53	4,06.30
*Excludes investments in subsidiary		
Financial liabilities		
Borrowings		
Carrying value	17.70	58.30
Fair value	17.70	58.30
Other financial lease liabilities		
Carrying value	41,66.30	-
Fair value	41,66.30	-
Security deposits received		
Carrying value	2,05.97	2,19.47
Fair value	2,05.97	2,19.47

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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 have undergone change, it has not affected the customers of the Company substantially, hence the Company expects the historical trend of minimal credit losses to

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

continue. The impairment loss as at March 31, 2020 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, 2020	Gross carrying amount	Expected credit Losses	Carrying amount of trade receivables (net of Expected credit loss)
Not due	75,09.98	19.28	74,90.70
Past due 0-180 days	19,78.34	62.09	19,16.25
Past due 181-365 days	2,42.69	27.62	2,15.07
Past due 366-730 days	1,96.72	54.61	1,42.11
Past due 731-1095 days	2,76.67	60.68	2,15.99
Past due more than 3 years	15,76.74	15,76.74	-
Total	**117,81.14**	**18,01.02**	**99,80.12**

(₹ 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 181-365 days	2,39.74	18.55	2,21.19
Past due 366-730 days	4,75.64	95.23	3,80.41
Past due 731-1095 days	2,28.12	1,32.63	95.49
Past due more than 3 years	11,89.33	11,89.33	-
Total	**135,75.67**	**15,26.94**	**120,48.73**

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, 2020, the Company had working capital of ₹ 752,40.19 lakhs, including cash and cash equivalents of ₹ 98,02.79 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 ₹ 947,00.00 lakhs.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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.

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, 2020	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	17.70	17.70	15.30	2.40	-	-
Trade Payables and other payables	482,61.94	482,61.94	482,61.94	-	-	-
Unclaimed dividends	20,44.34	20,44.34	20,44.34	-	-	-
Security deposits received	2,05.97	2,05.97	-	-	2,05.97	-

Refer note 46 for remaining contractual maturities of financial lease liabilities at the reporting date.

(₹ in lakhs)

As at March 31, 2019	Carrying amount	Contractual cash flows				
		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	-

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020				As at March 31, 2019			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current Financial assets	27.56	-	-	-	10.24	-	10.73	-
Trade payables	(13,05.69)	(47,19.02)	(1,58.27)	(81.74)	(2,54.46)	(4,61.84)	(4.32)	(87.13)
Capital Creditors	-	(1,25.96)	(10,07.08)	-	(1,18.21)	(3,99.42)	(22,79.66)	(29.96)
Net statement of financial position exposure	(12,78.13)	(48,44.98)	(11,65.35)	(81.74)	(3,62.43)	(8,61.26)	(22,73.25)	(1,17.09)

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
As at March 31, 2020					
GBP	5%	(63.91)	63.91	-	-
USD	5%	(2,42.25)	2,42.25	-	-
EUR	5%	(58.27)	58.27	-	-
Other currencies	5%	(4.09)	4.09	-	-

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or (loss)		Equity	
		Strengthening	Weakening	Strengthening	Weakening
As at 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	-	-

(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, 2020 and March 31, 2019.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(i)	Equity shares		
	Final dividend for the year ended March 31, 2019 of ₹ 20 (March 31, 2018: ₹ 17.5 retrospectively adjusted for September 2018 bonus issue) per fully paid share	338,81.21	296,46.06
(ii)	Dividend Distribution Tax on the above	69,64.38	60,93.83
(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 ₹ 40 per fully paid equity share (including special dividend of ₹ 20 per equity share) (March 31, 2019: ₹ 20 per share). The proposed dividend for the year ended March 31, 2020 is subject to the approval of shareholders in the ensuing annual general meeting.	677,62.41	338,81.21
(iv)	Dividend Distribution Tax on the above (Refer note below)	-	69,64.38

Note: With reference to the amendment in the Finance Act 2020, Dividend Distribution Tax (DDT) has been abolished from AY 2021-22. i.e. no DDT shall be payable by the company on any dividend distributed on or after April 1, 2020 and hence there is no DDT on proposed dividend for the year ended March 31, 2020.

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, 2020	Year ended March 31, 2019
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	3207,22.07	3102,72.94
Revenue from foreign countries	17,45.95	25,80.52
Total	**3224,68.02**	**3128,53.46**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Details of non current asset		
Non Current asset from the country of domicile - India	1229,05.15	1817,48.19
Non Current asset from foreign countries	-	-
Total	**1229,05.15**	**1817,48.19**

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, 2020 (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*

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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*

GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka

ViiV Healthcare Limited, UK

US GMS Financial Services, U.S.A.*

GlaxoSmithKline Inc, Philadelphia*

GlaxoSmithKline Manufacturing SPA, Italy*

GlaxoSmithKline Intellectual Property Limited*

* no transactions during the year

(iv) Directors and members of GSK India Leadership Team :

Directors:	GSK India Leadership Team:
Mr. A. Vaidheesh # (upto March 31, 2020)	Mr. A. Nadkarni
Ms. P. Thakur #	Mr. R. D'souza
Mr. R. Krishnaswamy #	Mr. S. Dheri
Mr. N. Kaviratne	Ms. S. Choudhary
Mr. P. Bhide	Mr. B. Kotak
Ms. R. S. Karnad (w.e.f. April 1, 2019)	Mr. A. Iyer
Mr. A.N. Roy	Ms. M. Priyam
Mr. D. Sundaram	Ms. D. Jakate
Mr. S. Williams	Ms. S. Zota (w.e.f March 23, 2020)
Mr. R.R. Bajaaj (upto July 24, 2018)	Mr. S. Webb (w.e.f. January 17, 2018 upto January 31, 2019)
Mr. D.S. Parekh (upto March 31, 2019)	Mr. V. Balakrishnan (upto September 21, 2018)
Ms. A. Bansal (upto March 29, 2020)	Mr. S. Balasubramanian (w.e.f. October 01, 2018)
Mr. M.Jones (upto July 24, 2018)	Mr. N. Hindia (w.e.f. June 01, 2018 upto March 22, 2020)
	Mr. G. Kotian (w.e.f. October 01, 2018 upto October 31, 2019)
	Mr. N. Sudrik (w.e.f. October 01, 2018 upto October 31, 2019)
	Mr. R. Bartaria (upto August 31, 2018)
	Mr. K. Hazari (upto May 31, 2018)

Also member of GSK India Leadership Team

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	Year ended March 31, 2019
Glaxo Group Limited, U.K.	121,94.10	106,69.84
GlaxoSmithKline Pte Limited, Singapore	95,20.80	83,30.70
Eskaylab Limited, U.K.	23,52.00	20,58.00
Burroughs Wellcome International Limited, U.K.	13,44.00	11,76.00

(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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
1	Purchase of materials/traded goods	-	-	-	-	634,52.35	465,35.29
2	Sale of materials/sale of products	-	-	-	-	23.92	18.54
3	Purchase of intangible assets	-	-	-	-	-	9,45.00
4	Sale of laptops					28.56	-
5	Expenses recharged to other companies	36.05	70.55	35.34	41.58	27,93.64	60,02.39
6	Expenses recharged by other companies	-	-	-	-	74,67.46	41,71.84
7	Manufacturing charges recovered	-	-	-	-	13,84.54	9,22.62
8	Clinical research and data management recoveries	-	-	-	-	8,98.26	7,71.88
9	Liabilities written back	-	-	-	-	-	23,14.00
10	Employee benefit liabilities transferred to a related party	-	-	-	-	13.51	12.52
11	Outstanding receivables at the period end	-	-	-	-	7,30.82	67,02.64
12	Outstanding payables at the period end	-	-	35.58	40.51	56,77.24	65,03.24
13	Cross charges recoverable at the period end	-	-	-	-	1,25.22	-

(iii) Disclosure in respect of material transactions with parties referred to in item 1(i), 1(ii) and 1(iii) above:

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Purchase of materials/traded goods:		
GlaxoSmithKline Asia Private Limited, India	15,78.80	7,15.09
GlaxoSmithKline Biologicals S.A., Belgium	497,07.76	273,91.37
Chiron Behring Vaccines Private Ltd, India	-	37,18.49
Stiefel India Private Limited, India	29,26.99	34,47.15
GlaxoSmithKline Export Limited, U.K.	85,60.10	112,63.19

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	23.92	18.54
(c)	Intangible assets:		
	GlaxoSmithKline Services Unlimited, U.K.	-	9,45.00
(d)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	9,02.47	2,94.05
	Glaxo Group Limited, U.K.	-	70.55
	GlaxoSmithKline Intellectual Property Limited	-	1,30.63
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	17.37	76.90
	GlaxoSmithKline Export Limited, U.K.	4,70.03	8,27.67
	GlaxoSmithKline Consumer Healthcare Limited, India	-	11,17.11
	GlaxoSmithKline Biologicals S.A., Belgium	78.21	11,52.43
	GlaxoSmithKline Research & Development Ltd, U.K.	41.78	23.25
	GlaxoSmithKline Services Unlimited, U.K.	4,11.65	8,52.05
	Glaxo Operations UK Limited, U.K	4,57.88	5,15.34
	GlaxoSmithKline Trading Services Limited, Ireland	2,48.65	4,52.24
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	36.12	3,56.65
	GlaxoSmithKline Pte Limited, Singapore	36.05	-
(e)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	72,03.67	31,69.02
	GlaxoSmithKline Services Unlimited, U.K.	1,23.30	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.	15.95	11.02
	GlaxoSmithKline Asia Private Limited, India	1,24.54	-
(f)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	13,84.54	9,22.62
(g)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	7,48.60	5,54.35
	GlaxoSmithKline Asia Private Limited, India	-	24.43
	GlaxoSmithKline Services Unlimited, U.K.	-	11.60
	GlaxoSmithKline Research & Development Ltd, U.K.	1,49.66	1,81.50
(h)	Sale of laptops		
	GlaxoSmithKline Asia Private Limited, India	28.56	-
(i)	Liabiities written back		
	GlaxoSmithKline Asia Private Limited, India	-	23,14.00
(j)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	13.51	12.52

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		As at March 31, 2020
(k)	Outstanding receivables at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	1,92.68
	GlaxoSmithKline Consumer Healthcare Limited, India	1,41.80
	GlaxoSmithKline Export Limited, U.K.	63.35
	GlaxoSmithKline Research & Development Ltd, U.K.	21.34
	GlaxoSmithKline Trading Services Limited, Ireland	13.15
	GlaxoSmithKline Services Unlimited, U.K.	69.60
	Glaxo Operations UK Limited, U.K.	1,97.21
	GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka	30.10

(₹ in lakhs)

		As at March 31, 2020
(l)	Outstanding payables at the period end :	
	Biddle Sawyer Limited	35.58
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	77.24
	GlaxoSmithKline Biologicals S.A., Belgium	37,61.90
	GlaxoSmithKline Export Limited, U.K.	14,89.10
	Stiefel India Private Limited, India	23.03
	GlaxoSmithKline Services Unlimited, U.K.	78.11
	GlaxoSmithKline Asia Private Limited, India	1,97.53
	SmithKline Beecham Limited, U.K.	13.73

(₹ in lakhs)

		As at March 31, 2020
(m)	Cross charges recoverable at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	30.41
	GlaxoSmithKline Export Limited, U.K.	31.69
	GlaxoSmithKline Research & Development Ltd, U.K.	21.57
	GlaxoSmithKline Services Unlimited, U.K.	16.27
	Glaxo Operations UK Limited, U.K.	19.65
	GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka	5.63

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		As at March 31, 2019
(n)	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
(o)	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

(iv) Details relating to persons referred to in item 1(iv) above:

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
1	Remuneration/commission/sitting fees	40,91.89	29,75.30
2	Payments under the long-term incentive plan	5,16.49	3,63.74

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

(v) Disclosure in respect of material transactions with persons referred to in item 1(iv) above:

₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Remuneration/commission/sitting fees (Refer Note below):		
	Mr. A. Vaidheesh	9,47.67	5,75.19
	Mr. A. Iyer	4,54.17	3,23.29
	Mr. R. Krishnaswamy	2,60.48	2,11.61
	Ms. P. Thakur	3,98.40	2,09.51
	Ms. M. Priyam	4,13.37	2,86.11
(b)	Payments made during the year under the long-term incentive plan (Refer Note below):		
	Mr. A. Vaidheesh	3,26.95	2,04.66
	Ms. P. Thakur	35.36	26.71
	Mr. R. Krishnaswamy	28.90	48.36
	Mr. S. Dheri	31.82	13.06

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 4.2% (Previous Year 5.2%) over the duration of the award.

Reconciliation of RSAs

	Number of RSA
As at April 1, 2018	157,458
Granted	98,462
Exercised *	(95,234)
Cancelled**	(20,847)
As at March 31, 2019	**139,839**
Granted	122,201
Exercised *	(43,148)
Cancelled**	(50,616)
As at March 31, 2020	**168,276**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2020 was GBP 15.15 (March 31, 2019 GBP 15.97)

** Also includes for employees transferred

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	Year ended March 31, 2019
Restricted Share Awards (RSAs)	13,21.17	7,74.56

Carrying amount of liability

₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Carrying amount of liability included in long term incentive plan (Notes 21 and 25)	10,06.07	8,13.64

NOTE 54 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended a Dividend of ₹ 40 per equity share of face value of ₹ 10 each which includes a special dividend of ₹ 20.00 per share for this year. (March 31, 2019: ₹ 20 per share) (Refer Note 50 (b)).

NOTE 55:

The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been swift in extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company based on current estimates expects the carrying amount of these assets will be recovered.

NOTE 56:

Previous year figures have been regrouped / reclassified wherever necessary.

NOTE 57: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 18, 2020.

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

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	:	4,10.18
6.	Total assets	:	26,55.94
7.	Total Liabilities	:	21,49.76
8.	Investments	:	Nil
9.	Turnover	:	Nil
10.	Profit/(loss) before taxation	:	(16,80.40)
11.	Provision for taxation	:	10.18
12.	Profit/(loss) after taxation	:	(16,90.58)
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

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in submitting their 74th Report for the year ended 31 March 2020.

FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

₹ in Lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Operations	-	-
Profit/(loss) before Tax	(16,80.40)	(4,09.55)
Provision for Tax	-	-
Deferred Tax Charge/ (credit)	10.18	(1,06.95)
Net Profit for the year	(16,90.58)	(3,02.60)
Opening Surplus brought forward	21,00.76	24,03.36
Closing Surplus brought forward	(4,10.18)	21,00.76

State of Company Affairs

During the year under review, your company has earned income from interest on fixed deposits ₹ 98.35 lakhs (previous year ₹ 83.47 lakhs). The company has not generated any revenue from operations during the current as well as previous year. During the year, the company has written back provisions of ₹ 47.32 lakhs (Previous Year ₹ Nil). The company incurred loss of ₹ 16,90.58 lakhs, as compared to loss of ₹ 3,02.60 lakhs during the previous year ended 31 March 2019.

DIVIDEND

The Directors do not recommend any dividend for the year ended 31 March 2020.

AUDITORS AND AUDITORS' REPORT

Members are requested to re-appoint M/s. 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. Annaswamy Vaidheesh resigned as Director of the Company with effect from 31 March 2020. Mr. Sridhar Venkatesh was appointed as Additional Director from 1 April 2020 till conclusion of Annual General Meeting.

In terms of the provisions of the Companies Act, 2013, Ms. Puja. Thakur retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

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 31 March 2020 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 31 March 2020 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 31 March 2020 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 6 (Six) times during the financial year 2019-20.
- As on 31 March 2020, 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 Annexure 1.
- 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 2019-20.
- There were no material changes and commitments affecting the financial position of your 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 2019-20.

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

Sridhar Venkatesh
Chairman

Mumbai, 14 May 2020

ANNEXURE 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2020

[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 1 April 2019]				No. of Shares held at the end of the year [as on 31 March 2020]				% 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.	960000	0	960000	100	960000	0	960000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=A1+A2	**960000**	**0**	**960000**	**100**	**960000**	**0**	**960000**	**100**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
Indian									-
Others	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1 April 2019]				No. of Shares held at the end of the year [as on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
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)	**960000**	**0**	**960000**	**100**	**960000**	**0**	**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- 1 April, 2019		Cumulative shareholding during the year 31 March 2020	
		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	0.00	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	0.00	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- 1 April, 2019		Cumulative shareholding during the year 31 March 2020	
		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. Remuneration to Managing Director, Whole-time 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 31 March 2020.

On behalf of the Board of Directors

S. Venkatesh
DIN:07263117

P. Thakur
DIN: 07971789

Mumbai, 14 May 2020

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 31 March, 2020, 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 Management and the Board of Directors are responsible for the preparation and presentation of these Ind AS financial statements that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 for the year ended March 31, 2020 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 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 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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on

31st March, 2020 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
UDIN: 20010620AAAAAD7750

Place: MUMBAI
Date: May 14, 2020

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 31 March 2020, 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, 2020. 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
UDIN: 20010620AAAAAD7750

Place: MUMBAI
Date: May 14, 2020

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, 2020 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, 2020, 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
UDIN: 20010620AAAAAD7750

Place: MUMBAI
Date: May 14, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

₹ in Lakhs

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Investment properties	2	2.08	2.08
Financial assets			
(i) Loans	3	-	40.83
Current tax assets (net)		4,92.75	4,75.17
Deferred tax assets (net)		1,63.91	1,74.09
Other non-current assets	4	1,51.54	1,41.45
		8,10.28	**8,33.62**
Current assets			
Financial Assets			
(i) Cash and cash equivalents	5	6,78.36	99.78
(ii) Bank balances other than (i) above	6	10,01.45	15,01.45
(iii) Other financial assets	7	6.42	34.02
Other current assets	8	1,59.43	2,39.08
		18,45.66	**18,74.33**
TOTAL ASSETS		**26,55.94**	**27,07.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	96.00	96.00
Other Equity	10	4,10.18	21,00.76
Total equity		**5,06.18**	**21,96.76**
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	3,22.58	3,25.87
(ii) Other financial liability	14	-	10.00
Other current liabilities	15	17,00.50	1.33
Provisions	16	-	47.31
		20,23.08	**3,84.51**
TOTAL EQUITY AND LIABILITIES		**26,55.94**	**27,07.95**

Significant Accounting Policies & Notes on Accounts

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
UDIN Number - 20010620AAAAAD7750
Place : Mumbai
Date: May 14, 2020

For and on behalf of the Board

Sridhar Venkatesh
Director
UDIN: 07263117

Puja Thakur
Director
UDIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

₹ in Lakhs

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Income	19	1,45.68	83.88
Total income		**1,45.68**	**83.88**
Expenses			
Cost of materials consumed	20	-	4,50.00
Other expenses	21	1,26.08	1,12.46
Total expenses		**1,26.08**	**5,62.46**
Profit/(loss) before exceptional and items and tax		19.60	(4,78.58)
Exceptional items	24	(17,00.00)	69.03
Profit/(loss) before tax		**(16,80.40)**	**(4,09.55)**
Income tax expenses			
Current tax	25	-	-
Deferred tax	25	10.18	(1,06.95)
Profit / (Loss) for the period		**(16,90.58)**	**(3,02.60)**
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		**(16,90.58)**	**(3,02.60)**
Profit attributable to:			
Owners of the Company		(16,90.58)	(3,02.60)
Total comprehensive income attributable to:			
Owners of the Company		(16,90.58)	(3,02.60)
Earnings per equity share	22	(176.10)	(31.52)
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 CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS

RUSTOM D. DAVAR
(PROPRIETOR)
Membership No. F10620
UDIN Number - 20010620AAAAAD7750
Place : Mumbai
Date: May 14, 2020

For and on behalf of the Board

Sridhar Venkatesh
Director
UDIN: 07263117

Puja Thakur
Director
UDIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF CHANGES IN EQUITY

₹ in Lakhs

(a) Equity share capital	As at March 31, 2020		As at March 31, 2019	
	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

₹ in Lakhs

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 2019	2.91	10,06.01	10,91.84	-	21,00.76
Total Comprehensive					
Profit/(loss) for the year	-	-	(1,690.58)		(16,90.58)
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, 2020	**2.91**	**10,06.01**	**(5,98.74)**	**-**	**4,10.18**

₹ in Lakhs

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**

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
UDIN Number - 20010620AAAAAD7750
Place : Mumbai
Date: May 14, 2020

For and on behalf of the Board

Sridhar Venkatesh
Director
UDIN: 07263117

Puja Thakur
Director
UDIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

			Year Ended March 31, 2020	Year Ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before income tax and exceptional items		19.60	(4,78.58)
	Adjustments for :			
	Provision for doubtful loans and advances		42.92	-
	Provision written back		(47.32)	-
	Interest income classified as investing cash flows		(1,45.67)	(83.88)
	Change in operating assets and liabilities			
	(Increase) in Other non-current assets		(12.19)	(45.95)
	(Increase)/Decrease in Other current assets		79.65	4,03.71
	Increase /(Decrease) in Trade payables		(3.29)	(34.53)
	(Decrease) / Increase in Other liabilities		(10.83)	9.58
	Cash generated from operations		**(77.13)**	**(2,29.65)**
	Income taxes paid (net of refunds)		(17.57)	(8.35)
	Cash flow before exceptional items		**(94.70)**	**(2,38.00)**
	Exceptional Items:			
	Sale of brands		-	69.03
	Net cash inflow from operating activities	**A**	**(94.70)**	**(1,68.97)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Investment in bank deposits (having original maturity more than 3 months)		5,00.00	-
	Interest received		1,73.28	98.23
	Net cash outflow from investing activities	**B**	**6,73.28**	**98.23**
	Net increase in cash and cash equivalents	**(A + B)**	**5,78.58**	**(70.74)**
	Cash and cash equivalents as at 1st April, 2019 (opening balance)		99.78	1,70.52
	Cash and cash equivalents as at 31st March, 2020 (closing balance)		6,78.36	99.78
	Net increase in cash and cash equivalents		**5,78.58**	**(70.74)**
	NOTES:			
	Cash and cash equivalents include:			
	Balances with banks		6,78.36	99.78
	Total cash and cash equivalents		**6,78.36**	**99.78**

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
UDIN Number - 20010620AAAAAD7750
Place : Mumbai
Date: May 14, 2020

For and on behalf of the Board

Sridhar Venkatesh
Director
UDIN: 07263117

Puja Thakur
Director
UDIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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, 2020

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
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-20	31-Mar-19
(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 ₹ 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, 2020	For the year ended March 31, 2019
NOTE 3		
Non current Financial assets - Loans		
Sundry Deposits	16.37	14.27
Advances recoverable	26.55	26.56
Less: Provision	(42.92)	-
	-	**40.83**
NOTE 4		
Other non-current assets		
Balance with Government Authorities	1,51.54	1,41.45
	1,51.54	**1,41.45**
NOTE 5		
Cash and cash equivalents		
Current account Balances with Banks	6,78.36	99.78
	6,78.36	**99.78**
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	10,00.00	15,00.00
Term deposit with original maturity period of more than twelve months but maturing within next twelve months	1.45	1.45
	10,01.45	**15,01.45**
NOTE 7		
Current financial assets - Others		
Interest accured on investments/ deposits	6.42	34.02
	6.42	**34.02**
NOTE 8		
Other current assets		
Balance with Government Authorities	0.08	0.08
Sundry advances	1,15.33	1,92.72
Current account balances with group companies	44.02	46.28
	1,59.43	**2,39.08**
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	(5,98.74)	10,91.84
	4,10.18	**21,00.76**

₹ in Lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
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	3,22.58	3,25.87
	3,22.58	**3,25.87**
NOTE 14		
Other current financial liabilities		
Security deposits received	-	10.00
	-	**10.00**
NOTE 15		
Other current liabilities		
Other liabilities	17,00.00	-
Statutory dues	0.50	1.33
	17,00.50	**1.33**
NOTE 16		
Current provisions		
For others	-	47.31
	-	**47.31**

₹ in Lakhs

		For the year ended March 31, 2020	For the year ended March 31, 2019
17 (I)	**CONTINGENT LIABILITIES**		
	Claims against the Company not acknowledged as debts	2,57.03	18,52.05
	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 31 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 3 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, 2020	As at March 31, 2019
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	96.00	96.00
	(of the above 750,000 ordinary shares have been allotted as fully paid-up Bonus shares by capitalisation of General Reserve)		
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, 2020	For the year ended March 31, 2019
19 OTHER INCOME		
Interest income	98.35	83.47
Provisions written back (net)	47.32	-
Miscellaneous Income	0.01	0.41
	1,45.68	**83.88**
20 COST OF MATERIALS CONSUMED		
Cost of materials consumed	-	4,50.00
(Previous year comprises modvat not recoverable written off)		
21 OTHER EXPENSES		
Rent	0.34	0.26
Rates and taxes	5.62	4.38
Remuneration to auditors :		
Statutory audit fees	3.45	2.70
Tax audit fees	-	0.70
Reimbursement of expenses	0.56	0.32
Reimbursement of expenses to GlaxoSmithKline Pharmaceuticals Limited	29.95	35.80
Repairs and Maintenance	0.90	36.02
Legal and Professional fees	-	0.84
Tax and consulting fees	14.35	6.53
Security guard services	23.55	20.91
Third party warehousing	4.36	3.21
Miscellaneous expenses	0.08	0.79
Provision for bad and doubtful loans and advances	42.92	-
	1,26.08	**1,12.46**
22 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)	(16,90.58)	(3,02.60)
Weighted average number of shares (Nos)	960,000	960,000
Earnings per share (Basic and Diluted) - ₹	(176.10)	(31.52)
Face value per share - ₹	10.00	10.00

23 SEGMENT REPORTING

The Company has only one segment namely pharmaceuticals; hence no separate disclosure of segment-wise information has been made.

₹ in Lakhs

	For the year ended March 31, 2020	For the year ended March 31, 2019
24 EXCEPTIONAL ITEMS		
Sale of Brands	-	69.03
Provision for Severance Pay (Note a)	(17,00.00)	-
	(17,00.00)	**69.03**
Note a:		
Exceptional items for the year ended 31st March 2020 of ₹ 1700 lakhs is charge on account of outstanding litigation matters.		
25 TAX EXPENSE		
(a) **Amounts recognised in profit and loss**		
Current income tax	**-**	**-**
Deferred tax		
Decrease (increase) in deferred tax assets	5.00	(1,06.95)
(Decrease) increase in deferred tax liabilities	-	-
Adjsutment to deferred tax attributable to change in Income Tax rates	5.18	-
Deferred tax expense	10.18	(1,06.95)
Tax expense for the year	**10.18**	**(1,06.95)**
(b) **Reconciliation of effective tax rate**		
Profit before tax	(16,80.40)	(4,09.55)
Tax using the Company's domestic tax rate at 25.168% (Previous Year: 26%)	(4,22.93)	(1,06.49)
Tax effect of:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other items	4,27.93	0.07
Due to change in income tax rate from 26% to 25.168%	5.18	(0.53)
	10.18	**(1,06.95)**

The Company's weighted average tax rates for the years ended March 31, 2020 and 2019 were 25.168% and 26% respectively. Income tax expense was ₹ Nil for the years ended March 31, 2020 and March 31, 2019

(c) **Movement in deferred tax balances**

₹ in Lakhs

	March 31, 2020			
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Deferred tax asset / (liability)
	INR	INR	INR	INR
Deferred tax asset				
Expenses allowable for tax purpose when paid	1,60.22	(9.74)	-	1,50.48
Provision for pricing matters	13.87	(0.44)	-	13.43
Tax assets (Liabilities)	**1,74.09**	**(10.18)**	**-**	**1,63.91**

₹ in Lakhs

	March 31, 2019			
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net Deferred tax asset / (liability)
	INR	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**

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.

26 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, 2020	As at March 31, 2019
Financial assets at amortised cost		
Security Deposits	-	14.27
Advances recoverable	-	26.56
Cash and cash equivalents	6,78.36	99.78
Other bank balance	10,01.45	15,01.45
Total financial assets	**16,79.81**	**16,42.06**
Financial liabilities at amortised cost		
Security deposits received	0.63	10.63
Other non-current financial liabilities	0.72	0.72
Trade payables	3,22.58	3,25.87
Total financial liabilities	**3,23.93**	**3,37.22**

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, 2020	As at March 31, 2019
Financial assets		
Security Deposits		
Carrying value	-	14.27
Fair value	-	14.27
Advances recoverable		
Carrying value	-	26.56
Fair value	-	26.56
Financial liabilities		
Security deposits received		
Carrying value	0.63	10.63
Fair value	0.63	10.63
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 of the Holding company 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, 2020, the Company had working capital of ₹ -1,77.42 Lakhs, including cash and cash equivalents of ₹ 6,78.36 Lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 10,01.45 Lakhs.

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.

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, 2020	**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	3,22.58	3,22.58	3,22.58	-	-	-
Security deposits	0.63	0.63	-	-	0.63	-
Other non-current liabilities	0.72	0.72	-	-	0.72	-

₹ 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	-	-	-
Security deposits	10.63	10.63	10.00	-	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 does not have any foreign currency exposure as at the balance sheet date.

27 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.

28 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, 2020	**Year Ended 31st March, 2019**
		Holding Company	
1	Payment of common costs	29.95	35.80
2	Outstanding receivable by the Company (net)*	44.02	46.28
		Other related parties in the GlaxoSmithKline (GSK) Group where common control exists	
1	Outstanding (payable) by the Company (net)*		
	Stiefel India Private Limited	(0.59)	-

* Transactions with the above parties are accounted in the respective current accounts.

29 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
UDIN Number - 20010620AAAAAD7750
Place : Mumbai
Date: May 14, 2020

For and on behalf of the Board

Sridhar Venkatesh
Director
UDIN: 07263117

Puja Thakur
Director
UDIN: 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, 2020, and 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.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of the subsidiary referred to in the Other Matters 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, 2020, 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 audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraphs (a)of the Other Matters 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** 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.	**Principal audit procedures performed with the assistance of our IT specialists:** • 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.
2	**Impairment of Property, Plant and Equipment including Capital work in progress and Intangible Assets amounting to ₹ 637,42.85 Lakhs being assets relating to Ranitidine products including Zinetac in India (referred to 'Specified Assets') [Refer Note 2(d), 3 and 5 to the standalone financial statement].** Following the decision to initiate a global voluntary recall (pharmacy/retail level) of Ranitidine products including Zinetac in India, the Parent performed Impairment analysis as required by Ind AS 36 for the Specified Assets. Management has considered the recoverable amount of the specified assets based on 'fair value less cost to sell' and has engaged an independent valuer to determine such value. Management applied significant judgements and assumptions to determine the recoverable amount of the specified assets particularly the appropriateness of valuation approach, marketability discount and estimated cost of disposal. In view of the foregoing, impairment of the specified assets has been identified as a Key Audit Matter. As at March 31, 2020, carrying values of such specified assets aggregates ₹ 436,96 Lakhs post recognition of impairment loss of ₹ 637,42.85 Lakhs including cost to sell.	**We performed the following audit procedures:** Evaluated the design and implementation of internal controls over financial reporting over the Management's review of valuation of specified assets and tested the operating effectiveness of the said controls. These particularly include determination of the appropriateness of valuation approach, marketability discount and cost of disposal. As part of our substantive testing procedures, we evaluated the independent valuer's competence, capability and objectivity, assessed the methodologies used by the independent valuer appointed by the Management to estimate the fair value less cost to sell, and tested the accuracy and relevance of the input data provided by the Management to the independent valuer. With the assistance of our internal specialists, carried out a fair check of the valuation assumptions considered by the independent valuer and evaluated the sensitivity analysis performed by such independent valuer. Assessed the appropriateness of the disclosures for inclusion in the consolidated financial statements of the Group, in accordance with the applicable financial reporting framework.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matters</th><th>Auditor's Response</th></tr>
<tr><td>3</td><td>Existence and condition of inventory of raw and packing materials, work in progress, finished goods (manufactured and traded) [Refer to Note 10 to the standalone financial statements]

The Parent has its inventory located at factory, clearing & forwarding agent (CFA) locations and third party manufacturing locations.

The Parent's management conducts physical verification of inventories during the year at reasonable intervals, in factory, CFA locations and third party manufacturing locations however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories and verification was carried out subsequently for Factory and CFA locations.

Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll back procedures for inventories which were physically verified subsequent to year end, obtaining confirmations from third party manufacturing locations and carrying out consumption analysis and to determine the quantities of the inventory at the balance sheet date.

Further due to COVID-19 related lockdown we could participate in the physical verification of inventory that was carried out by the management subsequent to the year end only through virtual medium.

In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.</td><td>We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical stock verification:

Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any.

For stocks at third party manufacturing locations, we obtained direct confirmations, and tallied with stock quantities at year-end. Also, we read the third party manufacturing agreements to understand the obligations of the third party with respect to maintenance of the inventory records for the Parent and their ability to provide confirmation on the inventories held by them on behalf of the Parent. Verified the analytical reviews performed by the Parent such as consumption analysis

Observed the physical verification of inventories carried out by the Management at the select locations subsequent to year-end through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory. On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any.

We have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales, production records and results of cyclical count performed by the Management through the year and such other third part evidences where applicable.</td></tr>
</table>

Information Other than the 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 in Annual Report, 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 this entity 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 their 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 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; 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 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board 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 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 within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Matters

(a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 26,55.94 Lakhs as at March 31, 2020, total revenues of ₹ NIL and net cash inflows amounting to ₹ 78.58 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.

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 reports of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters 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 reports of the other auditors.

   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, 2020 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2020 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.

   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 Group has long term contracts as of March 31, 2020 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2020.

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABR5348

Place : Mumbai
Date : May 18, 2020

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, 2020, 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 Board 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 their report referred to in the Other Matters 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 reports of the other auditor referred to in the Other Matters 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, 2020, 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 Matters

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 reports of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 20046930AAAABR5348

Place : Mumbai
Date : May 18, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	667,62.95	364,45.26
Right of use assets	47	39,33.57	-
Capital work-in-progress	3	120,12.15	1002,64.42
Investment property	4	1,49.33	1,63.71
Intangible assets	5	49,62.51	65,54.00
Financial assets			
(i) Investments	6	-	5.67
(ii) Deposits	7	10,52.27	11,83.88
(iii) Other financial assets	8	4,13.53	4,06.30
Current tax assets (net)	49	309,79.65	312,97.94
Deferred tax assets (net)	46	110,48.64	62,22.15
Other non-current assets	9	47,51.36	76,41.56
		1360,65.96	**1901,84.89**
Current assets			
Inventories	10	483,03.22	486,49.35
Financial assets			
(i) Trade receivables	11	99,80.12	120,48.73
(ii) Cash and cash equivalents	12	104,81.15	98,77.66
(iii) Bank balances other than (ii) above	13	978,39.18	1072,56.92
(iv) Other financial assets	14	30,97.64	89,96.64
Other current assets	15	77,75.60	137,84.19
		1774,76.91	2006,13.49
Assets classified as held for sale	16	11.23	3,32.71
		1774,88.14	**2009,46.20**
TOTAL ASSETS		**3135,54.10**	**3911,31.09**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	169,40.60	169,40.60
Other equity	18	1651,19.89	1970,42.32
Total equity		**1820,60.49**	**2139,82.92**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	2.40	17.70
(ii) Other financial liabilities	20	2,07.32	2,20.82
(iii) Other financial lease liabilities	20	26,83.72	-
Provisions	21 & 26	261,74.45	314,77.70
		290,67.89	**317,16.22**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	5,21.38	4,28.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	352,37.13	401,53.25
(ii) Other financial liabilities	23	148,50.42	231,21.94
(iii) Other financial lease liabilities	23	14,82.58	-
Other current liabilities	24	65,12.58	571,49.19
Provisions	25 & 26	276,84.01	92,36.06
Current tax liabilities (net)	49	161,37.62	153,43.28
		1024,25.72	**1454,31.95**
Total liabilities		**1314,93.61**	**1771,48.17**
TOTAL EQUITY AND LIABILITIES		**3135,54.10**	**3911,31.09**

The accompanying notes 1 to 59 are an integral part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in lakhs)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	3224,38.07	3128,11.88
Other income	28	79,01.24	102,31.72
Total income		**3303,39.31**	**3230,43.60**
Expenses			
Cost of materials consumed	29	474,37.97	686,57.04
Purchases of stock-in-trade		868,92.28	645,89.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(35,43.27)	25,56.55
Employee benefits expense	31	628,55.35	537,19.59
Finance costs	32	6,33.55	55.43
Depreciation and amortisation expense	33	82,67.77	48,59.07
Other expenses	34	630,71.04	632,09.62
Total expenses		**2656,14.69**	**2576,46.58**
Profit before exceptional items and tax		**647,24.62**	**653,97.02**
Exceptional items (net)	38	(341,49.31)	28,69.91
Profit before tax		**305,75.31**	**682,66.93**
Tax expense:			
Current tax	46	235,31.46	192,82.27
Deferred tax	46	(47,62.23)	44,45.36
Tax adjustment of earlier year		24,85.62	-
		212,54.85	**237,27.63**
Profit for the year		**93,20.46**	**445,39.30**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	46	(4,56.06)	(8,44.47)
Investments written off		(5.50)	-
Income tax relating to items that will not be reclassified to profit or loss	46	64.27	2,95.09
		(3,97.29)	**(5,49.38)**
Total comprehensive income for the year		**89,23.17**	**439,89.92**
Profit for the year attributable to owners of the Company		93,20.46	445,39.30
Other comprehensive income / (loss) attributable to owners of the Company		(3,97.29)	(5,49.38)
Total comprehensive income for the year attributable to owners of the Company		89,23.17	439,89.92
Earnings per equity share	48		
Basic and diluted earnings per share before exceptional items		26.70	24.85
Basic and diluted earnings per share after exceptional items		5.50	26.29

The accompanying notes 1 to 59 are an integral part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		647,24.62	653,97.02
Adjustments for :			
(Gain) / Loss on disposal of property, plant and equipment (net)		(2,33.36)	(1,41.39)
Interest income		(76,20.55)	(77,28.33)
Rental income		-	(48.00)
Finance costs		6,33.55	55.43
Depreciation and amortisation expense		82,67.77	48,59.07
Allowance for doubtful debts and advances		3,17.00	(1,33.10)
Provision written back		(47.32)	-
Change in operating assets and liabilities			
(Increase) / Decrease in inventories		(67,71.67)	13,68.98
(Increase) / Decrease in trade receivables		(4.97)	26,89.19
(Increase) / Decrease in other assets		148,57.26	17,61.44
(Decrease) / Increase in trade payables		(48,22.97)	(100,04.05)
(Decrease) / Increase in provisions		12,77.16	13,67.02
(Decrease) / Increase in other liabilities		(1,27.99)	23,98.16
Cash generated from operations		**704,48.53**	**618,41.44**
Income taxes paid (net of refunds)		(185,88.43)	(200,00.41)
Cash flow before exceptional items		**518,60.10**	**418,41.03**
Exceptional items:			
Sale of brands		50.69	5,38.53
Payment of redundancy costs		(27,63.21)	(20,07.42)
Payment of associated cost to impairment		(7,13.89)	-
Income taxes paid on exceptional items		6,16.28	5,76.51
Net cash inflow from operating activities	**A**	**490,49.97**	**409,48.65**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment and other intangible assets		(155,89.81)	(291,28.14)
Proceeds from sale of property, plant and equipment		3,49.96	4,65.39
Margin money deposits		29.81	1,64.30
Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(1141,00.00)	(1241,00.00)
Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		1233,00.00	1261,00.00
Rent received		-	48.00
Interest received		65,27.11	76,67.25
Changes in earmarked balances		1,80.70	1,09.66
Cash generated from investing activities before exceptional items		**6,97.77**	**(186,73.54)**

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
Exceptional items:			
Proceeds from / (expenses incurred) for sale of property		(2,48.24)	43,39.13
Income taxes paid on exceptional items		(61,33.86)	(10,10.84)
Net cash outflow from investing activities	**B**	**(56,84.33)**	**(153,45.25)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(40.60)	(40.60)
Interest paid		(82.83)	(55.43)
Interest paid on Lease Payments		(3,28.53)	-
Payment of lease liability		(14,64.60)	-
Dividend paid to company's shareholders		(338,81.21)	(296,46.06)
Tax on distributed profit		(69,64.38)	(60,93.83)
Net cash outflow from financing activities	**C**	**(427,62.15)**	**(358,35.92)**
Net (decrease) / increase in cash and cash equivalents	**(A + B + C)**	**6,03.49**	**(102,32.52)**
Cash and cash equivalents at the beginning of the year		98,77.66	201,10.18
Cash and cash equivalents at the end of the year		104,81.15	98,77.66
Net (decrease) / increase in cash and cash equivalents		**6,03.49**	**(102,32.52)**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		35,39.21	61,48.21
Term deposits with original maturity period of less than three months		6,00.00	30,03.00
Cheques on hand		63,41.94	7,26.45
Total		**104,81.15**	**98,77.66**

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

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting period	169,40.60	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**	**169,40.60**

(b) Other equity

(₹ in lakhs)

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, 2019	**1,70.97**	**778,50.29**	**1190,76.95**	**2,62.00**	**(3,17.89)**	**1970,42.32**
Total comprehensive income						
Profit for the year	-	-	93,20.46	-	-	93,20.46
Other comprehensive loss for the year	-	-	-	-	(3,97.29)	(3,97.29)
Bonus shares issued	-	-	-	-	-	-
Transactions with owners of the company						
Dividend on equity shares (₹ 20 per share)	-	-	(338,81.21)	-	-	(338,81.21)
Dividend distribution tax	-	-	(69,64.38)	-	-	(69,64.38)
Balance as at March 31, 2020	**1,70.97**	**778,50.29**	**875,51.81**	**2,62.00**	**(7,15.18)**	**1651,19.89**
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 (₹ 17.5 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**

(i) The Parent had allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the previous year 2018-19 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.

(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

Rupen K. Bhatt
Partner

Mumbai, May 18, 2020

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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 March 31, 2020	% voting power held as at March 31, 2019
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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

- 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.

- 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

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

g) Leases

Implementation of Ind AS 116 Leases

The Group has applied Ind AS 116 ‘Leases’ with effect from April 1, 2019. Ind AS 116 introduces new requirements for the definition of a lease, lessee accounting and lessor accounting as well as a number of new disclosures. In

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

general, all leases within the scope of Ind AS 116 are required to be brought on to the balance sheet by lessees, recognising a 'right-of-use' asset and a related lease liability at the commencement of the lease. Ind AS 116 establishes a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Group has adopted Ind AS 116 applying the same to the lease contracts existing on April 1, 2019 using the modified retrospective approach, and accordingly prior year results have not been restated. For all the leases, the right of use asset was set equal to the lease liability at April 1, 2019, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the April 1, 2019. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019.

The Group recognises right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalised at the inception of the lease and recognised on the balance sheet. The corresponding liability to the lessor is recognised as a lease obligation. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability, the lessee's incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the Group would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market.

Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Variable rents are not part of the lease liability and the right of use asset. These payments are charged to the income statement as incurred. If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

i. Relying on previous assessments performed immediately before initial application on whether leases are onerous as per Ind AS 37 Provisions, Contingent liabilities and Contingent Assets , as an alternative to performing an impairment review as per Ind AS 36 Impairments of assets as on the date of initial application, there were no onerous contracts as at April 1, 2019.

ii. Initial direct costs were excluded from the measurement of the right of use asset at the transition date on a lease-by-lease basis.

iii. Hindsight was applied, such as in determining the lease term where contracts contained options to extend or terminate the lease.

The application of Ind AS 116 has had no material impact on the Group's income statement and earnings per share, or on overall cash flows for the Group. However, the presentation of the lease payments in the cash flow statement has changed, resulting in an increase to the net cash inflow from operating activities, and hence free cash flow, and a corresponding increase in the net cash outflow from financing items (split between interest paid and repayment of lease liabilities).

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

- 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.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

(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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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”.

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

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2020.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

d Impairment of assets

The Group reviews the carrying amounts of its property, plant and equipment, capital work-in-progress and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Further details on the Group's accounting policies on this are set out in the accounting policy above. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires Group to estimate the fair value less cost of disposal.
The significant assumptions used by the Group in determining the impairment loss have been detailed in note 3(b).

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Depreciation					Net Carrying Value
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	As at March 31, 2020	As at March 31, 2020
Freehold land	2.00	-	-	2.00	-	-	-	-	-	2.00
Leasehold land	55,99.13	-	-	55,99.13	2,11.58	36.98	-	19,49.99	21,98.55	34,00.58
Freehold buildings	25,66.59	42.93	4.22	26,05.30	1,83.17	66.58	0.22	-	2,49.53	23,55.77
Leasehold buildings	73,44.52	341,74.97	-	415,19.49	7,38.43	5,08.53	-	184,45.63	196,92.59	218,26.90
Plant and equipment (Refer note (a) below)	297,15.64	468,91.70	16,22.63	749,84.71	90,46.83	40,95.30	16,22.24	269,41.61	384,61.50	365,23.21
Furniture and fixtures	7,95.61	39,84.01	81.58	46,98.04	3,92.65	4,49.33	49.90	24,16.92	32,09.00	14,89.04
Vehicles	14,39.84	2,66.77	2,84.95	14,21.66	6,73.95	2,64.33	2,14.88	23.71	7,47.11	6,74.55
Office equipment	5,23.54	5,49.28	48.10	10,24.72	2,95.00	1,57.09	37.64	1,19.37	5,33.82	4,90.90
Total	**479,86.87**	**859,09.66**	**20,41.48**	**1318,55.05**	**115,41.61**	**55,78.14**	**19,24.88**	**498,97.23**	**650,92.10**	**667,62.95**

Notes:

Note 3 (a)

Plant and equipment includes computers.

Note 3 (b)

The Ultimate Holding Company had been contacted by regulatory authorities regarding the detection of genotoxic nitrosamine NDMA in ranitidine products. Based on the information received and correspondence with regulatory authorities, the Ultimate Holding Company made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products to all markets, including India, as a precautionary action. The Group manufactures Ranitidine Hydrochloride IP Tablets 150 mg and 300 mg (zinetac) for supply to the Indian market. Further as a precautionary action, the Group made the decision to initiate a voluntary pharmacy/retail level recall of the zinetac products above from the Indian market.

During the year the Group undertook a comprehensive strategic review of the impact of this recall on all related assets in India. As part of this strategic review, the Group is exploring future options for the Vemgal facility including a potential sale of the site. Consequent to the above, the Group has recognized financial impairment of ₹ 637,42.85 lakhs (including cost to sell ₹ 30,91.76 lakhs) in respect of the property, plant and equipment, capital work-in-progress and intangible assets ("specified assets") connected to the underutilization of its manufacturing facilities. Additionally, the Group created provision of ₹ 40,33.00 lakhs on account of other related assets.

The recoverable amount of the specified assets is estimated to be ₹ 442,36.00 lakhs, which is its fair value less costs of disposal. The fair value is classified as a level 3 fair value measurement in fair value hierarchy as it more accurately reflects the recoverable amount based on our view of the assumptions that would be used by a market participants. The fair value of the specified assets is determined basis consideration of orderly liquidation scenario mainly using depreciated replacement cost method and estimation of cost of disposal. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Provision for the impairment is excess of carrying value over its recoverable value of the specified assets, which is included in the exceptional item in the statement of profit and loss.

Further impairment charge for the year ended March 31, 2020 also includes provision in respect of certain capital work in progress amounting to ₹ 26,31.00 lakhs due to abandonment of assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ 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	Impairment	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) above)	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**

Capital work-in-progress:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	1002,64.42	922,89.71
Additions	99,62.37	234,39.64
Less:		
Capitalisation	(869,71.22)	(154,64.93)
Impairment (Refer Note 3(b) above)	(112,43.42)	-
Closing Balance	**120,12.15**	**1002,64.42**

Capital work-in-progress as at March 31, 2020 and March 31, 2019 mainly comprise investment in Vemgal facility and corporate office renovations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at Mar 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount/ Deemed cost	2,26.41	2,26.41
Additions	-	-
Closing gross carrying amount	2,26.41	2,26.41
Accumulated Depreciation		
Opening Accumulated Depreciation	62.70	48.32
Depreciation	14.38	14.38
Closing Accumulated Depreciation	77.08	62.70
Net carrying amount	**1,49.33**	**1,63.71**

(i) Amounts recognised in the Statement of Profit and Loss for investment property

	Year ended March 31, 2020	Year ended March 31, 2019
Rental Income	-	48.00
Depreciation	(14.38)	(14.38)
Amount recognised in the Statement of Profit and Loss (net)	**(14.38)**	**33.62**

(ii) Premises given on operating lease

The Group had an apartment given on operating lease on cancellable terms which had been sold during the previous year 2018-19, the carrying value of which was nil. Rental income of ₹ nil lakhs (Previous Year: ₹ 48.00 lakhs) is disclosed under Other Income.

(iii) Estimation of fair value

The Group has three properties (March 31, 2019: three properties) that have been considered as investment properties. These comprise of three vacant land sites (March 31, 2019: three vacant land sites) that are not in operational use at present.

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 ₹ 364,45.63 lakhs (March 31, 2019: ₹ 327,66.26 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, 2020 (contd.)

Note 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value				Accumulated Amortisation					Net Carrying Value
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	As at April 01, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) above)	As at March 31, 2020	As at March 31, 2020
Intangible Assets										
Software	79,18.54	15,27.94	-	94,46.48	13,64.54	9,77.99	-	21,41.44	44,83.97	49,62.51
Total	**79,18.54**	**15,27.94**	**-**	**94,46.48**	**13,64.54**	**9,77.99**	**-**	**21,41.44**	**44,83.97**	**49,62.51**

(₹ 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	Charge for the Year	On Disposals	Impairment	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**

Intangible assets under development:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	-	-
Additions	15,27.94	2,61.14
Less:		
Capitalisation	(15,27.94)	(2,61.14)
Closing Balance	**-**	**-**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 6 : INVESTMENTS		
In Others (Measured at Fair Value through OCI)*		
Biotech Consortium India Limited	-	5.00
50,000 Equity Shares of ₹ 10 each fully paid		
Dinette Exclusive Club Private Limited	-	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
	-	**5.67**
Aggregate of Unquoted Investments	-	**5.67**

* These investments have been written off during the year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 7 : NON-CURRENT FINANCIAL ASSETS - DEPOSITS		
(Unsecured considered good)		
Security Deposits	10,68.64	11,57.32
Advances recoverable	26.55	26.56
Less : Provision	(42.92)	-
	10,52.27	**11,83.88**
NOTE 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS		
Margin money / Deposit against bank guarantee	4,13.53	4,06.30
	4,13.53	**4,06.30**
NOTE 9 : OTHER NON-CURRENT ASSETS		
Capital advances	2,84.25	3,85.83
Less : Allowance for doubtful advances	(2,83.17)	(2,83.17)
	1.08	**1,02.66**
Balances with Government authorities	11,88.77	28,49.76
Sundry deposits	32,58.25	43,11.29
Others	3,03.26	3,77.85
	47,51.36	**76,41.56**
NOTE 10 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw and Packing materials	76,47.89	115,53.92
Work-in-progress	30,72.62	22,08.98
Finished goods	92,38.26	174,06.81
Stock-in-trade (includes in-transit as on March 31, 2020: ₹ 23,20.70 lakhs; March 31, 2019: ₹ 10,58.70 lakhs)	280,02.46	171,54.28
Stores and spares	3,41.99	3,25.36
	483,03.22	**486,49.35**

The cost of inventories recognised as an expense during the year ended March 31, 2020 is ₹ Nil (March 31, 2019: ₹ 2.10 lakhs) in respect of write-downs of inventory to net realisable value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 11 : TRADE RECEIVABLES		
Unsecured, considered good	99,80.12	120,48.73
Receivables which have significant increase in Credit Risk (Refer note 50 C)	18,01.02	15,26.94
Less : Allowance for doubtful receivables	(18,01.02)	(15,26.94)
	99,80.12	**120,48.73**

During the year ended March 31, 2020 the Group has additional allowance for doubtful debts created ₹ 2,74.08 lakhs (Previous Year: reversed the allowance for doubtful debts by ₹ 42.03 lakhs).

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 12 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	35,39.21	61,48.21
Term deposit with original maturity period of less than three months	6,00.00	30,03.00
Cheques on hand	63,41.94	7,26.45
	104,81.15	**98,77.66**
NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unpaid dividend accounts	20,44.33	22,25.03
Term deposit with original maturity period of more than three months but less than twelve months	957,01.45	1049,01.45
Margin money	93.40	1,30.44
	978,39.18	**1072,56.92**
NOTE 14 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	7,30.82	67,02.64
Interest accrued on deposits with banks	23,22.20	22,49.38
Advances recoverable	44.62	44.62
	30,97.64	**89,96.64**
NOTE 15 : OTHER CURRENT ASSETS		
Balances with Government Authorities	43,23.64	88,61.12
Advance to Creditors	15,43.00	27,77.55
Sundry advances	1,15.33	2,00.03
Prepayments and Prepaid Expenses	11,78.88	11,13.02
Others	6,14.75	8,32.47
	77,75.60	**137,84.19**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building (Refer note (a) below)	9.60	3,31.08
Plant and Machinery (Refer note (b) below)	1.63	1.63
	11.23	**3,32.71**

Notes:-

(a) The previous year amount includes the written down value of the property at Thane for which the sale was executed in the current year 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.

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 17 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2019: 18,00,00,000) equity shares of ₹ 10 each	180,00.00	180,00.00
Issued		
16,94,15,420 (March 31, 2019: 16,94,15,420) equity shares of ₹ 10 each	169,41.54	169,41.54
Subscribed and Paid-Up		
16,94,06,034* (March 31, 2019: 16,94,06,034) equity shares of ₹ 10 each, fully paid up	169,40.60	169,40.60
	169,40.60	**169,40.60**

* excludes 9,386 (March 31, 2019: 9,386) 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 had allotted 8,47,03,017 fully paid up equity shares of ₹ 10/- each during the previous year 2018-19 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.

		As at March 31, 2020		As at March 31, 2019	
		Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
a)	Reconciliation of the number of shares				
	Balance at the beginning of the year	169,406,034	169,40.60	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**	**169,406,034**	**169,40.60**

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

c) Shares held by subsidiaries of ultimate holding company in aggregate

	As at March 31, 2020		As at March 31, 2019	
	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**	**127,054,524**	**127,05.46**

d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Glaxo Group Limited, U.K.	60,970,500	35.99%	60,970,500	35.99%
GlaxoSmithKline Pte Limited, Singapore	47,604,024	28.10%	47,604,024	28.10%
Eskaylab Limited, U.K.	11,760,000	6.94%	11,760,000	6.94%
Life Insurance Corporation of India	9,483,374	5.60%	10,768,929	6.36%

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 18 : OTHER EQUITY		
Capital redemption reserve	2,62.00	2,62.00
General reserve	778,50.29	778,50.29
Capital reserve	1,70.97	1,70.97
Retained earnings (Including Other Comprehensive Income)	868,36.63	1187,59.06
	1651,19.89	**1970,42.32**
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Unsecured		
Interest free deferred sales tax incentive	2.40	17.70
	2.40	**17.70**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2020 of ₹ 17.70 lakhs (March 31, 2019: ₹ 58.30 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in three instalments as at March 31, 2020 (March 31, 2019 - six instalments) and closing on April 30, 2021. The current maturity amount as at March 31, 2020 ₹ 15.30 lakhs (March 31, 2019: ₹ 40.60 lakhs) of the loan has been disclosed under note 23.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 20 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received	2,06.60	2,20.10
Other financial lease liabilities (Refer note 47)	26,83.72	-
Other non-current financial liabilities	0.72	0.72
	28,91.04	**2,20.82**
NOTE 21 : NON-CURRENT PROVISIONS		
For Pricing matters (Refer note 41, 42, 43 and 26)	123,96.15	123,96.15
For employee benefits (Refer note 39)		
Gratuity	24,22.27	79,67.51
Leave encashment and compensated absences	32,07.75	28,85.36
Post retirement medical and other benefits	60,37.58	36,68.49
For long term incentive plan (Refer note 26 and 54)	3,44.52	2,27.76
For divestment / restructuring (Refer note 26)	1,92.96	12,02.83
For others (Refer note 26)	15,73.22	31,29.60
	261,74.45	**314,77.70**
NOTE 22 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer note 45)	5,21.38	4,28.23
Due to others	352,37.13	401,53.25
	357,58.51	**405,81.48**
NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer note 19)	15.30	40.60
Unclaimed dividends *	20,44.34	22,25.03
Salaries, wages, bonus and employee benefits payable	95,55.20	117,33.52
Creditors for capital goods	24,03.59	76,71.93
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other finance lease liabilities - Current (Refer note 47)	14,82.58	-
Other Payables	7,01.71	13,10.58
Security deposits received	-	10.00
	163,33.00	**231,21.94**
* 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	44,33.03	15,06.47
Advance from customers	3,79.55	4,42.72
Advance received towards disposal of land (Refer note (a) below)	-	552,00.00
Other liabilities	17,00.00	-
	65,12.58	**571,49.19**

Note:-

(a) During the year 2017-18, the Group had received the money in advance towards disposal of Thane Land. However, actual transfer has concluded in the current year 2019-20 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, 2020 (contd.)

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NOTE 25 : CURRENT PROVISIONS		
For employee benefits (Refer note 39)		
Leave encashment and compensated absences	3,53.52	3,65.64
Post retirement medical and other benefits	3,26.13	2,14.66
For long term incentive plan (Refer note 26 and 54)	6,61.55	5,85.88
For rationalisation relating to a manufacturing site (Refer note 26)	-	31.43
For expected sales returns (Refer note 26)	48,63.28	39,69.13
For others (Refer note 26)	214,79.53	40,69.32
	276,84.01	**92,36.06**

NOTE 26 : MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	Rationalisation relating to a manufacturing site	Pricing matters	Long term incentive Plan	Divestment / restructuring	Expected sales returns	Associated cost to impairment and cost to sell	Severance pay	Provision for Zinetac (Other costs)	Others
	Refer note (i)	Refer note (ii)	Refer note (iii)	Refer note (ii)	Refer note (iv)	Refer note (v)	Refer note (v)	Refer note (vi)	Refer note (vii)
Balance as at April 01, 2019	**31.43**	**123,96.15**	**8,13.64**	**12,02.83**	**40,16.44**	**-**	**-**	**-**	**71,51.61**
Add: Provision during the year	-	-	13,21.17	-	49,01.79	71,24.76	63,25.51	18,91.00	64,57.77
Less: Amounts utilised/reversed during the year	31.43	-	11,28.74	10,09.87	40,54.95	7,13.89	31,73.77	-	20,10.24
Balance as at March 31, 2020	**-**	**123,96.15**	**10,06.07**	**1,92.96**	**48,63.28**	**64,10.87**	**31,51.74**	**18,91.00**	**115,99.14**
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**

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 was utilised / reversed during 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 and 43.

(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.

(v) Associated cost to impairment, cost to sell and severance pay: Refer note 3(b) and note 38(b).

(vi) Provision for Zinetac (Other costs) - Refer note 38(a).

(vii) Consists mainly of provision in respect of indirect tax matters.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 27 : REVENUE FROM OPERATIONS		
A. Sale of products		
Sale of products	3187,35.11	3089,48.40
	3187,35.11	**3089,48.40**
B. Other operating revenue		
Service income	23,78.72	25,20.04
Manufacturing charges recovery	11,73.34	9,22.62
Others	1,50.90	4,20.82
	37,02.96	**38,63.48**
Total Revenue from operations (A + B)	**3224,38.07**	**3128,11.88**
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the Country of Domicile- India	3206,92.12	3102,31.36
Revenue from foreign countries	17,45.95	25,80.52
	3224,38.07	**3128,11.88**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3362,26.95	3242,05.25
Less: Trade discounts, volume rebates, etc.	137,88.88	113,93.37
Net revenue recognised from contracts with customers	**3224,38.07**	**3128,11.88**
NOTE 28 : OTHER INCOME		
Interest income on:		
Deposits with banks	65,78.56	67,11.02
Income Tax Refund	10,20.62	9,90.77
Loans	19.36	20.26
Others	2.01	5.87
Gain on disposal of property, plant and equipment (net)	2,33.36	1,41.39
Rental Income	-	48.00
Liabilities written back payable to a group company	-	23,14.00
Provisions written back (net)	47.32	-
Others	0.01	0.41
	79,01.24	**102,31.72**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 29 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	474,37.97	686,57.04
	474,37.97	**686,57.04**
NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening 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**
Less: Closing stock		
Finished goods	92,38.26	174,06.81
Stock-in-trade	280,02.46	171,54.28
Work-in-progress	30,72.62	22,08.98
	403,13.34	**367,70.07**
	(35,43.27)	**25,56.55**
NOTE 31 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	571,05.16	478,26.63
Contributions to : Provident and pension funds (Refer note 39)	25,81.71	24,06.65
Gratuity funds (Refer Note 39)	12,83.41	12,46.93
Staff welfare expense	18,85.07	22,39.38
	628,55.35	**537,19.59**
NOTE 32 : FINANCE COSTS		
On Security deposits	21.53	22.19
Interest in respect of financial lease liabilities	3,28.53	-
Interest on income tax payment	2,22.19	-
Others	61.30	33.24
	6,33.55	**55.43**
NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSE		
On property, plant and equipment (Refer note 3)	55,78.14	38,69.37
On investment properties (Refer note 4)	14.38	14.38
On other intangible assets (Refer note 5)	9,77.99	9,75.32
On right to use assets (Buildings) (Refer note 47)	16,97.26	-
	82,67.77	**48,59.07**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
NOTE 34 : OTHER EXPENSES		
Sales promotion	108,25.07	120,36.40
Stock point commission	19,96.50	19,49.41
Freight	54,17.01	62,95.36
Travelling	88,24.39	74,29.86
Exchange loss (net)	12,36.98	4,37.33
Manufacturing charges	89,67.47	86,49.79
Repairs:		
Buildings	6,12.42	6,18.15
Plant and Machinery	11,00.90	14,63.48
	17,13.32	**20,81.63**
Consumption of stores and spares	3,82.38	8,23.35
Power, fuel and water	33,36.11	27,93.93
Rent	6,99.22	34,42.21
Rates and taxes	29,95.96	7,86.43
Printing, postage and telephones	8,21.85	9,72.77
Sales training, briefing and conference	38,91.56	22,47.41
Insurance	4,03.57	4,37.59
Remuneration to auditors :		
Statutory audit fees	1,00.00	87.00
In other capacity in respect of :		
Tax audit fees	6.00	6.00
Other services	1.00	1.00
Reimbursement of expenses	3.10	3.75
	1,10.10	**97.75**
Cost audit fees	9.77	10.47
Corporate social responsibility (Refer note 37)	10,89.07	10,40.08
Commission to non whole-time Directors	95.21	1,50.00
Directors' sitting fees	34.50	57.84
Legal and professional fees	11,81.40	22,27.43
Miscellaneous	60,16.06	66,99.82
Reimbursement of expenses (net) (Refer note 36)	30,23.54	25,42.76
	630,71.04	**632,09.62**

NOTE 35: The recurring expenditure on research and development charged off to revenue amounts to ₹ 2,18.02 lakhs (Previous Year: ₹ 2,32.66 lakhs)

NOTE 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 37: EXPENSES TOWARDS CSR

Expense towards activities relating to Corporate Social Responsibility (CSR) in compliance with section 135 of the Companies Act, 2013 is as under:

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
a) Amount spent		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	11,46.28	10,94.36
Total amount spent	**11,46.28**	**10,94.36**
The above includes allocation of ₹ 57.21 lakhs (Previous Year ₹ 54.28 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	11,44.25	10,85.73

NOTE 38 : EXCEPTIONAL ITEMS (NET)

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit on sale of property	546,30.28	43,39.13
Impairment of assets (Refer note 3(b))	(637,42.85)	-
Associated cost to impairment (Refer note 3(b))	(40,33.00)	-
Provision for product recall (Refer note (a) below)	(108,08.80)	-
Redundancy costs (Refer note (b) below)	(76,14.63)	(20,07.75)
Impairment of capital work-in-progress	(26,31.00)	-
Sale of brands	50.69	5,38.53
	(341,49.31)	**28,69.91**

Notes:

a) The Ultimate Holding Company had been contacted by regulatory authorities regarding the detection of genotoxic nitrosamine NDMA in ranitidine products. Based on the information received and correspondence with regulatory authorities, the Ultimate Holding Company made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products to all markets, including India, as a precautionary action. The Group manufactures Ranitidine Hydrochloride IP Tablets 150 mg and 300 mg (Zinetac) for supply to the Indian market. Further as a precautionary action, the Group made the decision to initiate a voluntary pharmacy/retail level recall of the Zinetac products above from the Indian market.

Consequently, the Group recognised provisions of ₹ 108,08.80 Lakhs relating to estimates of loss on account of sales returns, stocks withdrawn and inventories held including incidental costs thereto and other related costs.

b) ₹ 59,14.63 Lakhs (Previous year ₹ 20,07.75 lakhs) is on account of restructuring of manufacturing and commercial orgainsation and ₹ 17,00.00 lakhs is a charge on account of outstanding litigation matter.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (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, 2020. 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, 2020	Year ended March 31, 2019
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,89.46	5,44.61
Employees' pension scheme	6,04.33	5,76.63

(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 ₹ 35,61.27 lakhs. (March 31, 2019: ₹ 32,51.00 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 Consolidated Financial Statements as at balance sheet date:

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		Year ended March 31, 2020			Year ended March 31, 2019		
		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	97,27.99	38,83.15	532,07.18	92,67.21	37,51.20	501,16.98
	Amount recognised in Statement of profit and loss/Capitalised						
	Current service cost	7,05.70	37.50	13,82.19	6,93.46	24.78	13,52.18
	Past service cost	-	23,79.58	-	-	-	-
	Interest cost	6,91.37	2,76.97	39,62.81	6,78.68	2,73.47	38,41.05
		13,97.07	**26,94.05**	**53,45.00**	**13,72.14**	**2,98.25**	**51,93.23**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	5,59.16	3,85.52	-	2,40.45	82.50	-
	Demographic assumptions	-	-	-	(4.57)	(94.97)	-
	Experience adjustment	26.41	(2,51.96)	7.79	2,99.37	2,11.65	(11,37.30)
		5,85.57	**1,33.56**	**7.79**	**5,35.25**	**1,99.18**	**(11,37.30)**
	Contributions by employee	-	-	35,14.66	-	-	34,39.86
	Liabilities assumed on acquisition/(settled on divestiture)	(13.50)	-	(6,50.53)	(12.53)	-	(12,34.71)
	Benefits paid	(17,11.88)	(3,47.05)	(35,03.48)	(14,34.08)	(3,65.48)	(31,70.88)
	Closing defined benefit obligation	**99,85.25**	**63,63.71**	**579,20.62**	**97,27.99**	**38,83.15**	**532,07.18**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	17,60.48	-	532,07.18	19,79.37	-	501,16.98
	Amount recognised in the Statement of Profit and Loss/Capitalised	-	-	-	-	-	-
	Expected return on plan assets	1,01.31	-	39,62.81	1,25.22	-	38,41.05
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	2,63.07	-	7.79	(1,10.03)	-	(11,37.30)
	Contributions by employer	71,50.00	-	13,82.19	12,00.00	-	13,52.18
	Contributions by employee	-	-	35,14.66	-	-	34,39.86
	Assets Acquired on acquisition/(settled on divestiture)	-	-	(6,50.53)	-	-	(12,34.71)
	Benefits paid	(17,11.88)	-	(35,03.48)	(14,34.08)	-	(31,70.88)
	Closing fair value of plan assets	**75,62.98**	**-**	**579,20.62**	**17,60.48**	**-**	**532,07.18**
	Actual return on plan assets	3,64.38	-	39,70.60	15.19	-	27,03.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

	Year ended March 31, 2020			Year ended March 31, 2019		
	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	7,05.70	37.50	13,82.19	6,93.46	24.78	13,52.18
Past service cost	-	23,79.58	-	-	-	-
Net interest expense	5,90.06	2,76.97	-	5,53.46	2,73.47	-
Less : Employee Cost Capitalised for Vemgal	-	-	-	-	-	(66.77)
Components of defined benefit costs recognised in the Statement of Profit and Loss	**12,95.76**	**26,94.05**	**13,82.19**	**12,46.92**	**2,98.25**	**12,85.41**
(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)	2,63.07	-	7.79	(1,10.03)	-	(11,37.30)
Acturial gain / (loss) arising from changes in demographic assumptions	-	-	-	4.57	94.97	-
Acturial gain / (loss) arising from changes in financial assumptions	(5,59.16)	(3,85.52)	-	(2,40.45)	(82.50)	-
Acturial gain / (loss) arising from changes in experience adjustments	(26.41)	2,51.96	(7.79)	(2,99.37)	(2,11.65)	11,37.30
Components of defined benefit costs recognised in Other Comprehensive Income	**(3,22.50)**	**(1,33.56)**	**-**	**(6,45.28)**	**(1,99.18)**	**-**
(v) Amount recognised in the Balance Sheet						
Present value of obligations as at year end	99,85.25	63,63.71	579,20.62	97,27.99	38,83.15	532,07.18
Fair value of plan assets as at year end	75,62.98	-	579,20.62	17,60.48	-	532,07.18
Net (asset) / liability recognised as at year end	**24,22.27**	**63,63.71**	**-**	**79,67.51**	**38,83.15**	**-**
(vi) The major categories of plan assets are as follows:						
Government of India Securities	6%		47%	47%		46%
Corporate Bonds	11%		45%	41%		44%
Special Deposit Scheme	0%		0%	0%		0%
Insurer managed funds	82%		0%	0%		0%
Others	1%		8%	12%		10%
(vii) Principal actuarial assumptions used						
Discount rate (p.a.)	6.95%	6.95%	6.95%	7.50%	7.50%	7.50%
Expected rate of return on plan assets (p.a.)	6.95%		9.12%	7.50%		9.12%
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, 2020 (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, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	-4.34%	4.69%	-3.99%	4.29%
Future salary growth (0.5% movement) - Gratuity	4.14%	-3.94%	3.85%	-3.67%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.60%	6.21%	-5.27%	5.82%
Health care cost rate (1% movement)	12.61%	-10.00%	10.73%	-8.89%
Life expectancy +/- 1 year	2.94%	-3.01%	2.42%	-2.76%

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, 2021 is ₹ 12,00.00 lakhs (March 31, 2020: ₹ 79,67.52 lakhs)

The weighted average duration of defined benefit obligation is 9.02 years (March 31, 2019: 8.27 years)

The expected maturity analysis of un-discounted Gratuity and Post employment medical benefits is as below:

(₹ in lakhs)

March 31, 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	9,28.45	6,98.05	28,59.92	175,31.75	220,18.17
Post employment medical benefits	3,29.50	3,49.91	11,48.39	177,09.96	195,37.76
Total	**12,57.95**	**10,47.96**	**40,08.31**	**352,41.71**	**415,55.93**

(₹ 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	169,77.32	216,75.45
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**	**283,33.40**	**342,29.35**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
A. Contingent Liabilities not provided for:		
(i) Cheques discounted with banks	16,77.01	1,05.60
(ii) In respect of claims made against the Group not acknowledged as debts by the Group		
(a) Sales tax matters	58,03.04	148,17.18
(b) Excise and custom matters	8,31.50	7,30.36
(c) Service tax matters	1,29.20	1,29.20
(d) Labour matters	62,68.76	77,02.05
(e) Other legal matters	23,56.57	25,57.52
(f) Other matters	-	23,14.00
	153,89.07	**282,50.31**
(iii) Income-tax matters in respect of which appeals are pending		
Tax on matters in dispute	302,11.22	248,45.27
(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)	11,61.90	60,71.85
(ii) Uncalled liability on partly paid shares:		
- in Hill Properties Limited (Refer note (c) below)	0.04	0.04

Notes:

(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at March 31, 2020 mainly comprise the ongoing investments in the corporate office renovations and other miscellaneous capitalisations at site and as at March 31, 2019 mainly comprised the investments in the new greenfield manufacturing factory constructed at Bengaluru and corporate office renovations.

(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.

(c) Future cash outflow is dependent on the call to be made by Hill Properties Limited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 41 : PRICING MATTERS

The demand of ₹ 71,79.00 lakhs made by the Central Government on the GlaxoSmithKline Pharmaceuticals Limited ("the Group") 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 Group, the Supreme Court has, vide its Judgement and Order dated March 31, 2011, upheld the demand. The Group had accrued a liability of ₹ 18,68.00 lakhs in earlier years and a further provision of ₹ 53,11.00 lakhs was accrued in 2011.

Based on legal advice, the Group 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 Group 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 ₹ 63,60.00 lakhs, which together with the amount of ₹ 8,19.00 lakhs previously deposited with the Government, aggregates the demand of ₹ 71,79.00 lakhs made by the Government in November 1990. The Group filed a review petition in the Supreme Court which was rejected in March 2012.

In October 1996, the Government had claimed interest of ₹ 117,66.00 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 Group 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 Group for the interest amount amounting to ₹ 247,44.00 lakhs. Without prejudice to the position that interest is not payable, the Group has recognized a provision of ₹ 247,44.00 lakhs in respect of the Government's claim for interest in 2011. The Group has filed a writ petition at Delhi High Court against the above demand which has been admitted. The Group 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 Group depositing ₹ 136,82.00 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 Group's counsel on July 6, 2018, January 22, 2019, March 26, 2019, May 16, 2019, July 18, 2019, September 20, 2019, February 5, 2020, May 5, 2020, the DPEA matter now stands adjourned to June 2, 2020.

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 ₹ 2,00.00 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 Group and accordingly no provision in that respect is considered necessary. The Group'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 Group's writ petition will now be heard by the Bombay High Court.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(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 ₹ 10,93.00 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.

NOTE 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 BSL depositing 50% of the principal amount. Accordingly, BSL 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 Group 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 Group has received an order dated April 18, 2007 from the High Court of Karnataka which is partially in the Group'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 Group 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)

			As at March 31, 2020	As at March 31, 2019
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,60.08	4,20.83
	(ii)	Interest due thereon	61.30	7.40
			5,21.38	**4,28.23**
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	30,33.74	45,23.48
	(ii)	Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(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	61.30	7.40
	(ii)	Total interest accrued during the year and remaining unpaid	61.30	7.40

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 46 : TAX EXPENSE

(a) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax		
Current tax on profits for the year	235,31.46	192,82.27
Current tax on account of earlier years	24,85.62	-
Total current tax expense	260,17.08	192,82.27
Deferred tax		
In respect of current year	(64,09.44)	44,45.36
Adjustment to deferred tax attributable to change in income tax rate	16,47.21	-
Total Deferred tax (benefit) / expense	(47,62.23)	44,45.36
Total tax expense	**212,54.85**	**237,27.63**

(b) Amounts recognised in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	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	(4,56.06)	64.27	(3,91.79)	(8,44.47)	2,95.09	(5,49.38)
	(4,56.06)	**64.27**	**(3,91.79)**	**(8,44.47)**	**2,95.09**	**(5,49.38)**

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax	305,75.31	682,66.93
Tax using the Group's domestic tax rate at 25.168% on Normal Profit	(60,68.37)	223,20.13
Tax using the GlaxoSmithKline Pharmaceuticals Limited's domestic tax rate in terms of Long Term Capital Gain at 22.88%	125,11.01	11,20.22
Tax using the Subsidiary's domestic tax rate for Previous Year at 26%	-	(1,06.49)
Total Tax	64,42.64	233,33.86
<u>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</u>		
Corporate social responsibility expenditure	1,74.02	2,54.86
Donations	1,00.08	54.29
Impairment of assets	175,40.33	-
Difference in rate on account of capital gain tax and indexation benefit on sale of thane property.	(63,65.55)	-
Gratuity expense deductible on actual payment basis	(13,23.57)	-
Charge on account of change in income tax rate of GlaxoSmithKline Pharmaceuticals Limited's from 34.944% to 25.168%.	16,42.03	-
Due to change in Subsidiary's income tax rate from 26% to 25.168%.	5.18	(0.53)
Other items	5,54.07	85.15
Current tax on account of earlier years:	24,85.62	-
Total tax Expense	**212,54.85**	**237,27.63**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

The Parent has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Parent has recognised Provision for Income tax for the year ended March 31, 2020 and re-measured its net Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended March 31, 2020. Tax expense includes charge on account of exceptional items ₹ 17,57.00 Lakhs, prior year charge of ₹ 24,86.00 Lakhs and impact on net deferred tax due to change in tax rates ₹ 16,92.00 lakhs of which ₹ 50.00 lakhs is accounted in Other Comprehensive Income. Consequent to the reconciliation items shown above, the effective tax rate is 69.52% (Financial Year 2018-19: 34.76%)

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	Balance as at April 01, 2019	Due to change in income tax rate during the FY 2019-20 #	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2020
Deferred tax asset					
Provision for employee benefits	24,91.06	(6,46.94)	6,89.53	64.27	25,97.92
Voluntary retirement schemes	1,65.41	(46.28)	2,62.76	-	3,81.89
Allowance for doubtful debts	6,29.59	(1,76.13)	68.98	-	5,22.44
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	22,63.88	(6,33.34)	-	-	16,30.54
Expenses allowable for tax purpose when paid	30,83.98	(8.18.62)	53,74.30	-	76,39.66
Total Deferred tax asset	**86,33.92**	**(23,21.31)**	**63,95.57**	**64.27**	**127,72.44**
Deferred tax liabilities					
Fiscal allowance on property, plant and equipment and other intangible assets	(24,11.77)	6,74.10	13.87	-	(17,23.80)
Deferred tax asset (net)	**62,22.15**	**(16,47.21)**	**64,09.44**	**64.27**	**110,48.64**

Adjustment to deferred tax attributable to change in income tax rate from 34.944% to 25.168% during the FY 2019-20.

(₹ in lakhs)

Particulars	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, 2020 (contd.)

NOTE 47 : LEASES

Future contractual charges on leases:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis.

(₹ in lakhs)

0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
15,35.66	12,36.38	8,99.08	6,87.51	2,85.72	116.19

Right of use asset (₹ in lakhs)

Particulars	Buildings
Balance as on April 1, 2019	49,92.52
Additions	6,38.31
Less: Depreciation	(16,97.26)
Balance as on March 31, 2020	**39,33.57**

Other financial lease liabilities (₹ in lakhs)

Particulars	Buildings
Lease Liabilities recognised as at April 1, 2019	49,92.52
Additions	6,38.38
Add: Interest accrued during the period	3,28.53
Less: Payments	(17,93.13)
Lease liabilities recognised as at March 31, 2020	**41,66.30**
Current lease liabilities	14,82.58
Non- current lease liabilities	26,83.72

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under note 47 of Annual report 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with IndAS 116.

Borrowing Rate - discounting rate used by the Group

The lessee's weighted average incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 7.26% to 7.59%.

NOTE 48 : EARNINGS PER SHARE

		Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year	Rupees in lakhs	93,20.46	445,39.30
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earning per share before exceptional items (Basic and Diluted)	₹	26.70	24.85
Earnings per share after exceptional items (Basic and Diluted)	₹	5.50	26.29
Face value per share	₹	10	10

NOTE 49: (a) Current tax liabilities are net of taxes paid amounting to ₹ 1345,05.19 lakhs (March 31, 2019: ₹ 1349,74.65 lakhs)

(b) Current tax assets (net) represents payments in excess of provisions of ₹ 2862,35.00 lakhs (March 31, 2019: ₹ 2605,42.79 lakhs)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	As at March 31, 2019
Financial assets at fair value through OCI (FVTOCI)		
Investment in equity instruments	-	5.50
Total Investment in Equity Instruments	**-**	**5.50**
Financial assets at amortised cost		
National Savings Certificate	-	0.17
Security deposits	10,52.27	11,57.32
Margin money/ deposit against bank guarantee	4,13.53	4,06.30
Trade receivables	99,80.12	120,48.73
Cash and cash equivalents	104,81.15	98,77.66
Bank balances other than cash and cash equivalents	978,39.18	1072,56.92
Interest accrued on deposits with bank	23,22.20	22,49.38
Receivable from group companies	7,30.82	67,02.64
Advances recoverable	44.62	71.18
Total financial assets	**1228,63.89**	**1397,70.30**
Financial liabilities at amortised cost		
Borrowings	17.70	58.30
Other finance lease liabilities	41,66.30	-
Security deposits received	2,06.60	2,30.10
Payable to employees	95,55.20	117,33.52
Unclaimed dividends	20,44.34	22,25.03
Trade payables	357,58.51	405,81.48
Creditors for capital goods	24,03.59	76,71.93
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other payables	7,02.43	13,11.30
Total financial liabilities	**549,84.95**	**639,41.94**

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 Consoldiated 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 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	As at March 31, 2019
Financial instruments measured at fair value (Level 3)		
Investment in equity instruments*	-	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, 2020	As at March 31, 2019
Financial assets		
National Savings Certificate		
Carrying value	-	0.17
Fair value	-	0.17
Security deposits		
Carrying value	10,52.27	11,57.32
Fair value	10,52.27	11,57.32
Margin money/ deposit against bank guarantee		
Carrying value	4,13.53	4,06.30
Fair value	4,13.53	4,06.30
Financial liabilities		
Borrowings		
Carrying value	17.70	58.30
Fair value	17.70	58.30
Other financial lease liabilities		
Carrying value	41,66.30	-
Fair value	41,66.30	-
Security deposits received		
Carrying value	2,06.60	2,30.10
Fair value	2,06.60	2,30.10

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, 2020 (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 have undergone change, it has not affected the customers of the Group substantially, hence the Group expects the historical trend of minimal credit losses to continue. The impairment loss as at March 31, 2020 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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.

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, 2020	Gross carrying amount	Expected credit Losses	Carrying amount of trade receivables (net of Expected credit loss)
Not due	75,09.98	19.28	74,90.70
Past due 0-180 days	19,78.34	62.09	19,16.25
Past due 181-365 days	2,42.69	27.62	2,15.07
Past due 366-730 days	1,96.72	54.61	1,42.11
Past due 731-1095 days	2,76.67	60.68	2,15.99
Past due more than 3 years	15,76.74	15,76.74	-
Total	**117,81.14**	**18,01.02**	**99,80.12**

(₹ 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 181-365 days	2,39.74	18.55	2,21.19
Past due 366-730 days	4,75.64	95.23	3,80.41
Past due 731-1095 days	2,28.12	1,32.63	95.49
Past due more than 3 years	11,89.33	11,89.33	-
Total	**135,75.67**	**15,26.94**	**120,48.73**

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, 2020, the Group had working capital of ₹ 750,62.42 lakhs, including cash and cash equivalents of ₹ 104,81.15 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 ₹ 957,01.45 lakhs.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (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, 2020	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	17.70	17.70	15.30	2.40	-	-
Trade payables and other payables	485,50.01	485,50.01	485,49.29	-	0.72	-
Unclaimed dividends	20,44.34	20,44.34	20,44.34	-	-	-
Security deposits received	2,06.60	2,06.60	-	-	2,06.60	-

Refer note 47 for remaining contractual maturities of finance lease liabilities at the reporting date.

(₹ in lakhs)

As at March 31, 2019	Carrying amount	Contractual cash flows				
		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	-

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, 2020 (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, 2020				As at March 31, 2019			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current financial assets	27.56	-	-	-	10.24	-	10.73	-
Trade payables	(13,05.69)	(47,19.02)	(1,58.27)	(81.74)	(2,54.46)	(4,61.84)	(4.32)	(87.13)
Capital creditors	-	(1,25.96)	(10,07.08)	-	(1,18.21)	(3,99.42)	(22,79.66)	(29.96)
Net statement of financial position exposure	**(12,78.13)**	**(48,44.98)**	**(11,65.35)**	**(81.74)**	**(3,62.43)**	**(8,61.26)**	**(22,73.25)**	**(1,17.09)**

Sensitivity analysis

A reasonably possible strenghtening / 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.

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or (loss)		Equity	
		Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2020					
GBP	5%	(63.91)	63.91	-	-
USD	5%	(2,42.25)	2,42.25	-	-
EUR	5%	(58.27)	58.27	-	-
Other currencies	5%	(4.09)	4.09	-	-

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or (loss)		Equity	
		Strengthening	Weakening	Strengthening	Weakening
As at 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	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

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, 2020 and March 31, 2019.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(i)	Equity shares		
	Final dividend for the year ended March 31, 2019 of ₹ 20 (March 31, 2018: ₹ 17.5 retrospectively adjusted for September 2018 bonus issue) per fully paid share	338,81.21	296,46.06
(ii)	Dividend distribution tax on the above	69,64.38	60,93.83
(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 ₹ 40 per fully paid equity share [including special dividend of ₹ 20 per equity share] (March 31, 2019: ₹ 20 per share). The proposed dividend for the year ended March 31, 2020 is subject to the approval of shareholders in the ensuing annual general meeting.	677,62.41	338,81.21
(iv)	Dividend distribution tax on the above (Refer note below)	-	69,64.38

Note : With reference to the amendment in the Finance Act 2020, Dividend Distribution Tax (DDT) has been abolished from AY 2021-22. i.e. no DDT shall be payable by the company on any dividend distributed on or after April 1, 2020 and hence there is no DDT on proposed dividend for the year ended March 31, 2020.

NOTE 52 : 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 Group 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 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, 2020	Year ended March 31, 2019
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	3206,92.12	3102,31.36
Revenue from foreign countries	17,45.95	25,80.52
Total	**3224,38.07**	**3128,11.88**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Details of non current asset		
Non current asset from the Country of Domicile- India	1235,51.52	1823,66.89
Non current asset from foreign countries	-	-
Total	**1235,51.52**	**1823,66.89**

Information about major customers

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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*

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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*

GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka

ViiV Healthcare Limited, UK

US GMS Financial Services, U.S.A.*

GlaxoSmithKline Inc, Philadelphia*

GlaxoSmithKline Manufacturing SPA, Italy*

GlaxoSmithKline Intellectual Property Limited*

* no transactions during the year

(iii) Directors and members of GSK India Leadership Team :

Directors:	GSK India Leadership Team:
Mr. A. Vaidheesh # (upto March 31, 2020)	Mr. A. Nadkarni
Ms. P. Thakur #	Mr. R. D'souza
Mr. R. Krishnaswamy #	Mr. S. Dheri
Mr. N. Kaviratne	Ms. S. Choudhary
Mr. P. Bhide	Mr. B. Kotak
Ms. R.S. Karnad (w.e.f. April 1, 2019)	Mr. A. Iyer
Mr. A.N. Roy	Ms. M. Priyam
Mr. D. Sundaram	Ms. D. Jakate
Mr. S. Williams	Ms. S. Zota (w.e.f March 23, 2020)
Ms. A. Bansal (upto March 29, 2020)	Mr. N. Hindia (w.e.f. June 01, 2018 upto March 22, 2020)
Mr. D.S. Parekh (upto March 31, 2019)	Mr. G. Kotian (w.e.f. October 01, 2018 upto October 31, 2019)
Mr. R.R. Bajaaj (upto July 24, 2018)	Mr. N. Sudrik (w.e.f. October 01, 2018 upto October 31, 2019)
Mr. M.Jones (upto July 24, 2018)	Mr. S. Webb (w.e.f. January 17, 2018 upto January 31, 2019)
	Mr. S. Balasubramanian (w.e.f. October 01, 2018)
	Mr. V. Balakrishnan (upto September 21, 2018)
	Mr. R. Bartaria (upto August 31, 2018)
	Mr. K. Hazari (upto May 31, 2018)

Also member of GSK India Leadership Team

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	Year ended March 31, 2019
Glaxo Group Limited, U.K.	121,94.10	106,69.84
GlaxoSmithKline Pte Limited, Singapore	95,20.80	83,30.70
Eskaylab Limited, U.K.	23,52.00	20,58.00
Burroughs Wellcome International Limited, U.K.	13,44.00	11,76.00

(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(iii)	
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
1	Purchase of materials/traded goods	-	-	634,52.35	465,35.29
2	Sale of materials/sale of products	-	-	23.92	18.54
3	Purchase of intangible assets	-	-	-	9,45.00
4	Sale of laptops			28.56	-
5	Expenses recharged to other companies	36.05	70.55	27,93.64	60,02.39
6	Expenses recharged by other companies	-	-	74,67.46	41,71.84
7	Manufacturing charges recovered	-	-	13,84.54	9,22.62
8	Clinical research and data management recoveries	-	-	8,98.26	7,71.88
9	Liabilities written back	-	-	-	23,14.00
10	Employee benefit liabilities transferred to a related party	-	-	13.51	12.52
11	Outstanding receivables at the period end	-	-	7,30.82	67,02.64
12	Outstanding payables at the period end	-	-	56,77.24	65,03.24
13	Cross charges recoverable at the period end			1,25.22	-

(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, 2020	Year ended March 31, 2019
(a) Purchase of materials/traded goods:		
GlaxoSmithKline Asia Private Limited, India	15,78.80	7,15.09
GlaxoSmithKline Biologicals S.A., Belgium	497,07.76	273,91.37
Chiron Behring Vaccines Private Ltd, India	-	37,18.49
Stiefel India Private Limited, India	29,26.99	34,47.15
GlaxoSmithKline Export Limited, U.K.	85,60.10	112,63.19

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	23.92	18.54
(c)	Intangible assets:		
	GlaxoSmithKline Services Unlimited, U.K.	-	9,45.00
(d)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	9,02.47	2,94.05
	Glaxo Group Limited, U.K.	-	70.55
	GlaxoSmithKline Intellectual Property Limited	-	1,30.63
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	17.37	76.90
	GlaxoSmithKline Export Limited, U.K.	4,70.03	8,27.67
	GlaxoSmithKline Consumer Healthcare Limited, India	-	11,17.11
	GlaxoSmithKline Biologicals S.A., Belgium	78.21	11,52.43
	GlaxoSmithKline Research & Development Ltd, U.K.	41.78	23.25
	GlaxoSmithKline Services Unlimited, U.K.	4,11.65	8,52.05
	Glaxo Operations UK Limited, U.K	4,57.88	5,15.34
	GlaxoSmithKline Trading Services Limited, Ireland	2,48.65	4,52.24
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	36.12	3,56.65
	GlaxoSmithKline Pte Limited, Singapore	36.05	-
(e)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	72,03.67	31,69.02
	GlaxoSmithKline Services Unlimited, U.K.	1,23.30	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.	15.95	11.02
	GlaxoSmithKline Asia Private Limited, India	1,24.54	-
(f)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	13,84.54	9,22.62
(g)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	7,48.60	5,54.35
	GlaxoSmithKline Asia Private Limited, India	-	24.43
	GlaxoSmithKline Services Unlimited, U.K.	-	11.60
	GlaxoSmithKline Research & Development Ltd, U.K.	1,49.66	1,81.50
(h)	Sale of laptops		
	GlaxoSmithKline Asia Private Limited, India	28.56	-
(i)	Liabiities written back		
	GlaxoSmithKline Asia Private Limited, India	-	23,14.00
(j)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	13.51	12.52

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		As at March 31, 2020
(k)	Outstanding receivables at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	1,92.68
	GlaxoSmithKline Consumer Healthcare Limited, India	1,41.80
	GlaxoSmithKline Export Limited, U.K.	63.35
	GlaxoSmithKline Research & Development Ltd, U.K.	21.34
	GlaxoSmithKline Trading Services Limited, Ireland	13.15
	GlaxoSmithKline Services Unlimited, U.K.	69.60
	Glaxo Operations UK Limited, U.K.	1,97.21
	GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka	30.10

(₹ in lakhs)

		As at March 31, 2020
(l)	Outstanding payables at the period end :	
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	77.24
	GlaxoSmithKline Biologicals S.A., Belgium	37,61.90
	GlaxoSmithKline Export Limited, U.K.	14,89.10
	Stiefel India Private Limited, India	23.62
	GlaxoSmithKline Services Unlimited, U.K.	78.11
	GlaxoSmithKline Asia Private Limited, India	1,97.53
	SmithKline Beecham Limited, U.K.	13.73

(₹ in lakhs)

		As at March 31, 2020
(m)	Cross charges recoverable at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	30.41
	GlaxoSmithKline Export Limited, U.K.	31.69
	GlaxoSmithKline Research & Development Ltd, U.K.	21.57
	GlaxoSmithKline Services Unlimited, U.K.	16.27
	Glaxo Operations UK Limited, U.K.	19.65
	GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka	5.63

(₹ in lakhs)

		As at March 31, 2019
(n)	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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

(₹ in lakhs)

		As at March 31, 2019
(o)	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

(iv) Details relating to persons referred to in item 1(iii) above:

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
1	Remuneration/commission/sitting fees	40,91.89	29,75.30
2	Payments under the long-term incentive plan	5,16.49	3,63.74

(v) Disclosure in respect of material transactions with persons referred to in item 1(iii) above:

(₹ in lakhs)

		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Remuneration/commission/sitting fees (Refer note below):		
	Mr. A. Vaidheesh	9,47.67	5,75.19
	Mr. A. Iyer	4,54.17	3,23.29
	Mr. R. Krishnaswamy	2,60.48	2,11.61
	Ms. P. Thakur	3,98.40	2,09.51
	Ms. M. Priyam	4,13.37	2,86.11
(b)	Payments made during the year under the long-term incentive plan (Refer note below):		
	Mr. A. Vaidheesh	3,26.95	2,04.66
	Ms. P. Thakur	35.36	26.71
	Mr. R. Krishnaswamy	28.90	48.36
	Mr. S. Dheri	31.82	13.06

Note: Amounts are not comparable as they pertain to part of the year and/ or are recorded on cash payment basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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 4.2% (Previous Year – 5.2%) over the duration of the award.

Reconciliation of RSAs

	Number of RSA
As at April 1, 2018	157,458
Granted	98,462
Exercised *	(95,234)
Cancelled**	(20,847)
As at March 31, 2019	**139,839**
Granted	122,201
Exercised *	(43,148)
Cancelled**	(50,616)
As at March 31, 2020	**168,276**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2020 was GBP 15.15 (March 31, 2019 GBP 15.97)

** Also includes for employees transferred

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, 2020	Year ended March 31, 2019
Restricted Share Awards (RSAs)	13,21.17	7,74.56

Carrying amount of liability

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Carrying amount of liability included in long term incentive plan (Notes 21 and 25)	10,06.07	8,13.64

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

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, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Parent								
GlaxoSmithKline Pharmaceuticals Limited	99.74%	1815,90.25	117.76%	109,75.31	100.00%	(3,97.29)	118.55%	105,78.02
Subsidiary								
Indian								
Biddle Sawyer Limited	0.26%	4,70.24	-17.76%	(16,54.85)	0.00%	-	-18.55%	(16,54.85)
Total	**100.00%**	**1820,60.49**	**100.00%**	**93,20.46**	**100.00%**	**(3,97.29)**	**100.00%**	**89,23.17**

	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**

* 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, 2020 and March 31, 2019.

NOTE 56 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended a dividend of ₹ 40 per equity share of face value of ₹ 10 each which includes a special dividend of ₹ 20 per share for this year. (March 31, 2019: ₹ 20 per share). (Refer note 51 (b)).

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (contd.)

NOTE 57

The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been swift in extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The Group based on current estimates expects the carrying amount of these assets will be recovered.

NOTE 58

Previous year figures have been regrouped / reclassified wherever necessary.

NOTE 59: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 18, 2020.

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
Sridhar Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Executive Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10640

Mumbai, May 18, 2020

NOTES

GlaxoSmithKline Pharmaceuticals Limited

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