Annual Report
2020-21

do more
feel better
live longer

Accelerating Access. Delivering Hope.

Inside the report

1
Company Overview

23
Statutory Reports

85
Financial Statements

The ongoing COVID-19 crisis has thrown up several challenges for businesses globally. For the pharmaceutical sector, these challenges turned out to be volatile and with unprecedented levels of disruption. Companies went the extra mile to ensure that manufacturing and distribution of medicines continued uninterrupted, despite an uncertain and unpredictable operating environment.

Rising to the occasion, we swiftly devised an agile roadmap and a response framework that enabled us to deliver on our purpose even through the most challenging phases of the crisis. We stood as committed as ever to ensure that patients' access to healthcare not only remained continuous and sustained, but was accelerated further, lending us an opportunity to provide hope to them as they continue to trust us during their most difficult times.

Accelerating Access. Delivering Hope.

GSK at a glance

Who
we are

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

What
we do

We aim to bring differentiated, high quality and essential 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 focussed on 3 priorities:
Innovation
Performance
Trust

Why
we do it

To be one of the world's most innovative, best performing and trusted healthcare companies.

Message from the Chairperson

> **Despite the challenges, your Company remained resilient and focussed on our strategic priorities. Our endeavour was to improve the quality of human life by helping people do more, feel better and live longer.**

Dear Shareholders,

2020 was an extraordinary and challenging year for all of us. Despite the challenges, your Company remained resilient and focussed on our strategic priorities. Our endeavour was to improve the quality of human life by helping people do more, feel better and live longer.

Over the course of the year, our learnings and investments in people and technology gave us an opportunity to enhance access to our focus brands and prepare us for future product launches. Our business continuity measures ensured consistent growth of our focus brands, with *Augmentin, Betnovate, Calpol, Ceftum, and Synflorix* featuring among the top brands in the Indian Pharmaceuticals Market (IPM).

Your Company also continued to lead the private market in the vaccines segment with its diversified portfolio to protect children, adolescents and adults. Despite the headwinds caused by COVID-19, the vaccines business bounced back to pre-COVID performance in the last quarter of 2020. Your Company launched the tetravalent influenza Northern Hemisphere vaccine (*Fluarix Tetra* NH 2020-21) in September 2020 and garnered 35% volume share within three months of launch, taking the second position in a market occupied by four brands.

Equally, innovation for healthcare impact is at the heart of what we do in India, exemplified by the recent launch of biologic for Severe Eosinophilic Asthma – *Nucala*. To further enable treatment continuity owing to restrictions and challenges faced by patients due to the pandemic, your Company launched "Nucala home administration programme". This initiative has been a huge saviour for patients during these times.

While your Company's patient-centric approach remained unshakeable as ever, we also prioritised those who make the realisation of our purpose possible – our employees – as we continued to support them with various initiatives focussing on their health and wellbeing. During the lockdown, your Company focussed on skill enhancement of employees – particularly the field-force – to give them a competitive edge in the 'new normal' business context.

The pandemic has revealed opportunities to partner with governments and help support the national health goals of India. Your Company's parent organisation, GSK plc, has entered into an in-principle global partnership with Novavax to produce up to 60 million doses of the COVID-19 vaccine. It is also working with Sanofi and Medicago to harness the adjuvant technology in developing COVID-19 vaccines while also collaborating with CureVac to develop mRNA vaccines which have the potential to address multiple COVID-19 variants that are emerging across the world.

Your Company has shown remarkable agility and resilience throughout the year in unprecedented circumstances. This has included hundreds of colleagues who have continued to work in the Nashik manufacturing site throughout the pandemic to ensure that vital medicines continued to be manufactured so as to reach patients.

I want to thank our remarkable workforce and our partners, for without them we would have not succeeded.

R.S. Karnad

Message from the **Managing Director**

> **We wish to provide a commitment to all our stakeholders that GSK will remain well equipped to continue to deliver on our responsibilities to play a meaningful role in contributing to the wellbeing of the country.**

Dear Shareholders,

"Accelerating access. Delivering hope." best summarises your Company's response to the COVID-19 pandemic that brought economic activity around the world and India to a near-standstill.

On behalf of the Board of Directors, I would like to say how proud I am of our colleagues, particularly our field-force, manufacturing and distribution teams, who went above and beyond their call of duty to keep our people safe and also deliver business.

By being closely associated with our core purpose, our biggest contribution has been to accelerate and enhance access to healthcare, while delivering hope to patients. Through our medicines and vaccines, we improved the health of people in India. During the year under review (Apr'20-Mar'21), we delivered 0.9 billion packs of medicines and over 5.1 million vaccine doses (IQVIA March 2021 dataset). This was even more exceptional considering the current challenging times we were all going through and were concerned about the safety and wellbeing of our families and loved ones.

I would also like to thank the India Leadership Team (ILT) for their leadership and foresight to look after and care for their teams. Given these circumstances, the financial results delivered have been nothing less than remarkable. Notwithstanding the challenges posed by disrupted supply chains and production lines due to the pandemic, your company adopted tireless efforts to keep the operations up and running. Our manufacturing facilities and workplaces attempted their best to ensure that our manufacturing and distribution networks operated at full capacity.

At the same time, your company's foresight in adopting digital transformation and consolidating its reach through multi-channel marketing helped us connect with Health Care Professionals (HCPs) remotely and expand our touchpoints on a variety of platforms. We leveraged this approach to further build on our partnerships with leading professional healthcare bodies. This helped us drive engagement on several initiatives that included appropriate administering and usage of antibiotics in the wake of COVID-19 and anti-microbial resistance (AMR).

This year we began a new chapter on our diversity and inclusion journey as we were recognised for our tireless efforts. We received the recognition for being one of the "100 Best Companies for Women" by Working Mother and AVTAR, and one of the "Best Workplaces for Women" by Great Places to Work. We were also named as "one of the top employers in the India Workplace Equality Index (IWEI)", India's first comprehensive index for measuring LGBT+ inclusion.

Another prime highlight of the year was the rolling out of the 'GSK Culture Survey' to obtain feedback from employees and elicit their views on future ways of working and collaboration. For your company, the engagement scores of the above survey remained greater than 95% even amid challenging times, highlighting our strong connect with our employees.

FY 2021-22 is expected to be a promising year for your company. We remain set to introduce new assets during the next year to reiterate your company's position as a science- and innovation-led pharmaceutical major. Towards this goal, your company will continue to work with partners and stakeholders, supporting one another and the communities we operate within to deliver value for our shareholders.

We wish to provide a commitment to all our stakeholders that GSK will remain well equipped to continue to deliver on our responsibilities to play a meaningful role in contributing to the wellbeing of the country.

We believe your company is well placed to deliver on its long-term strategic ambitions and its core purpose.

Sridhar Venkatesh

Our COVID-19 response: Accelerating access. Delivering hope.

Since the outbreak of the COVID-19 pandemic, GSK has stayed true to its purpose of helping people do more, feel better and live longer, and provided continued access to essential medicines that can make a life-saving difference.

We prioritised the health and wellbeing of our colleagues and defied all odds to keep our manufacturing facilities and supply chain operating at full capacity, while also supporting healthcare systems and contributing to community relief efforts. During the year, we accelerated patients' access to our portfolio, providing them with hope when they needed it the most. By adopting digital technologies, we ensured that our response to the 'new normal' is agile and effective.

Responding with agility

Driven by our purpose and patient-centricity, we responded to the crisis with swiftness by putting in place our business continuity processes with urgency. Through a set of coordinated actions, led by a central team, we protected employee health at the workplaces and ensured our manufacturing facilities remained safe. We harnessed improved technology and agile practices to keep our facilities operating to their full capacity throughout the year. Our on-time, in-full (OTIF) supply performance levels remained high, which enabled us to deliver on time, while complying with rigorous standards of product quality and safety management systems.

Harnessing digital capabilities

Our continued investments in digital transformation since the last few years yielded rich dividends in a pandemic year. Building on our existing capabilities, we further enhanced our value offerings supporting the volumes and engagement features demanded by the pandemic and beyond. Even as our formidable field force continued working from home, they undertook capability-building modules that helped us deepen our trust and connect with Health Care Professionals (HCPs) for the benefit of the patients.

Protecting our people, while working for their wellbeing

Our purpose extends not only to our patients, but also to those who put our purpose into practice – our colleagues.

Starting with providing them with complete safety gears (gloves, masks, sanitisers and PPE kits) while reporting to work, to installing safety measures at the workplaces, their health and wellbeing was accorded utmost priority. To help them cope with the new normal and develop emotional resilience, various initiatives were conducted under the Employee Assistance Programme (EAP), including webinars with experts. Tele calling assistance with wellness professionals was also arranged. The Partnership for Prevention (P4P) programme was expanded further to include additional preventive healthcare services.

Caring for communities amidst COVID-19

Caring for the communities that we operate within has been a part of our commitment to build a healthier world. Throughout the pandemic, we continued to support our communities and created opportunities for them to reach their full potential. This focus became even more critical, as we promoted a healthier and resilient response to the pandemic through our community outreach.

We responded to the Maharashtra government's call to contribute and supply essential medicines (*Augmentin*) and medical equipments (ventilators, PPEs), thus providing access to healthcare and making a positive and sustainable difference to the society. Later during the year, we initiated a voluntary contribution by the employees towards the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund, with the organisation matching a similar amount as contributed by them. As a part of our continued social responsibility to fight COVID-19, we donated more than 65,00,000 tablets of *Calpol* to the Bureau of Pharma PSUs of India.

Access accelerated. Hope delivered.

We spent the year building a stronger foundation and our goals this year will allow us to fulfil our mission for the patients we serve.

Our focus on patients is unwavering. We work with our partners and various stakeholders to improve prevention, care and treatment of diseases through our product portfolio. As a science-and innovation-led biopharmaceutical company, we strive towards improving the health outcomes of patients, thus delivering them with hope when they need it the most.

As we build upon our learnings from the last year and adapt ourselves to the new normal, the boundaries of what is possible are expanding ever outwards.

Our COVID heroes

Our Manufacturing Team at Nashik

The agility and nimble-footedness of our colleagues at our Nashik manufacturing facility was demonstrated aptly in their response towards an extremely challenging work environment caused by the pandemic. Despite an extended lockdown in the region for a large part of the year, our colleagues rose to the occasion and ensured an uninterrupted, 100% production cycle – a rare feat across industry sectors. The Nashik manufacturing facility achieved the highest rating during the year on production system benchmark. This was a result of investment in building the groundwork for a continuous improvement (CI) culture.

Our Warehouse and Distribution Team

Rising to this year's unprecedented challenges, the Warehouse & Distribution team responded with greater pace and agility than ever before as they coordinated with our expansive network of stockists, warehouses and manufacturing facilities. This not only enhanced access to quality healthcare, but also ensured there was not a single day of interruption or delay in the supply chain network during the entire lockdown period.

Our Medical Affairs Team

The Medical Affairs Team contributed to the healthcare community's fight against COVID-19. This was enabled by enhancing access to and facilitating dissemination of science and data-led insights for effective diagnosis and management of COVID-19 patients. Conducted in the form of webinars and in collaboration with various medical associations, the exercise helped strengthen trust in the company as a science-led organisation, with patient care at its core. More importantly, the medical affairs colleagues delivered the much-needed hope by rendering timely advice and counselling to the larger employee base during situations of personal crisis amid the pandemic.

GSK is grateful to the community of caregivers in India comprising Health Care Professionals and frontline workers who selflessly put service before self in such challenging circumstances. Your fearlessness on the frontlines is why we have been able to continue fighting the pandemic. GSK salutes and thanks each of you for your exemplary service and stands committed to make a life-saving difference in patients' lives and fulfil our key purpose of delivering hope at a time when they need it the most.

Our key brands

Pharmaceuticals

ELTROXIN
Thyroxine Sodium 25/50/75/88/100/125 mcg
Championing women - since 1950

AUGMENTIN
Amoxycillin + Clavulanic acid
The edge that continues

Calpol

CCM
Tablets
Easily absorbed

CEFTUM

CoBaDex CZS
Multivitamin with Chromium, Zinc and Selenium Tablets

Neosporin
Skin Ointment

Vaccines

Synflorix

Infanrix hexa

Havrix

boostrix

MENVEO
Meningococcal Group A,C,W135 & Y
Conjugate Vaccine Ph. Eur.

Fluarix Tetra

Rotarix

Cervarix

Priorix

Varilrix

Innovation

At GSK, we continually pioneer innovation and pursue our ambition of facilitating our patients do more, feel better, and live longer. Our constant pursuit of technical and scientific excellence results in a steady stream of product innovations that meet the critical needs of our patients.

Fluarix Tetra
The World's first Quadrivalent Influenza Vaccine (QIV)

Influenza is a viral infection of the respiratory system which leads up to 50 lakh cases of severe illness, and up to 7 lakh deaths every year globally. QIVs are found to offer broader protection compared to Trivalent Influenza Vaccines (TIV) in protecting against influenza.

Fluarix Tetra was launched in India in September 2020.

- Global pioneer for single dose 0.5 ml formulation
- 100 quality tests undertaken for each batch
- Only QIV backed by strong clinical data across 5 influenza seasons
- Only QIV with India efficacy data
- More than 24,000 subjects tested globally, including India
- 25 crore doses sold worldwide and counting
- Manufactured at the state-of-the-art facility in Germany

Nucala

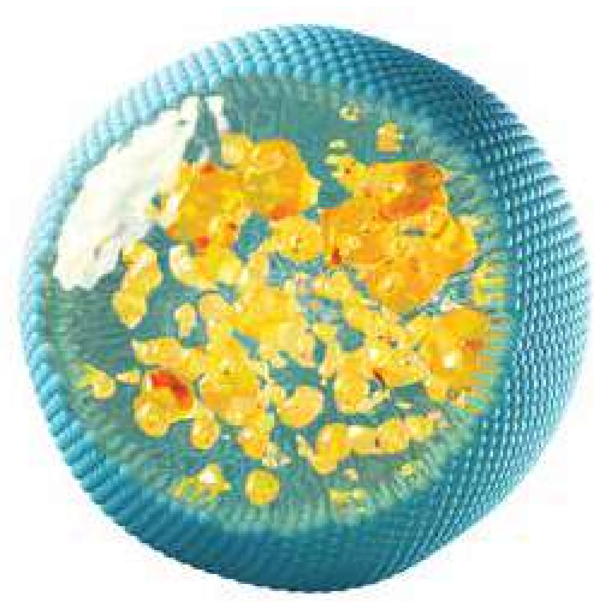
Innovative biologic for Severe Eosinophilic Asthma

Launched in 2019, *Nucala* provides strong and lasting protection against exacerbations and oral steroid dependency in Severe Eosinophilic Asthma (SEA). It reduces exacerbations in SEA patients by 53% to 73%.

- In FY 2020, GSK launched the "Nucala Home Administration Programme" for eligible patients to enable them continuity in treatment, considering the restrictions and challenges faced by patients owing to the pandemic
- A Severe Asthma Clinic programme was launched to support HCPs in early diagnosis and phenotyping of severe asthma patients

Global developments

Our approach to R&D focusses on the science of immune system, genetics, and advanced technologies. Our R&D pipeline currently comprises 59 vaccines and medicines, predominantly in the areas of infectious diseases, oncology and immune-mediated diseases. We have identified over 20 potential product approvals which could take place by 2026.



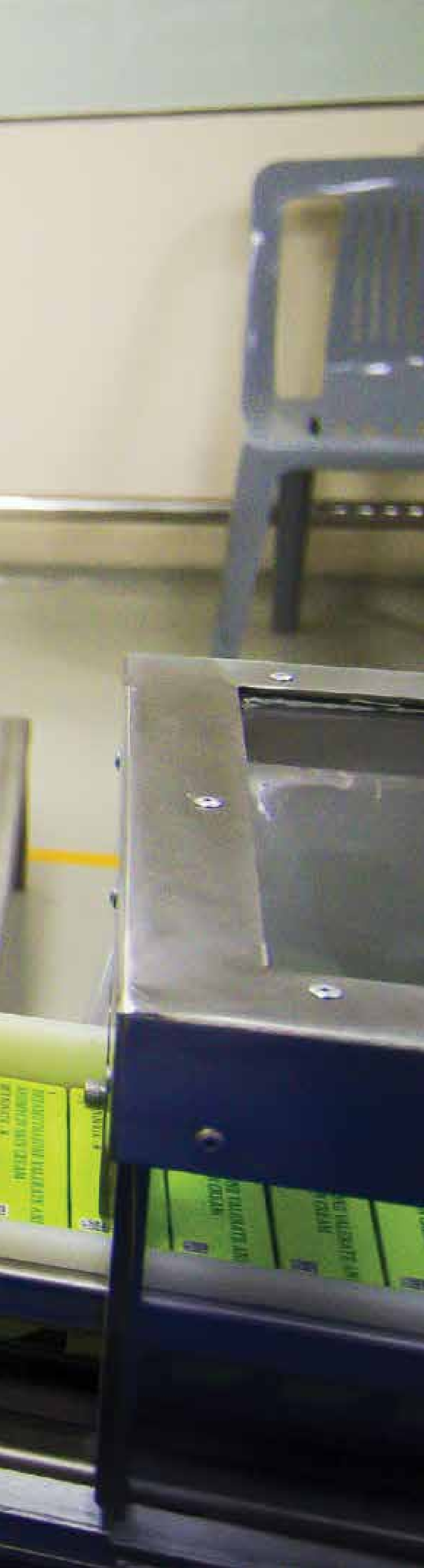
Focus on COVID-19 collaborations

Since the pandemic began, our parent entity GSK plc. has been seeking ways to harness our scientific expertise and technology to make a real difference in the society. As a result, we are working with several partners to develop potential COVID-19 vaccines and treatments as quickly and safely as possible.

Some of its key highlights include:

- Collaboration with Vir Biotechnology to develop new dual action monoclonal antibodies, which could be used as therapeutic or preventive options for COVID-19. We have received Emergency Use Authorisation (EUA) from the U.S. Food and Drug Administration (USFDA) for the same monoclonal antibody for treatment of mild-to-moderate COVID-19 in high risk adults and pediatric patients
- Collaboration with Sanofi, combining their vaccine candidate with our adjuvant technology to develop an adjuvanted COVID-19 vaccine candidate. A Phase 3 clinical trial has been initiated
- Collaboration with Medicago to develop a COVID-19 vaccine by combining their plant-derived vaccine candidate with our adjuvant technology. This vaccine candidate entered Phase 3 clinical trials in March 2021, with positive interim Phase 2 clinical trial data published in May 2021
- Collaboration with CureVac to jointly develop next generation mRNA vaccines for COVID-19 with the potential to address multiple emerging variants. In addition, we aim to support manufacturing of 100 million doses of CureVac's first-generation COVID-19 vaccine candidate in 2021

Performance



Our continual investments in business, augmenting people capabilities and delivering unmatched healthcare solutions enables us to achieve industry-leading performance and continued success.

Our priorities for the next year will not only allow us to build business momentum, but our learnings and adoption of best practices from a pandemic year will provide the required competitive leverage.

3.1
units/sec
Annual units sale of *Betnovate-N*

1.7
Rx/sec
Annual prescription reflection of *Calpol* (Solid + Liquid)

76%
Revenue from pharmaceuticals

24%
Revenue from vaccines

#1
in dermatology therapy area

#1
in vaccines self-pay market

#2
among MNCs in pharmaceuticals (by value)

#5
in terms of volume in IPM

5 GSK products feature in the top 60 Indian Pharmaceutical Market (IPM) brands

AUGMENTIN BETNOVATE® Calpol CEFTUM Synflorix

Source: *IMS MAT* March 2021

Digital adoption

COVID-19 has accelerated digital transformation across sectors. To keep pace with the changes brought about by digital technology, we have made further investments in digitalisation to support rising volumes and engagements with customers that peaked during the pandemic. We continue to improve and innovate our digital channels, enhance our consumer experience, and focus on data driven and personalisation strategies. These technology-driven enhancements have motivated marketing, medical as well as the sales teams to plan and augment Continuing Medical Education (CME) initiatives webinars, doctor meetings over digital media and online CMEs to improve the overall customer connect and their experience with GSK.

The pandemic uncovered a strong need for innovation and the adoption of digital tools. With wide use of digital media, we are achieving better and faster ways of reaching the end-consumer and building our brand recognition. With mobile communications, advanced analytics, and the Internet of Things (IoT) transforming the healthcare industry, we will continue to invest in these for building and strengthening some of our assets to drive the ever-demanding customer engagement and experience. We are exponentially moving in the direction of digital transformation through our purpose driven, resilient, adaptable and agile approach.

We continue to improve and innovate our digital channels, enhance our consumer experience, and focus on data driven and personalisation strategies.

Consumer awareness initiatives

Timely vaccination campaign

We launched a country-wide initiative, with the core message "Don't miss vaccination so that diseases get locked down, and not childhood". This was aimed at raising awareness among parents about the need to continue with routine vaccination even during lockdown. We targeted mothers of children aged 0-5 years who missed their vaccination doses owing to the COVID-induced lockdown. The campaign received a phenomenal response, encouraging mothers to reach out to their pediatricians and complete the recommended vaccination schedule for their children.

6-disease combination vaccination awareness

The initial period of a child's life has several vaccinations to be administered, which often tends to overwhelm new parents. We ran a 6-disease combination vaccination awareness campaign to make mothers aware about these diseases and the possibility of getting fewer shots by way of combination vaccination. We made use of various digital parenting platforms to reach out to our target audience which consisted of mothers of infants aged 0-3 months.

3-in-1 protection campaign

Tetanus vaccine is routinely administered to pregnant women, but it is equally important for them to stay protected from Diphtheria and Pertussis. We launched a country-wide initiative to increase awareness about 3-in-1 protection for the mother and the infant. The campaign urged pregnant women to talk to their gynecologists and seek more information about vaccination against these three diseases during pregnancy. The campaign delivered on its objective to raise awareness among the key segments.

Trust

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

Corporate Social Responsibility (CSR)

Healthy communities form the foundation of strong, sustainable societies. As a responsible corporate citizen, GSK continues to work tirelessly with its partners and stakeholders to address the identified socio-economic challenges.

Through our CSR programmes, we strive to address the identified national priorities, improve access and support people in vulnerable communities.

Partnering India to eliminate lymphatic filariasis

To support Mass Drug Administration (MDA) across the country and provide Morbidity Management and Disability Prevention (MMDP) in the districts affected by the pandemic.

- 25 million Albendazole tablets contributed to World Health Organization (WHO) to support MDA
- 3,660 Accredited Social Health Activist (ASHA) workers trained in 5,080 villages across two districts in Uttar Pradesh for Morbidity Management and Disability Prevention (MMDP)

As a responsible corporate citizen, GSK continues to work tirelessly with its partners and stakeholders to address the identified socio-economic challenges.

Supporting healthcare needs of mothers and children

To improve the nutritional status of women at the pre-conception, pregnancy and post-natal stages of children in vulnerable communities aged 0-6 years.

- Integrated approach to child nutrition deployed across 5,000 households in Mumbai. Achieved significant improvement in indicators related to institutional deliveries, family planning practices and domestic abuse
- Provided maternal and childcare to over 600 households in Naya Basti district in West Bengal

School sanitation

To ensure better access to water, sanitation and hygiene (WASH) facilities in schools and arrange behavioural change sessions for children and communities-at-large.

- Access to clean sanitation facilities and child cabinets established in 20 schools for over 10,000 beneficiaries in Nashik, Maharashtra
- Mobile bus sessions, webinars, phone calls leveraged for engaging students on WASH during the pandemic

Education

To promote better quality of education and drive holistic development, thereby bridging educational inequities.

- Integration of more than 70 children into formal schooling in Gurugram, Haryana by providing a parallel education support system through learning centres
- Upliftment of 120 under-privileged and deprived girls through free residential formal school education, co-curricular activities, and vocational training in Patna, Bihar

Being a modern employer

Your company has always lived up to its commitment of being a modern employer with a sharp focus on inclusion and diversity, health and wellbeing and continuous learning and development. Despite the pandemic-induced disruptions, measures on safety, health and employee development continued to receive attention and priority.

Be you | Inclusion and Diversity

Our commitment to inclusion and diversity was further affirmed as we were recognised among the 100 Best Companies for Women by Working Mothers and AVTAR, Best Workplaces for Women by Great Places to Work, and were conferred the Advancement of Women Award by Community Business. We were also named among the top employers in India Workplace Equality Index (IWEI), India's first comprehensive index for measuring LGBT+ inclusion and equality. We also won the Fair Business Practices Award (2019-20) at the 32nd Council for Fair Business Practices (CFBP) at the Jamnalal Bajaj Awards.

Contributing to these recognitions were our initiatives on Women's Leadership Initiative (WLI), Women Leadership Action Programme (WeLeAP) and employee resource groups. These resource groups included the Disability Confidence Network (DCN) and Spectrum for promoting inclusion and equality among the LGBT+ community at the workplace.

Our state-of-the-art Head Office at Worli, Mumbai, and our recently inaugurated branch office at Patna are testament to our role of being a Modern Employer. These offices are designed as contemporary workplaces for our colleagues to foster an environment where we can work with agility and flexibility.

Feel good | Wellness and Wellbeing

Through our Partnership for Prevention (P4P) programme, we continued providing preventive healthcare services to our colleagues. We added two vaccines in the Flu category as a part of the overall offering. In view of the impact of COVID-19 on the overall health and wellbeing of our colleagues and their close family members, we arranged webinars with experts from across fields to make them understand the benefits of physical health, mental and emotional resilience, wellbeing and good nutrition. As a part of our Employee Assistance Programme (EAP), our colleagues and their families were provided round-the-clock access to these services.

Keep growing | Learning & Development

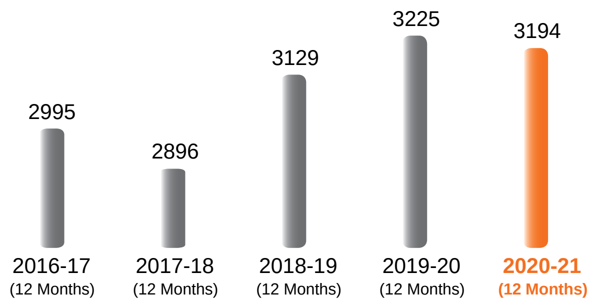
Even during a pandemic year, commercial development programmes were prioritised for frontline sales colleagues and first line sales leaders to inculcate the right skills in the current context. Accordingly, the GSK Learning Warriors League was introduced for the field force, while we also continued to invest in the Future Leaders Programme, Commercial Leadership Programme and the Pharma Supply Chain Leadership Programme.

Worli head office

Patna branch office

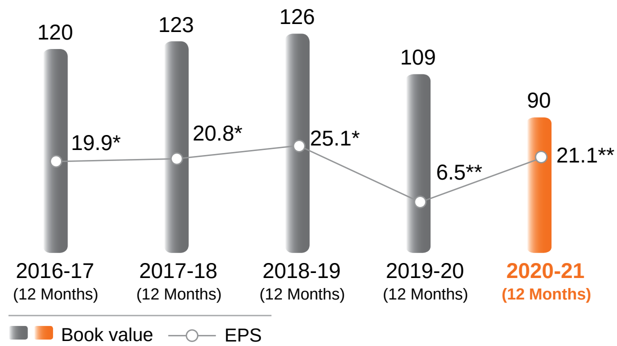
Financial highlights

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, 2019-20 and 2020-21 are not comparable with the previous periods wherein excise duty was included.

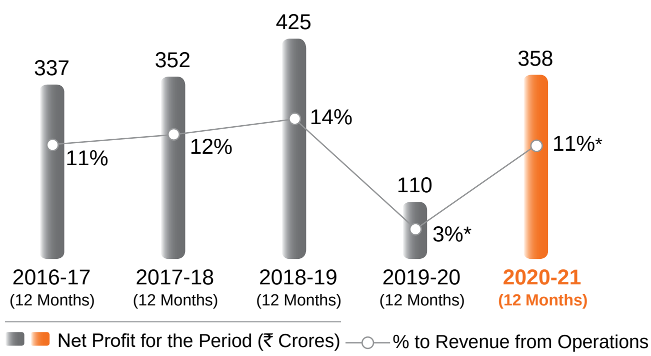
Earnings Per Share (EPS) and Book Value Per Share (₹)



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

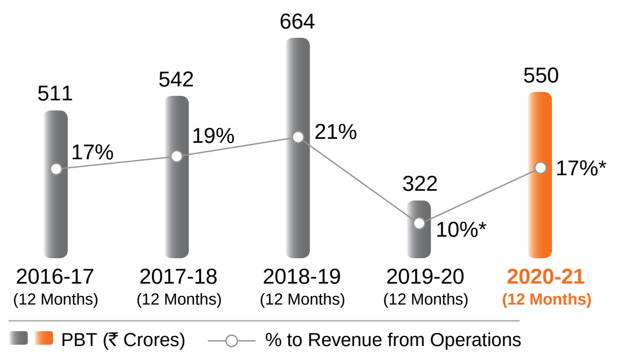
** Without considering exceptional items, Earnings per equity share for the period 2019-20 would be 26.69 and 2020-21 would be 31.32 respectively

Net Profit for the Period and % to Revenue from Operations



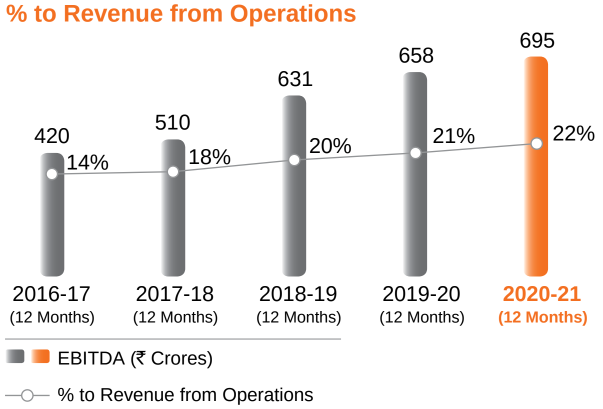
* Without considering exceptional items, the net profit % for the period 2019-20 would be 14% and for the period 2020-21 would be 17% respectively

Profit Before Tax and % to Revenue from Operations

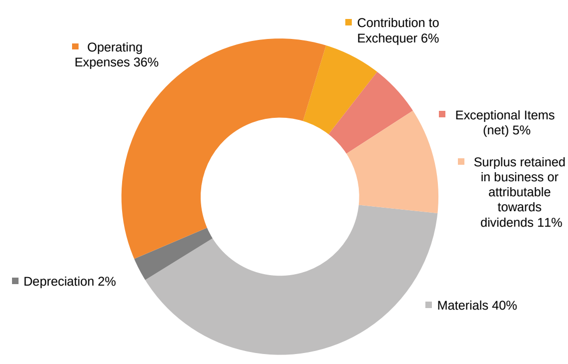


* Without considering exceptional items, the profit before tax % for the period 2019-20 would be 20% and 2020-21 would be 23% respectively

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



Utilisation of Income*



* % Utilisation of Income excludes Exceptional Income

Performance Summary

(Amounts in ₹ Lakhs)

	2020-21#	2019-20#	2018-19#	2017-18#	2016-17#	2015-16#	15 Months Ended March 2015#	2013	2012	2011
PROFIT AND LOSS ACCOUNT										
Revenue from Operations	3193,73	3224,68	3128,53	2895,88	2994,51	2826,21	3362,36	2619,37	2700,34	2429,58
Profit before exceptional items and tax	722,33	646,99	658,82	523,78	465,35	573,63	766,84	703,17	994,78	921,60
Exceptional items	(172,60)	(324,49)	4,89	17,80	45,73	2,31	(51,88)	26,15	148,22	(322,54)
Profit Before Tax	549,73	322,50	663,71	541,58	511,08	575,94	714,96	729,32	1143,00	599,06
Profit for the Period	357,56	110,05	425,36	351,98	336,78	374,53	449,90	501,88	577,26	430,60
BALANCE SHEET										
Equity share capital	169,41	169,41	169,41	84,70	84,70	84,70	84,70	84,70	84,70	84,70
Other Equity	1348,53	1670,63	1973,01	1995,25	1943,51	2119,94	2382,38	1932,49	1925,31	1835,23
Borrowings	2	18	58	99	1,60	2,37	2,48	4,14	4,59	4,91
	1517,96	**1840,22**	**2143,00**	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**
Property, Plant and Equipment, Intangible Assets and CWIP	397,49	876,71	1432,63	1245,71	858,17	471,71	238,28	161,93	133,19	115,32
Investments including investment properties	25,82	25,97	26,17	49,43	52,99	53,63	53,80	57,67	102,58	159,80
Deferred tax assets (net)	101,67	108,85	60,48	103,05	91,31	100,81	94,83	92,11	86,54	61,47
Net Assets (Current and Non-Current)	992,98	828,69	623,72	682,75	1027,33	1580,87	2082,65	1709,62	1692,29	1588,25
	1517,96	**1840,22**	**2143,00**	**2080,94**	**2029,81**	**2207,02**	**2469,57**	**2021,33**	**2014,60**	**1924,84**
OTHER KEY DATA										
Rupees per ₹10/- Equity Share										
Dividend	30.00	20.00	20.00	17.50	15.00	25.00	31.25	25.00	25.00	22.50
Special Additional Dividend	-	20.00	-	-	-	-	-	-	-	-
Total Dividend*	30.00	40.00	20.00	17.50	15.00	25.00	31.25	25.00	25.00	22.50
Earnings per equity share*	21.11**	6.5**	25.11	20.78	19.88	22.11	26.56	29.63	34.08	25.42
Book Value*	89.60	108.62	126.46	122.78	119.72	130.14	145.63	119.08	118.65	113.34
Number of employees	**4283**	**4364**	**4960**	**4620**	**4697**	**4611**	**4657**	**5034**	**4706**	**5055**

Period 15 Months Ended March 2015, Year 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 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 and 2020-21 would be ₹ 26.69 and ₹ 31.32 respectively

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 Mar 2015. Consequently, financial statements from 1st January, 2014 to 31st March, 2015 are for 15 months.

Board of Directors

(As on 01.06.2021)

Chairperson

Ms. R.S. Karnad

Managing Director

S. Venkatesh

Directors

P. V. Bhide
M. Dawson
(w.e.f. 28.01.2021)
N. Kaviratne CBE
R. Krishnaswamy
(upto 27.01.2021)
Dr. (Ms.) S. Maheshwari
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 Director & Chief Financial Officer
Ms. P. Thakur

Executive Vice-Presidents
B. Akshikar
- Pharmaceuticals

Ms. S. Choudhary
- Regulatory

S. Dheri
- Vaccines

R. D'Souza
- Communications & Government Affairs

N. Hindia
- Legal

C. Sharma
- Human Resources

Vice-Presidents

S. Balasubramanian
- Ethics and Compliance

Ms. P. Bhatia
- Medical (Interim)

A. Kashyap
- Technology

R. Manchanda
- Customer Supply Chain

S. Mitra
- Specialty

A. Nadkarni
- Real Estate, Administration & Company Secretary

Registered Office

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

Factory

Ambad, Nashik

Share Department

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

Statutory Auditor

Deloitte Haskins and Sells LLP

Cost Auditor

R. Nanabhoy & Co.

Secretarial Auditor

Parikh & Associates

Solicitors

Desai & Diwanji
Talwar Thakore & Associates

Bankers

Deutsche Bank
Hongkong and Shanghai Banking Corporation Limited

Registrars & Share Transfer Agents

KFin Technologies Private Limited
Unit: GlaxoSmithKline Pharmaceuticals Limited
Selenium Tower B, Plot No . 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally,
Hyderabad, Telangana - 500 032
Tel. No.: 040-67162222
Fax No.: 040-23001153
Toll Free No.: 1800-3094-001
Email: einward.ris@kfintech.com

NOTICE

NOTICE IS HEREBY GIVEN THAT the Ninety-Sixth Annual General Meeting of GlaxoSmithKline Pharmaceuticals Limited will be held on **Tuesday, 27 July 2021 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 2021 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 2021.

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

SPECIAL BUSINESS

4. **Appointment of Director**

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

   "RESOLVED THAT Mr. Mark Dawson (DIN 09032378) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28 January 2021 who in terms of Section 161(4) of the Companies Act, 2013 ("the Act") holds office as Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. **Re-Appointment of Whole-time Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its approval to the appointment of and remuneration payable to Ms. Puja Thakur (DIN 07971789) as the Whole-time Director & Chief Financial Officer of the Company for a further period of three years starting from 1 January 2021 to 31 December 2023, on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee of the Board and as set out in the agreement to be entered into between the Company and Ms. Puja Thakur, a draft whereof initialed by the Managing Director for the purpose of identification is placed before the meeting, which draft agreement be and is hereby specifically approved 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 of Directors and Ms. Puja Thakur.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution."

6. **Commission to Independent Directors**

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

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") and the rules made thereunder, consent of the Company be and is hereby accorded to the payment of commission to the non-Whole-time Directors of the Company, excluding the Whole-time Directors and the Directors employed in the employment of the GlaxoSmithKline Group Companies, in addition to sitting fees being paid to them for attending the meetings of the Board or its Committees, for each financial year for a period with effect from 1 April 2021 to 31 March 2026, as may be determined by the Board from time to time, subject to a ceiling of one percent of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, with authority to the Board of Directors to distribute the commission amongst such Directors in such manner as the Board may decide from time to time.

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 & 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 2021, 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 & 13 January, 2021 (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. Further, the Securities and Exchange Board of India ('SEBI') vide its circulars dated May 12, 2020 and January 15, 2021 ('SEBI Circulars') has also granted certain relaxations. 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 the 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. Institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (in PDF/JPG format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email on its registered email address to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.

5 The Company has fixed Tuesday, 20 July, 2021 as the Record Date for determining entitlement of members to final dividend for the financial year ended 31 March 2021, 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 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 Tuesday, 20 July 2021;

    - 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 at of the close of business hours on Tuesday, 20 July 2021.

7. Members are requested to send all correspondence in connection with shares held by them addressed directly to KFin Technologies Private Limited, Registrars & Share Transfer Agents 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 Depository Participant 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 form quoting their Folio Number.

9. If you have shares registered in the same name or in the same order of names but in multiple Folios, 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 (https://india-pharma.gsk.com/en-in/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 2013, which was unclaimed, has been transferred to the 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 the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with the 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
68th Dividend	2014-2015	1 August 2015	62.50	5 September 2022
69th Dividend	2015-2016	29 July 2016	50.00	3 September 2023
70th Dividend	2016-2017	26 July 2017	30.00	30 August 2024
71st Dividend	2017-2018	25 July 2018	35.00	29 August 2025
72nd Dividend	2018-2019	23 July 2019	20.00	27 August 2026
73rd Dividend	2019-2020	27 July 2020	40.00	2 September 2027

The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through the electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website (https://india-pharma.gsk.com/en-in/investors/shareholder-information/annual-return/), 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 e-mail addresses for receiving electronic communications.

The instructions 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://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for sending the same. Shareholders are requested to follow the process 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, shareholders may write to einward.ris@kfintech.com.

Process of registration of email addresses:

Electronic folios

(a) Visit the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

(b) Select the company name.

(c) Shareholder to enter DPID-CLID and PAN.

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

(e) System checks the authenticity of the client ID and PAN and sends different one-time passwords (OTPs) to the respective mobile number and email to validate.

(f) Shareholder to enter the OTPs received by SMS and email to complete the validation process (OTPs will be valid for five minutes only).

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

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

Physical folios:

(a) Visit the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

(b) Select the company name.

(c) Shareholder to enter physical Folio number and PAN.

(d) If PAN is not available in the records, shareholder to enter one of the certificate numbers.

(e) Shareholder to enter the email ID and mobile number.

(f) System checks the authenticity of the Folio number and PAN/Certificate number and sends different OTPs to the mobile number and email ID to validate.

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

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

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, if shares are held in physical mode or if shares are held in electronic mode, are requested to do so for receiving all future communications from the 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 by email to askus@gsk.com, seven days ahead of the meeting so that a response could be made available at the meeting.

19. The statutory registers/documents pertaining to the items of business to be transacted at the AGM 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 the 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 (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 and u/s 206AB to avail the benefit of non-deduction of tax at source by uploading documents at https://ris.kfintech.com/form15/default.aspx by 11:59 p.m. IST on Tuesday, 20 July 2021. 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 uploading documents at https://ris.kfintech.com/form15/default.aspx. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Tuesday, 20 July, 2021.

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

22. **Voting through electronic 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 the facility to exercise their right to vote at the 96th 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 shall also be made available at the AGM and members attending the meeting through VC/OAVM who have not already cast their vote by remote e-voting on the resolutions, shall be able to exercise their right to vote at the meeting on such resolutions.

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

ii. The Remote e-voting period commences from 9.00 a.m. on Saturday, 24 July 2021 and ends at 5.00 p.m. on Monday, 26 July 2021. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of Tuesday, 20 July 2021 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 the 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. Tuesday, 20 July 2021. 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 their 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 as well as the voting at the AGM in a fair and transparent manner.

v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM and 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 the Annual General Meeting. The said results along with the Scrutinizer's Report shall be placed on the Company's website https://india-pharma.gsk.com/en-in/investors/ 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:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL Internet-based Demat Account Statement (IDeAS) facility, please visit the e-Services website of NSDL. Open the web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile device. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see the e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on options available against the company name or the e-Voting service provider - NSDL - and you will be re-directed to the NSDL e-Voting website for casting your vote during the remote e-Voting period or joining the virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a computer or on a mobile device. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section. A new screen will open. You will have to enter your user ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL website wherein you can see the e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting and voting during the meeting.
Individual shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login with their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on "New System Myeasi". 2. After successful login of Easi/Easiest, the user will be able to see the e-Voting menu. The menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in the www.cdslindia.com home page. The system will authenticate the user by sending an OTP on the registered email ID and mobile number as recorded in the demat account. After successful authentication, the user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to the NSDL/CDSL website after successful authentication, wherein you can see the e-Voting feature. Click on options available against the company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve their user ID/password are advised to use "the Forgot User ID" and "the Forgot Password" options available at the aforementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to login to the NSDL e-Voting website?

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

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is visible under the 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a verification code as shown on the screen.

   Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can login at https://eservices.nsdl.com/ with your existing IDeAS login credentials. Once you login to NSDL e-Services after using your login credentials, click on e-Voting and you can proceed to casting 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. Password details for shareholders other than Individual shareholders 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 by NSDL from your mailbox. Open the email and open the attachment i.e. a 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'.

      (ii) If your email ID is not registered, please follow steps mentioned below as per **process for those shareholders whose email IDs are not registered.**

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 is available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option is 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 etc.

   d) Members can also use the OTP 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 the "Login" button.

9. After you click on the "Login" button, the homepage of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

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

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

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

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Mr. Sagar Ghosalkar) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio number, name of the 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.

2. 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. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained in **step 1 (A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring user ID and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9 December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 VC/OAVM facility and have not casted 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 or view the live webcast through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see the link of "VC/OAVM link" placed under **"Join General meeting"** menu against the company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.

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 serve 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/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553/ +91 9326781467.

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, 19 July 2021 (9:00 a.m. IST) to Wednesday, 21 July 2021 (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 10460

Mumbai,18 May 2021

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Mark Dawson (DIN 09032378) was appointed by the Board of Directors of the Company as an additional Director of the Company with effect from 28 January 2021. Under Section 161 of the Companies Act, 2013, Mr. Mark Dawson holds office up to the date of the ensuing Annual General Meeting (AGM) of the Company. The Company has received from a member notice under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Mark Dawson for the office of Director of the Company. The details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in Corporate Governance Report.

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 at the AGM for their approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Mark Dawson are, in any way, concerned or interested, in the Ordinary Resolutions set out at Item No. 4 of the Notice.

Mr. Mark Dawson does not have any relationship with any other Directors or Key Managerial Personnel or Manager of the Company. Mr. Mark Dawson 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 Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No.5:

Based on the recommendation of the Nomination and Remuneration Committee & Audit Committee, Ms. Puja Thakur was re-appointed as the Whole-time Director & Chief Financial Officer of the Company with effect from 1 January 2021, subject to approval of the Members. The Company has received from a member notice under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Puja Thakur for the office of Director of the Company. The details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in Corporate Governance Report. The terms of her appointment and the remuneration payable to her as contained in the draft of the Agreement to be entered into with Ms. Puja Thakur are given hereunder:

1. Period: 1 January 2021 to 31 December 2023

2. Nature of Duties:

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

3. Remuneration:

   Ms. Puja Thakur shall be entitled to the following emoluments, benefits and perquisites during the period of her employment subject to the ceiling limits laid down in Section 197 and Schedule V of the Companies Act, 2013:

   i. Salary not exceeding ₹ 16,00,000 per month to be fixed by the Board of Directors from time to time.

   ii. Performance Bonus will be allowed in addition to salary according to the Scheme framed by the Company. The amount payable for each financial year or part thereof will be decided by the Board or a Committee thereof from time to time in its absolute discretion but shall not exceed an amount equal to 100% of the salary for the relevant period. Performance Bonus will not be included as part of Salary for the purpose of making contributions to the Provident Fund and Pension Fund.

   iii. Long-term Incentive Plan (Share Value Plan), Share Option Plan and Performance Shares Plan benefits as per schemes 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 said Employee 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 for the Said Employee and her 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, 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 Said Employee.

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 Said Employee.

The amount of the aforesaid perquisites and allowances will be restricted to an amount equal to the annual salary of the Said Employee.

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

The Said Employee 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 Said Employee 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) (i) The Company shall provide and make available to the Said Employee 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 Said Employee.

(ii) The Company shall provide the Said Employee with telecommunication facilities at her residence.

Provision of a car for use on Company's business and telecommunication facilities at residence will not be considered as perquisites.

Personal long distance calls on telephone and use of the car for private purposes shall be recovered by the Company from Said Employee.

4. 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.

5. **Other Terms**

(i) Ms. Puja Thakur shall not become interested or otherwise concerned directly or through her spouse and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

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

(iii) Her appointment may be terminated by the Company or by her by giving three months' prior notice in writing in case of the Whole-time Director.

(iv) The Agreement also sets out the mutual rights and obligations of the Company and Ms. Puja Thakur.

In compliance with the applicable provisions of the Companies Act, 2013, Ordinary Resolution as set out at item 5 of the accompanying Notice is now being placed before the members in the General Meeting for their approval. None of the Directors, Key Managerial Personnel of the Company or their relatives other than Ms. Puja Thakur are, in any way, concerned or interested, in the Ordinary Resolution set out at Item No. 5 of the Notice.

Ms. Puja Thakur does not have any relationship with any other Directors or Key Managerial Personnel or Manager of the company. Ms. Thakur 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 draft of the Agreement proposed to be entered into with Ms. Puja Thakur 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.5 of the Notice for approval by the Members

Item No.6:

The members of the Company at the Annual General Meeting held on 28 July 2016 approved the payment of commission to the non Whole-time Directors of the Company, an amount in the aggregate, to all of them, equivalent to such sum and for such period as may be determined by the Board of Directors, subject to a ceiling of one percent of net profits of the Company. The Board of Directors approved such payment of commission to non-Whole-time Directors from 1 January 2017. In accordance with the provisions of Section 197 of the Companies Act, 2013 and rules made there under, the resolution of the members approving the payment of commission was in force for a period from 1 January 2017 till 31 March 2021 and needs to be renewed.

Accordingly, a fresh approval of the members is sought by way of a Special Resolution for payment of commission to the non Whole-time Directors for a period from 1 April 2021 to 31 March 2026 as set out in the resolution at item 6 to this Notice.

None of the Directors other than Ms. R. S. Karnad, Mr. N. Kaviratne, Mr. D. Sundaram, Mr. P. V. Bhide, Mr. A. N. Roy and Dr. (Ms.) S. Maheshwari are interested in this resolution.

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 period ended 31 March 2021. 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 10460

Mumbai,18 May 2021

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

Directors' Report

The Directors of your Company are pleased to share their Report for the year ended 31 March 2021.

1. Financial results for the year ended 31 March 2021

₹ in lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from Operations	3193,73	3224,68
Other Income	110,19	77,56
Total Income	3303,92	3302,24
Profit before Exceptional Items and Tax	722,33	646,99
(Less) / Add: Exceptional Items	(172,60)	(324,49)
Profit before Tax	549,73	322,50
Less: Income Tax Expenses	192,17	212,45
Profit for the year	357,56	110,05
Basic and Diluted EPS after Exceptional Items (₹/Share)	21.11	6.50
Basic and Diluted EPS before Exceptional Items (₹/Share)	31.32	26.69

2. Dividend

Your Directors are pleased to recommend a dividend of ₹ 30 per equity share for the year. This dividend for the year ended 31 March 2021 is subject to the approval of shareholders at the Annual General Meeting on 27 July 2021 and will be paid on or after 27 July 2021. If approved by the shareholders at the Annual General Meeting, the dividend will absorb ₹ 508 crores.

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

3. Management Discussion and Analysis

(a) Finance and accounts

The unprecedented adverse business environment, triggered by the COVID-19 pandemic, impacted the overall Indian Pharmaceuticals Market (IPM) during FY 2020-21. As operations resumed after the initial lockdown, your Company sharpened its focus on investing in, and promoting its established brands. As a result of its concerted efforts, the Company not only maintained but successfully consolidated its market position during the year. Its market share in represented segments showed increase, while the key established brands quickly bounced back to double-digit growth.

At ₹ 3,194 crores, the Revenue from operations marked a 1% decline in value terms for the year ended 31 March 2021, as compared to the previous year. Despite the detrimental impact of COVID-19 on operations for the year, your Company registered an underlying sales growth of 3%, driven by sustained focus on key brands and appropriate rationalisation of tail-end brands. Other income was higher on account of ₹ 71 crores in interest on refunds from the income tax authorities.

Despite the unfavourable macro environment, EBITDA improved by 5% compared to previous year, mainly on account of better operational efficiencies, effective use of digital tools, focused cost reduction and renewed impetus on development of our innovative product portfolio. Profit After Tax was impacted due to exceptional charges and stood at ₹ 358 crores for the year.

In the previous year, a strategic assessment for the Vemgal manufacturing facility was undertaken to evaluate various options arising from the global discontinuation of the *Zinetac* brand. These options included, among others, modification of the plant to a multi-product facility and in-sourcing of products currently being manufactured at internal or external manufacturing facilities. The evaluation concluded that none of these alternatives were economically viable. As a result, the immediate sale of the facility was proposed as the best option. In line with this decision, your Company, during the quarter ended March 2021, entered a binding agreement for the sale of Vemgal assets. The conclusion of this sale is subject to necessary statutory and regulatory approvals.

Exceptional charges during the year, amounting to ₹ 173 crores largely comprise impairment charge to reflect the estimated realisable value of the assets, reversal of associated costs and of earlier provisions no longer required on account of the *Zinetac* recall. Profit Before Exceptional Items and Tax amounted to ₹722 crores, at 23% of sales for the year.

Key Financial Ratios	Year ended	31-Mar-21	31-Mar-20
Profitability Ratios			
Operating Profit Margin (%)	Profit from Operations/ Sale of Products	19%	18%
Net Profit Margin (%)*	Profit after Tax/ Revenue from operations	11%	3%
Return on Net Worth*	Profit after Tax/ Shareholders equity	24%	6%
EBITDA %	EBITDA/Sales	22%	21%
Efficiency Ratios			
Current Ratio	Current assets/ current liabilities	1.5	1.8
Inventory turnover ratio	Sale of products/ Average inventories	6.3	6.6
Debtors turnover ratio	Sale of products/ Average trade receivables	20.0	28.9
FA Turnover Ratio	Sale of Products/ Average Fixed Assets	6.5	6.2

*If the impact of exceptional items is excluded then the net profit margin (%) would be 17% (previous year 14%), Return on Net Worth would be 35% (previous year 25%).

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

Despite the difficult external environment, Cash Generation from Operations remained strong even in FY 2020-21 and was in line with the good underlying business performance. Your Company focused its efforts on achieving working capital efficiencies and faster cash conversion. A deposit of ₹ 180 crores was received towards the sale of Vemgal assets. Your Company continues to deploy accumulated cash balances in bank deposits.

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 amount towards unclaimed deposits payable to depositors, as on 31 March 2021.

Further, there are no significant or material orders passed by regulators, courts or tribunals which impact the going concern status of your Company and its future operations. There are also no material changes and commitments affecting the financial position of your Company as on the date of this report.

(b) Business performance and outlook

Pharmaceuticals

Even amid the lockdown, your Company's field force remained active on the ground, using digital channels effectively to engage remotely with Health Care Professionals (HCPs). Your Company's robust digital infrastructure proved to be a reliable means of communicating the science behind the medicines. Touch points were increased to 30 million through enhanced use of tele-calling, webinars and emailers, coupled with adoption of state-of-the-art technology platforms such as Veeva Engage.

On resumption of interpersonal interactions, your Company focused on skill enhancement of its field force to upgrade their skills and efficiencies amid the new norms of functioning. As a result, Company's representatives were among the first to prudently adopt all necessary personal safety and physical distancing guidelines to resume field work. In line with the changing business realities, your Company adapted its in-clinic communication to the need for delivery of key messages with greater immediacy and impact.

These initiatives led to gains in the market share for your Company across the categories of Anti-Infectives, Pain, Dermatology, Vitamins, Minerals and Supplements. The Evolution Index for top brands stood at: *Augmentin* 119, *Ceftum* 112, *Calpol* 103, *T-Bact* 104, *Cobadex CZS* 117 (IMS MAT March 2021).

Your Company also continued to focus on effective partnerships with key healthcare organisations to engage on important topics, such as judicious use of antibiotics, particularly after the administration of COVID-19 vaccine. Besides leading the topical antibiotics market, your Company has been making gains consistently in the topical corticosteroids and emollient categories.

Even though Dermatology was one of the adversely impacted segments, your Company maintained and consolidated its leadership in this segment during the year by remaining digitally engaged with key opinion leaders. Virtual platforms, such as Tell e-Skin, were deployed during the lockdown to disseminate the opinions and information shared by dermatology experts with general practitioners and pediatricians on diagnosis and use of steroids, thereby improving the outcome for patients.

Biologicals

Five of your Company's vaccines feature among the top 20 vaccines in the self-pay market (IMS MAT March 2021), in which it remains the No. 1 company. Though the vaccines self-pay market is estimated to be over ₹ 2,500 crores, it is currently not reflecting any value growth (IMS MAT March 2021) on account of the slower uptake of vaccination during the COVID-19 related lockdowns.

Your Company currently markets 10 vaccines across age groups - infants, adolescents and adults. In September 2020, it launched tetravalent influenza Northern Hemisphere vaccine (*Fluarix Tetra* NH 2020-21) to help combat influenza. Within three months of the launch, the vaccine had garnered 30% volume share in the market. The vaccine, which builds on the demonstrated promise of *Menveo* that was launched in 2019, is a testament to the Company's strategy of leveraging the global innovation pipeline while bringing differentiated, high-quality vaccines to addressable markets.

Your Company launched three engaging direct-to-consumer awareness campaigns during the year to strengthen its value proposition in this segment. It has also partnered with the Federation of Obstetric and Gynaecological Societies of India (FOGSI) and Indian Academy of Pediatrics (IAP) to increase awareness about vaccination and the benefits of its vaccines.

Your Company plans to continue to grow its vaccines business by launching new brands to optimise its portfolio and by expanding into new consumer segments.

Supply chain

Manufacturing excellence

Consistent with your Company's pursuit of excellence, the Nashik manufacturing facility is positioned to be critical to supply chain and sourcing. The facility continued to invest in culture improvement initiatives, while ensuring unhindered supply of products to patients. During the year, the Nashik manufacturing facility set new benchmarks in excellence:

- Over three million safe person hours without reportable illnesses;
- 81% reduction in repeat deviations (from 14.9% to 2.8%);
- Significant improvement in productivity

Warehousing and distribution

The COVID-19 crisis necessitated agile adaptation of the supply chain operations, in keeping with the prevailing government mandates. Your Company conformed to the regulations notified by the government from time to time, by coordinating with more than 30 manufacturing facilities, 26 warehouses, 6,000 stockists, a distribution team of more than 700 external workers across warehousing and 280 transporters across the country. Your Company is pleased to report that there was not a single day of interruption or delay in the supply chain network during the year.

Your Company's warehousing and distribution network continued to deliver high levels of customer service on time and in the right quantity, while maintaining the supply chain fundamentals. Your Company is also implementing automation initiatives within supply chain operations to proactively track products until they reach the customer. This insight into customer requirements not only supports business growth but also ensures a positive impact on the society and the ecosystem.

(c) Opportunities, risks, concerns and threats

With the pandemic leading to lockdowns and other curtailments, Outpatient Departments (OPDs) at hospitals remained shut and doctors either stopped functioning or avoided visiting clinics for most part of the year. This had a significant impact on generation of new prescriptions, a critical growth driver for the pharmaceutical industry.

With the gradual relaxation in lockdown rules and the introduction of COVID-19 vaccines, hospitals and clinics started returning to pre-COVID activity level. Though operations were again impacted by the second wave of the pandemic at the start of FY 2021-22, the situation is expected to start normalising again as the surge ebbs. Your Company's investment in digital initiatives, deep customer relationships and a resilient supply chain will continue to ensure high service levels across stakeholders and give it a competitive advantage.

Several experts have predicted that India may experience future waves of COVID-19, which could further stretch the country's healthcare ecosystem. This may also impact your Company's ability to service its patients and HCPs on time. With agile business continuity processes in place, your Company will, however, ensure that optimum levels of production and supply chain reliability are maintained. Over the medium to long-term, your Company remains positive about delivering healthy growth.

The outbreak of the global pandemic has also created raw material (Active Pharmaceuticals Ingredients or APIs) related disruptions for the Indian pharmaceutical industry. Your Company has long-term loan licenses with various Contract Manufacturing Organisations (CMOs) that should help it tide over such unpredictable situations with minimum impact. However, in the event of an extended period of shutdown, there are risks of supply disruption and higher input costs. From a long-term advocacy perspective, your Company is working closely with industry associations and policy makers to propose a more predictable, transparent API pricing regime, that will be a win-win for all stakeholders.

Your Company operates in a price-regulated market. Adverse regulations on product prices may impact revenues and profit margins. To mitigate these, your Company periodically assesses its product portfolio to make it more diversified, with focus on high-volume growth products and operational efficiencies to control costs. With the revised National List of Essential Medicines (NLEM), expected to be released by the Government later in 2021, your Company is engaging in various stakeholder discussions on NLEM.

The healthcare policy landscape in India is at an inflection point. Amid the pandemic, the uptake and acceptance of new areas of healthcare delivery, such as telemedicine, e-pharmacies, Over-the-Counter (OTC) medicines, are at an all-time high. New Government regulations could redefine the healthcare sector in the long term, and your Company is in discussion with policymakers and stakeholders on the subject.

(d) Regulatory affairs

Your Company applied to Central Drugs Standard Control Organisation (CDSCO) for registration of (i) Herpes Zoster Vaccine (recombinant, adjuvanted) *[Shingrix]* for prevention of Herpes Zoster and Post-Herpetic Neuralgia in adults aged ≥50 years; (ii) Belimumab Solution for Injection 200mg/ml *[Benlysta]* for treatment of adults with systemic Lupus Erythematosus and Lupus Nephritis; and (iii) indication expansion for Quadrivalent Inactivated Influenza Vaccine *(Fluarix tetra)* for use in adults over 64 years of age.

A Global Clinical Trial (GCT) application was approved during the year, for conducting a multi-country phase 3 study with Respiratory Syncytial Virus (RSV) Maternal (RSVPreF3) vaccine in India.

Registrations were successfully completed for (i) a 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)*; and (iii) a ready-to-use liquid formulation of Mepolizumab Injection 100mg *(Nucala)* for treatment of severe refractory eosinophilic asthma in adults.

These approvals will enable timely access to new and innovative therapeutic options to patients in India, besides improving compliance to treatment of existing products with new formulations and strength.

(e) Medical affairs and medical governance

Despite challenges associated with the pandemic during the year, your Company's medical team maintained its robust connect with the healthcare community, to keep them updated on the science of disease and the Company's products. The team delivered over 2,200 scientific presentations through virtual GSK standalone scientific promotional meetings (SPMs) and webcasts, reaching over 90,000 HCPs.

In addition, your Company's medical affairs team ensured continued one-to-one interactions with HCPs, by utilising an optimal mix of digital platforms and delivering over 3,300 interactions. Full support was provided to the healthcare community in the fight against COVID-19 through webinars with experts across specialties on effective diagnosis and management of the coronavirus, in addition to various aspects of telemedicine. These initiatives have helped your Company build greater trust and credibility as a science-led organisation, focused on benefitting patients.

In the Anti-Infective therapy area, your Company's medical team delivered over 1,200 scientific presentations, reaching over 30,000 HCPs, and more than 1,500 one-to-one interactions with experts across specialties. In Dermatology, the medical team continued its efforts to drive appropriate use of topical steroids and dissemination of science behind relevant disease areas through more than 900 scientific presentations. The medical team responsible for Primary Care contributed by delivering over 220 scientific presentations, reaching over 30,000 HCPs, and more than 300 one-to-one interactions with experts, including endocrinologists.

In the Respiratory therapy area, your Company's medical experts participated in over 100 promotional meetings as speakers and moderators, reaching approximately 1,900 HCPs, in addition to more than 1,300 one-to-one scientific interactions with external experts. The medical science liaisons (MSLs) led six non-promotional meetings on severe asthma and conducted an advisory board meeting to gather insights on the role of eosinophils in health and disease. The medical team initiated the Nucala Home Administration programme in 2020, to support eligible patients to continue treatment amid the pandemic challenges. The team also launched the Severe Asthma Clinic programme to support HCPs in early diagnosis and phenotyping of patients of the disease.

Several key evidence generation activities, such as two Investigator Sponsored Studies (ISS) and eight key review articles published in peer-reviewed indexed medical journals, were undertaken to spread vaccine awareness. The medical team delivered 390 scientific presentations and 860 one-to-one scientific interactions, reaching out to more than 23,000 doctors. The vaccines medical team also collaborated with the Indian Medical Association (IMA) to support the module development of the Life Course Immunisation Guidebook and its rollout to their members.

(f) 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 the business. Its 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 well-crafted framework. As required by the Companies Act 2013, your

Company has implemented an Internal Financial Control (IFC) framework. It also continues its annual Independent Business Monitoring (IBM), designed by GSK plc and requiring a regular review of activities, data, exceptions and deviations, for monitoring and improving the quality of operations.

As part of the due diligence activities for onboarding of vendors and third parties engaged by your Company, they are required to confirm compliance with our corporate values through a detailed Third Party Oversight (TPO) process.

As an annual exercise, your Company's senior executives review and confirm adherence to GSK plc's IFC. Mandatory training on the GSK Code of Conduct is conducted for all employees. During the year, an enterprise-wide 'Living our Values' training was undertaken for all employees and complementary workers. This training accounted for scenarios that explored your Company's values and their application to its ways of working and risks such as those associated with Privacy as well as Anti-Bribery and Corruption (ABAC).

Risk management

Your Company has a Risk Management and Compliance Board (RMCB), comprising a team of senior leaders responsible for promoting the 'tone from the top' and an appropriate risk culture, besides ensuring effective oversight of internal controls and risk management processes. 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 whether working for GSK or not, a range of channels to voice concerns and report any misconduct. The Speak Up channel and procedures encourage everyone to raise concerns about potential unethical, illegal or inappropriate conduct, and assure confidentiality and protection from retaliation, retribution or any form of harassment to those reporting such concerns.

Confidential Speak Up channels are available to people within and outside the 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 himself/herself. Your Company also has an extensive and widely communicated process to prevent, take disciplinary action, and deter acts of sexual harassment.

The Speak Up channels can be accessed at https://gsk.i-sight.com/landing-page/ on the Company's website.

Your Company also has in place a Whistleblower policy, 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 Whistleblower policy can be accessed on your Company's website (https://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/).

(g) Human resources

Your Company is focused on delivering the strategic priorities set under GSK plc's global Innovation, Performance and Trust (IPT) framework.

Organisational culture

The pandemic induced disruptions notwithstanding, your Company continued to prioritise the safety, health and development of its employees, in line with its commitment on People inclusion and diversity, health and wellbeing and continuous learning and development.

During the year, the 'GSK Culture Survey' was rolled out to obtain feedback from employees and elicit their views on the future ways of working and collaboration. For India, the engagement scores remained greater than 95% even in these challenging times, highlighting your Company's strong connect with employees. Your Company also launched several culture and capability building initiatives, such as Performance with Choice, GSK Learning Warriors League, GSK Women and Leadership Action Programme (WeLeAP), Commercial Development Programmes, with wide and enthusiastic participation from employees.

'Workplace by Facebook', the preferred mode of connecting and collaborating with GSK employees across the globe, helped your Company stay engaged and connected with all employees through the lockdown period. The platform has helped to transform the way employees work together and accelerate the delivery of the IPT framework, while shaping the cultural evolution.

Inclusion and diversity

Your Company has instituted the Women's Leadership Initiative (WLI) to promote women's representation, foster a more inclusive workplace, ensure diversity in perspectives, accelerate capabilities, build talent pool, and pave the way for career growth.

Your Company has 11% gender diversity in its workforce, 15% of new hires being women in the commercial organisation, which was traditionally male dominated, 30% women at Board level and 26% women in top leadership positions. During the year, your Company focused on sensitising employees across the organisation through campaigns such as #BreakingBias and WeLeAP 2.0 – GSK Women and Leadership Action Programme, to develop high potential mid-level women talent.

As a result of these efforts, your Company was recognised among the 100 Best Companies for Women by Working Mother and AVTAR, the Best Workplaces for Women by Great Places to Work and was also conferred the Advancement of Women Award by Community Business in 2020.

Your Company was recognised as one of the top employers by the India Workplace Equality Index (IWEI) – the country's first comprehensive index for LGBT+ equality. Several initiatives were also undertaken to cater to the differently abled.

Learning and development

Your Company offers a wide range of learning resources and tools to support individual and team development needs. During the year, employees participated in, and benefited from GSK's global talent programmes, such as the Asia Leadership Programme for Emerging Leaders, Accelerating Difference Programme, Asia Global Leaders Programme, and IMPACT programme for building specific capabilities to develop leadership talent.

Pursuing commercial excellence

In 2020, GSK's Selling Excellence team partnered with the HR team to launch the GSK Learning Warriors League for the commercial organisation, to promote virtual learning for capability building and engagement.

Apart from new initiatives to promote excellence, your Company continued to invest in the Future Leaders Programme, Commercial Leadership Programme and the Pharma Supply Chain Leadership Programme, wherein hires from premier B-schools undergo an extensive experiential training before taking up important roles, such as First Line Sales Leader (FLSL).

In 2020, with the objective of enhancing its brand awareness among potential campus hires, your Company also launched a virtual case study competition across top B-schools.

Wellness and wellbeing

Committed to people wellbeing, your Company expanded its offerings under the Partnership for Prevention (P4P) programme during the year, by including two more vaccines in the Flu category.

Medical insurance benefits offered to employees were reviewed, as your Company included additional coverage designed specifically for COVID-19, such as home quarantine expenses. Your Company also introduced modular plans in health insurance, giving options to employees to increase their medical coverage. To help employees and their families build resilience and cope with the COVID-19 related challenges, it partnered with external experts for sessions on mental health under the Employee Assistance Programme (EAP) and activities centered around physical health, augmenting mental and emotional resilience, wellbeing and nutrition.

Employee relations

Your Company works with unions for the mutual benefit of its members and provides them forums to voice their opinions and effectively represent themselves. The Company believes these unions to be an integral part of its business and growth.

Four unions, based on the selling area zones (North, East, West and South), represent the Medical Business Associates (MBAs) in their respective locations. The union in the West Zone also represents employees of the Nashik manufacturing facility.

The management and the unions of your Company are currently engaged in negotiations to arrive at a long-term wage and benefits settlement to be valid for a period of four years.

Your Company is grateful to its unions for their positive contributions and maintenance of cordial industrial relations.

Prevention of sexual harassment at the workplace

Your Company has a policy for making the workplace safer, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the rules thereunder. Your Company has established Internal Committees (ICs) across different zones and manufacturing facilities to address any kind of sexual harassment (SH) complaint. All the members of these ICs are well trained to handle such complaints.

During the year, your Company received three SH complaints. One case has been closed after taking appropriate action following detailed investigation, while the remaining two are currently under investigation.

The Company aims to further increase awareness around prevention of sexual harassment (POSH) and the working of internal committees through refresher e-learning modules and training programmes.

Environment, health, safety and sustainability

Your Company's Environment, Health, Safety and Sustainability (EHSS) strategy is embedded across its value chain. From sourcing of raw materials to the delivery of products, the EHSS practices conform to local laws as well as GSK's global standards.

Your Company is committed to the reduction of the environmental footprint from the production of antibiotics at its manufacturing facility at Nashik, and also resulting from operations of third-party manufacturers, by controlling the release of antibiotic residues into the environment within the science-driven, risk-based discharge limits. This is also in accordance with the AMR (antimicrobial resistance) Industry Alliance's Antibiotic Manufacturing Framework. Your Company is a signatory to the AMR Industry Alliance, which is one of the largest private sector coalitions set up to provide sustainable solutions to curb AMR and wastewater discharge limits.

Your Company continues to invest in the safety of its employees through multiple initiatives. These include the global driver safety programme – 'Safe Driving: Every Journey Counts' - for the safety of employees in the field. This is complemented with other initiatives, such as Virtual Risk Manager, OnetoOne+, Mentor and other driving programmes that are instituted to inculcate defensive driving skills. Your Company remains committed to environmental sustainability, and the safety of employees and patients, in line with locally applicable laws and regulations. Your Company has complied with the Extended Producer Responsibility (EPR) obligations and collected 2,070.52 MT of post-consumer plastic waste from the market in FY 2020-21 and disposed it in an environmentally sustainable manner.

(h) Corporate Social Responsibility (CSR)

Your Company has a rich legacy of partnering with the communities in which it operates. Strong partnerships with these groups are critical to understanding the needs of the communities and formulate strategies accordingly, to maximise their outreach and impact.

The focus of your Company's CSR efforts, during the year, was on impacting life changing and lasting differences in human health by addressing the healthcare burdens of accessibility, affordability and awareness. The Company touched the lives of over a million people suffering from Lymphatic Filariasis (LF) through its flagship CSR project - Partnering India to Eliminate Lymphatic Filariasis.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, and the rules made thereunder, your Company has constituted a CSR Board Committee to monitor its CSR programmes.

The CSR policy of your Company can be accessed on its website (https://india-pharma.gsk.com/media/911273/annual-csr-report-2020-21.pdf). A detailed report on the CSR programmes undertaken during the year has been provided in **Annexure 'A'** of this Annual Report.

4. Directors

Mr. R. Krishnaswamy ceased to be a Director on the Board with effect from 27 January 2021. The Board places on record its appreciation of the valuable services rendered by Mr. Krishnaswamy during his tenure on the Board. Mr. M. Dawson was appointed as Additional Non-Executive Director from 28 January 2021.

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, and Dr. (Ms.) S. Maheshwari for a first term of five years from 18 May 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 2021, eight Board and five Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Remuneration policy and Board evaluation

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

Familiarisation programmes for 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 the Company, the nature of the industry in which it operates, its business model, etc. The programme details are available on the 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 LODR, your Company has formulated a policy on Related Party Transactions. All related party transactions entered during the year were on an 'arm's length' basis and were in the 'ordinary course of business'. There were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of interest of the Company at large. The Policy of related party transactions can be accessed on the 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 which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are 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 the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2021, and of the profit of the Company for the year ended on that date;

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

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

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

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

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, a copy of the Annual Return shall be placed on the Company's website (https://india-pharma.gsk.com/en-in/investors/shareholder-information/annual-return/).

8. Corporate governance & Business sustainability report

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

9. Auditors

As per the provisions of section 139 of the Companies Act 2013, Deloitte Haskins and Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for the period of five years at the 92nd Annual General Meeting held on 25 July 2017 to hold office from the conclusion of the said Meeting till the conclusion of the 97th 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 of their appointment by the Members of the Company at every Annual General Meeting. Pursuant to the amendments made to section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7 May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the statute. In view of the above, ratification of the members at Annual General Meeting is not being sought.

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

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, have appointed R. Nanabhoy & Co., the Cost Accountants, for conducting the audit of the cost accounting records maintained by the Company for its Formulations for FY 2021-22. The Committee recommended ratification of remuneration for year 2020-21 to the Shareholders of the Company at the ensuing Annual General Meeting.

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

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund, set up by the Government of India, the 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 Ministry of Corporate Affairs. 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 the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively, relating to Meetings of the Board and its Committees which have mandatory application.

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 'E'**, 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, are enclosed as **Annexure 'F'**, 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 the Company's Subsidiary are no longer required to be attached to the Company's Annual Report, the same is enclosed as and in way of better disclosure practice.

The information relating to top ten employees in terms of remuneration and employees, who were in receipt of remuneration of not less than ₹ 1.02 cores during the year or ₹ 8.5 lakhs per month during any part of the year, forms part of this report and will be provided to any shareholder on a written request to the Company Secretary. In terms of Section 136 of the Act, the 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 for remarkable agility and resilience throughout the year in unprecedented circumstances including significant improvement in the operations of the Company and also 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 appreciative of the support being received from GSK plc.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2021

Annexure 'A' to the Directors' Report

Report on Corporate Social Responsibility (CSR)

1. **Brief outline on CSR Policy of the Company.**

   Healthy communities are the backbone of strong, sustainable societies. However, there are still millions of people without access to basic healthcare in India.

   Your company's approach to corporate social responsibility (CSR) supports the purpose to help people do more, feel better and live longer.

   Your company, as a responsible corporate citizen, contributes to nation building through its CSR projects, as prescribed in the Act. All CSR interventions are designed to be sustainable in the long-term and aim to address identified national priorities.

   To improve access and support people in vulnerable communities, your company initiates targeted corporate social responsibility (CSR) projects, either in partnership with credible implementation partners or directly.

   The CSR policy has been designed in consonance with Section 135 of The Companies Act, 2013 to lay down the guidelines for undertaking CSR initiatives of your company in accordance with the Companies Rules, 2014, as amended from time to time.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Anami Narayan Roy	Chairman-Non-Executive, Independent Director	1	1
2.	Dr. (Ms.) Sunita Maheshwari	Non-Executive, Independent Director	1	1
3.	Sridhar Venkatesh	Managing Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   https://india-pharma.gsk.com/media/786327/csr-policy-annexure-3_csr-committee-composition.pdf

   https://india-pharma.gsk.com/media/733606/csr-policy_revised-310715.pdf

   https://india-pharma.gsk.com/media/786326/csr-policy-annexure-1_implementation-schedule-and-execution-modalities.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	Not Applicable	Not Applicable	Not Applicable
	Total		

6.	Average net profit of the company as per section 135(5):	₹ 54302 lakh
a.	Two percent of average net profit of the company as per section 135(5)	₹ 1086.04 lakh
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	₹ 0.00
c.	Amount required to be set off for the financial year, if any	₹ 0.00
d.	Total CSR obligation for the financial year (7a+7b-7c)	₹ 1086.04 lakh

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
1087.29	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area* (Yes/No)	(5) Location of the project: State	(5) Location of the project: District	(6) Project Duration (in Year)	(7) Amount allocated for the project^ (in ₹ Lakh)	(8) Amount spent in the current FY (in ₹ Lakh)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency: Name	(11) Mode of Implementation - Through Implementing Agency: CSR Registration number
	Partnering India to eliminate Lymphatic Filariasis (LF - also known as Elephant Foot)											
1.	Integration of Morbidity Management and Disability Prevention with public health system	Promoting Healthcare; Eradicating Hunger, Poverty and Malnutrition; Sanitation	No	Uttar Pradesh	Kanpur	1	100.00	100.00	0.00	No	Project Concern International	CSR00003256
	Mother and child healthcare											
2.	Addressing child nutrition through a holistic approach	Promoting Healthcare; Eradicating Hunger, Poverty and Malnutrition; Sanitation	Yes	Maharashtra	Mumbai	1	122.00	122.00	0.00	No	Society for Nutrition, Education and Health Action	CSR00002137

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area* (Yes/ No)	Location of the project		Project Duration (in Year)	Amount allocated for the project^ (in ₹ Lakh)	Amount spent in the current FY (in ₹ Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
3.	Awareness building on ante-and post-natal care;	Promoting Healthcare; Eradicating Hunger, Poverty and Malnutrition; Sanitation	No	West Bengal	Kolkata	1	10.00	10.00	0.00	No	BITAN Institute for Training, Awareness and Networking	CSR00004091
	School sanitation-WASH											
4.	WASH facilities in schools with behaviour change communication	Promoting Healthcare; Eradicating Hunger, Poverty and Malnutrition; Sanitation	No	Maharashtra	Nashik	1	85.00	85.00	0.00	No	Bal Raksha Bharat (Save the Children)	CSR00000065
	Holistic care for the underserved											
5.	Holistic care for vulnerable underserved girls	Promoting Education, Including Special Education and Employment Enhancing Vocational Skills	No	Bihar	Patna	1	10.00	10.00	0.00	No	Nai Dharti	CSR00000078
	Total						**327.00**	**327.00**	**0.00**			

* Note: Local area means project undertaken around Head/Registered Office i.e. Mumbai.

^ Amount allocated for the ongoing project is for FY 2020-21 only.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area* (Yes/ No)**	**Location of the project**		**Amount spent for the project (in ₹ Lakh)**	**Mode of implementation Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
	Partnering India to eliminate Lymphatic Filariasis (LF - also known as Elephant Foot)								
1.	Albendazole donation for supporting mass drug administration	Promoting Healthcare; Eradicating Hunger, Poverty and Malnutrition; Sanitation	No	Pan India	Pan India	543.22	Yes	-	-

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area* (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakh)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
	Education								
2.	Mainstreaming children who are school dropouts by enhancing their grade level competencies	Promoting Education, Including Special Education and Employment Enhancing Vocational Skills	No	Haryana	Gurugram	10.00	No	Sakshi	CSR00000232
	Covid-19 response								
3.	Contribution to PM CARES Fund and provide product/ medical supplies	Contribution to PM CARES Fund and relief response	-	-	-	127.13	Yes	-	-
	Project Monitoring and Evaluation								
4	Monitoring and evaluation of CSR projects	NA	-	-	-	25.64	No		-
	Total					**705.99**			

* Note: Local area means project undertaken around Head/ Registered Office i.e. Mumbai.

(d) Amount spent in Administrative Overheads: ₹ 54.30 lakh

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1087.29 lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	1086.04
(ii)	Total amount spent for the Financial Year	1087.29
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.25

8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹ Lakh)
				Name of the Fund	Amount (in ₹ Lakh)	Date of transfer	
	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project Duration** (In Years)	(6) Total Amount allocated for the project (in ₹ Lakh)	(7) Amount spent on the project in the reporting financial year (in ₹ Lakh)	(8) Cumulative amount spent at the end of reporting financial Year (in ₹ Lakh)	(9) Status of the project – Completed/ Ongoing
1	Project Concern International	Integration of Morbidity Management and Disability Prevention with public health system	FY 19-20	3	399.00	100.00	221.00	Ongoing
2	Society for Nutrition, Education and Health Action	Addressing child nutrition through a holistic approach	FY 19-20	2	201.00	122.00	186.68	Ongoing
4	Bal Raksha Bharat (Save the Children)	WASH facilities in schools with behaviour change communication	FY 19-20	2	157.00	85.00	137.00	Ongoing
	TOTAL				**757.00**	**307.00**	**544.68**	

** Note: Project duration is not linked with the financial year

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

a.	Date of creation or acquisition of the capital asset(s).	Not Applicable
b.	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	Not Applicable
d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not 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.

Mumbai, 18 May 2021	S. Venkatesh Managing Director	A. N. Roy Chairman, CSR Committee

Annexure 'B' to the 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 & 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 the Code of Conduct and the associated standards of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

2. BOARD OF DIRECTORS

- **Composition and size of the Board**

  The present strength of the Board is Ten Directors. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. Two Directors, including the Managing Director are whole-time Directors. There are Eight Non-Executive Directors of which five are Independent Directors.

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

- **Board meetings and attendance**

  Eight Board meetings were held during the year ended 31 March 2021 and the gap between two Board meetings did not exceed four months. The annual calendar of Board meetings is agreed upon at the beginning of each year.

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

  The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	28 April 2020	9	9
2.	18 May 2020	10	10
3.	29 July 2020	10	10
4.	28 October 2020	10	10
5.	29 October 2020	10	10
6.	7 January 2021	10	10
7.	5 February 2021	10	10
8.	30 March 2021	10	10

- Attendance of each Director at the Board meetings and last the Annual General Meeting (AGM) and the number of companies and committees where he/she is a Director/Member (as on the date of the Directors' Report).

Name of Director	Category of Directorship	Number of Board Meetings attended	Attendance at the last AGM held on 27 July 2020	*Number of Director-ships in other companies (including GSK)	**Number of mandatory committee positions held in other companies	
					Chairman	Member
Ms. R. S. Karnad Chairperson	Non-Executive	8	Yes	9	3	6
Mr. M. Dawson (w.e.f. 28.01.2021)	Non-Executive	2	N.A.	1	Nil	Nil
Mr. P. V. Bhide	Non-Executive & Independent	8	Yes	7	3	5
Mr. N. Kaviratne	Non-Executive & Independent	8	Yes	1	Nil	1
Mr. R. Krishnaswamy (upto 27.01.2021)	Executive	6	Yes	N.A.	N.A.	N.A.
Dr. (Ms.) S. Maheshwari	Non-Executive & Independent	7	Yes	1	Nil	Nil
Mr. A. N. Roy	Non-Executive & Independent	8	Yes	9	2	3
Mr. D. Sundaram	Non-Executive & Independent	8	Yes	6	5	2
Mr. S. Venkatesh Managing Director	Executive	8	Yes	2	Nil	1
Mr. S. Williams	Non-Executive	8	Yes	1	Nil	Nil
Ms. P. Thakur	Executive	8	Yes	2	Nil	Nil

*Excludes directorships 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. Renu Sud Karnad - Non-Executive Director & Chairperson

(DIN: 00008064)

Ms. Karnad is the Managing Director of Housing Development Finance Corporation Limited. Ms. Karnad holds a Master's degree in Economics from the University of Delhi and a Bachelor's degree in Law from the University of Mumbai. She is a Parvin Fellow, Woodrow Wilson School of Public and International Affairs, Princeton University, USA. Ms. Karnad brings with her rich experience and enormous knowledge in the mortgage sector, having been associated with real estate & mortgage sectors in India for over 40 years. She is an expert in finance, economics, sales & marketing, human resources and risk management. Apart from being HDFC's brand custodian, she is the guiding force behind the formulation of the organisation's communication strategy and public image. Ms. Karnad is currently 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 the Audit Committee, Risk Management Committee, Nomination & Remuneration Committee and Chairperson of the Stakeholders Committee.

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 & Real Estate, Finance and Human Resources
2	HDFC Life Insurance Company Limited	Non-Executive Director	
3	HDFC Asset Management Company Limited	Non-Executive Director	
4	Housing Development Finance Corporation Limited	Managing Director	
5	Bangalore International Airport Limited	Independent Director	
6	HDFC Ergo General Insurance Company Limited	Non-Executive Director	
7	Unitech Limited	Nominee Director	
8	HDFC Bank	Additional Director	

Mr. Damodarannair Sundaram – Independent Director

(DIN: 00016304)

Mr. Sundaram's experience spans corporate finance, business performance, monitoring operations, governance, mergers & acquisitions, talent/people management and strategy. Mr. Sundaram joined Hindustan Unilever Limited (HUL), the Indian listed subsidiary of Unilever Plc, as a management trainee in June 1975 and served in various capacities including six years in Unilever, London as Commercial Officer: Africa and Middle East (1990-1993) and as Senior Vice-President for South Asia and Middle East (1996-1999). He was the Chief Finance Officer of HUL from March 2008 and 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" awarded by CNBC TV18 (2006 and 2008). He was awarded the 'Best Independent Director in 2019' by Asian Centre for Corporate Governance and Sustainability in December 2020. Mr. Sundaram is currently the Vice Chairman (Non-executive, Non-independent) of TVS Capital Funds in managing a growth capital private equity fund (TVS Shriram Growth Fund). Mr. Sundaram is a post-graduate in Management Studies (MMS), Fellow of the Institute of Cost Accountants, and has completed Harvard Business School's Advanced Management Program (AMP). He is also on the Executive Council of KREA University. He is the Chairman of the Audit Committee and Risk Management Committee and a member of the Nomination & Remuneration Committee.

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 & Treasury
2	Crompton Greaves Consumer Electricals Limited	Independent Director	
3	Infosys Limited	Independent Director	
4	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 increasingly senior roles including Head of Marketing Research and Economics and General Manager of the 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 the 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 the Chairman of the Nomination & Remuneration Committee and member of the Audit Committee & Risk Management Committee of GlaxoSmithKline Pharmaceuticals Ltd. 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 was appointed a member of the Global Corporate Resilience Advisory Council of McKinsey & Company, effective January 2018 and also appointed as Senior Advisor of Bain & Company for SEA from January 2021 . He is the Chairman of Caraway Pte Ltd, Singapore and was also appointed to Chair the SATS Advisory Panel for Indonesia, effective January 2021. His expertise is in the fields of Marketing, Strategy, General Management, Environmental Affairs, Governance, Audit and Risk Management.

Mr. Anami N. Roy – Independent Director
(DIN: 01361110)

Mr. Anami Roy, a former civil servant, served with distinction during his 38 year long career in the Indian Police Service (IPS), in a wide range of assignments including some of the most challenging and sensitive ones, both in Maharashtra and Government of India, superannuating as the Director General of Police (DGP), Maharashtra, heading a police force of over 2,25,000. As Police Commissioner of Mumbai for over three years, he came down heavily to eliminate the underworld and illegal activities in Mumbai and simultaneously 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 the media earning him the nickname "People's Commissioner". In the Government of India, he was the Head of Operations in the elite Special Protection Group, charged with the responsibility of the proximate security of the Prime Minister and former Prime Ministers, where he also had the opportunity to interact and work with many governments of foreign countries in addition to all states in India. He has wide knowledge and experience of strategy, policy, vigilance, security and intelligence and public administration matters at the state and national level.

He runs a not-for-profit company of his own, working to support with livelihood to the poorest in the slums of Mumbai and the widows of farmers who committed suicide in the Vidarbha region of Maharashtra. He is an Independent Director in many prominent companies. He is the Chairman of the Corporate Social Responsibility Committee.

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

Sr. No.	Directorship in listed / 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 & Vigilance
2	Bajaj Holdings & Investment Limited	Independent Director	
3	Bajaj Finance Limited	Independent Director	
4	Bajaj Finserv Limited	Independent Director	
5	Bajaj Housing Finance Limited	Independent Director	
6	Finolex Industries	Independent Director	
7	Bajaj Allianz General Insurance Company Limited	Independent Director	
8	Bajaj Allianz Life Insurance Company Limited	Independent Director	

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

Mr. Bhide, Science and Law graduate from Delhi University, has completed his Master's in Business Administration from IGNOU. He is enrolled as an Advocate with the 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 level. He worked as Secretary to the 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. Bhide retired as Secretary, Department of Revenue, Ministry of Finance in January 2010, a position which he held from June 2007. He is a member of the Audit Committee, Risk Management Committee and Stakeholders Relationship Committee.

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	L&T Finance Holdings Limited	Independent Director	
3	Nocil Limited	Independent Director	
4	L&T Housing Finance Limited	Independent Director	
5	L&T Finance Limited	Independent Director	
6	TRL Krosaki Refractories Limited	Independent Director	

Ms. Puja Thakur – Whole-time Director & Chief Financial Officer

(DIN: 07971789)

Ms. Puja Thakur, age 45 years, is a Chartered Accountant and joined GSK in February 2004 from PwC. She has done various roles and has 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 is a Director in Biddle Sawyer Limited. She has expertise in the fields of Finance & Treasury. She does not hold any shares in the Company and is also not related to any Director of the Company.

Mr. Subesh Williams – Non-Executive Director

(DIN: 07786724)

Mr. Subesh Williams, age 58 years, 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 held roles of increasing responsibility in Finance and Corporate Development. Prior to joining GSK, he was a Manager at PwC. He was appointed with effect from 7 April 2017. He has expertise in the fields of Finance, Business development and Mergers & Acquisitions. He does not hold any shares in the Company and is also not related to any Directors of the Company.

Mr. Sridhar Venkatesh - Managing Director

(DIN: 07263117)

Mr. Sridhar Venkatesh 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, &

Biosimilars. He held the role of General Manager, Singapore before taking up the role of Commercial Head, India, from 2014 to 2016. He was then appointed as Vice President of Central America & Caribbean before taking on the current role of Vice President, Emerging Markets East, managing direct oversight of six markets (Philippines, Vietnam, Thailand, Malaysia, Indonesia and Sri Lanka). Sridhar started his career with Eli Lilly and Company and then moved to Pfizer, holding 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). He is a member of the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee. He is a Director in Biddle Sawyer Limited.

Dr. (Ms.) Sunita Maheshwari - Independent Director
(DIN: 01641411)

Dr. (Ms.) Sunita Maheshwari, Outlook Business WOW 2019 (Woman of Worth) and 2014's 'Amazing Indian' 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 Healthcare-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 500 playgrounds in government schools and Telerad 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 the member of the Corporate Social Responsibility Committee.

Mark Dawson – Non-Executive Director
(DIN: 09032378)

Mark Dawson, age 50 years, is Vice President of Manufacturing and Supply Chain for Primary and Established Products (PEP) within GSK's Pharmaceutical Business. He is responsible for the Supply Chain that manufactures all GSK Primary (API) products, Antibiotics supply chain and Regional Rx manufacturing with 18 facilities located across Europe, LatAm, MEA, India, China, Singapore and Australia. He is also responsible for all supply chain planning, logistics and warehousing operations into 105 global markets from LatAm, Middle East, Africa, Russia/CIS, India, Pakistan, China and South Asia. He is a member of the Pharma Supply Chain Executive Team and the Emerging Markets Leadership Team. He is a member of GSK's Global Gender Diversity Council. He joined GSK in 2005 working in various roles of increasing seniority within Global Manufacturing and Supply as Engineering Director, Site Director for the Irvine manufacturing site, Vice President and Head of Global Supply Chain within ViiV Healthcare (GSK's HIV business) and latterly as Vice President and Head of Supply Chain for Emerging Markets. Prior to GSK, he has worked for several multinational companies including Eli Lilly and Company, Kvaerner and Schneider Electric. He is a graduate of the University of Sheffield in the UK and a Chartered Engineer. He has expertise in the field of Supply Chain. He does not hold any shares in the Company and is also not related to any Director 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.

- Independent Directors meeting was held on 18 May 2020, where all the Independent Directors where 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 (http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/). There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. All transactions entered with the related parties during the year ended 31 March 2021 as mentioned under the Companies Act 2013 and Regulation 23 and 27(2)(b) of the Listing Obligations & 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 (http://india-pharma.gsk.com/en-in/investors/shareholder-information/policies/).

  None of the Directors are related to each other.

- Dividend Distribution Policy

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

- Details of Directors being appointed/re-appointed

  As per the Statute, two-thirds 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.

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

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

3. AUDIT COMMITTEE

Terms of Reference

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

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

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

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

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

   (iii) major accounting entries involving estimates based on the exercise of judgement 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 the 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 & 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 the 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 the 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 existing loans/ advances/investments existing as on the date of coming into force of this provision.

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

Five Audit Committee meetings were held during the year ended 31 March 2021. The Committee comprises of Independent and Non-Executive Directors and their meetings were held on 18 May 2020, 29 July 2020, 28 October 2020, 23 November 2020 & 5 February 2021.

Name of the Members	Designation	Category of Directorship	Attendance out of five meetings held
Mr. D. Sundaram	Chairman	Non-Executive & Independent	5
Ms. R. S. Karnad	Member	Non-Executive	5
Mr. N. Kaviratne	Member	Non-Executive & Independent	5
Mr. P. V. Bhide	Member	Non-Executive & Independent	5

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

The Chairman of the Audit Committee, Mr. D. Sundaram, was present at the Annual General Meeting of the Company held on 27 July 2020.

Risk Management Committee

The composition of the Risk Management Committee:

Name of the Members	Designation	Category of Directorship
Mr. D. Sundaram	Chairman	Non-Executive & Independent
Ms. R. S. Karnad	Member	Non-Executive
Mr. N. Kaviratne	Member	Non-Executive & Independent
Mr. P. V. Bhide	Member	Non-Executive & Independent

During the year under review, the Committee met on 18 May 2020. The Chairman and all the members attended the meeting. The Managing Director, Chief Financial Officer, other whole-time Directors are invitees to the meetings. The Company Secretary is Secretary to the Committee.

The Chairman of the Risk Management Committee, Mr. D. Sundaram, was present at the Annual General Meeting of the Company held on 27 July 2020.

4. NOMINATION & REMUNERATION COMMITTEE

- **Terms of Reference**

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

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

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

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

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

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

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

c) Devising a policy on Board diversity;

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

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

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

Name of the Member	Designation	Category of Directorship
Mr. N. Kaviratne	Chairman	Non-Executive & Independent
Ms. R. S. Karnad	Member	Non-Executive
Mr. D. Sundaram	Member	Non-Executive & Independent

During the year under review, the Committee met on 18 May 2020, 28 October 2020, 7 January 2021 and 5 February 2021. The Chairman and all the members attended the meeting.

Remuneration Policy & evaluation criteria

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

Remuneration Policy for Senior Management and Whole-time Directors

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

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

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

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

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

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

Performance Evaluation of the Board

In terms of the provisions of the Companies Act, 2013 and Schedule II-part D of the Listing Obligations & Disclosures Regulations, 2015, the Board has carried out the annual performance evaluation of its own including the various

Committees and the individual Directors with a detailed questionnaire covering various aspects of the 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 up to a maximum of one percent of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 for such period and such amount as may be decided by the Board of Directors from time to time.

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

The details of the remuneration paid to the Directors during the year ended 31 March 2021 are given below:

(₹ in lakhs)

Executive Directors	Salary	Performance Bonus	Perquisites and Allowances	GSK plc -Share Value Plan	Contribution to Provident Fund and Superannuation Fund	Total
Mr. S. Venkatesh	231.47	70.02	489.97	-	30.00	821.46
Mr. R. Krishnaswamy (upto 27.01.2021)	76.24	55.83	348.85	53.24	20.59	554.74
Ms. P. Thakur	120.05	69.18	122.99	27.89	15.41	355.52

(₹ in lakhs)

Independent Directors and Non-Executive Directors	Commission#	Sitting Fees	Total
Ms. R. S. Karnad	20.00	11.00*	31.00
Mr. P. V. Bhide	15.00	7.50*	22.50
Mr. N. Kaviratne	15.00	9.00*	24.00
Dr. (Ms.) S. Maheshwari	13.06	4.50*	17.56
Mr. A. N. Roy	15.00	6.50*	21.50
Mr. D. Sundaram	15.00	10.50*	25.50

payable in 2021

*Sitting fees for the Board Meeting of March 2021 and Property Committee Meetings of February & March 2021 was paid in April 2021.

Notes:

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

- Ms. P. Thakur for the period from 1 January 2021 to 31 December 2023
- Mr. S. Venkatesh for the 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 Non-Executive 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 & Independent
Dr. (Ms.) S. Maheshwari	Member	Non-Executive & Independent
Mr. S. Venkatesh	Member	Managing Director

During the year under review, the Committee met on 22 January 2021 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 & 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 & Independent
Mr. S. Venkatesh	Member	Managing Director

During the year under review, the Committee met on 5 February 2021 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 - 400 030
Phone: (022) 2495 9433
Fax: (022) 2498 1526
Email ID: ajay.a.nadkarni@gsk.com

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

Sr. No	Particulars	No. of Complaint
1	At the beginning of the year	00
2	Received during the year	58
3	Resolved during the year	58
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, 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
27 July 2020	1 April 2019 to 31 March 2020	At Registered Office - through Video Conferencing facility	2.30 p.m.	None
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

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. One Special Resolution is proposed to be passed 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 (https://india-pharma.gsk.com/en-in/investors/financial-results/).
- During the year, the company held and made presentations at one institutional investor / analyst's meeting.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

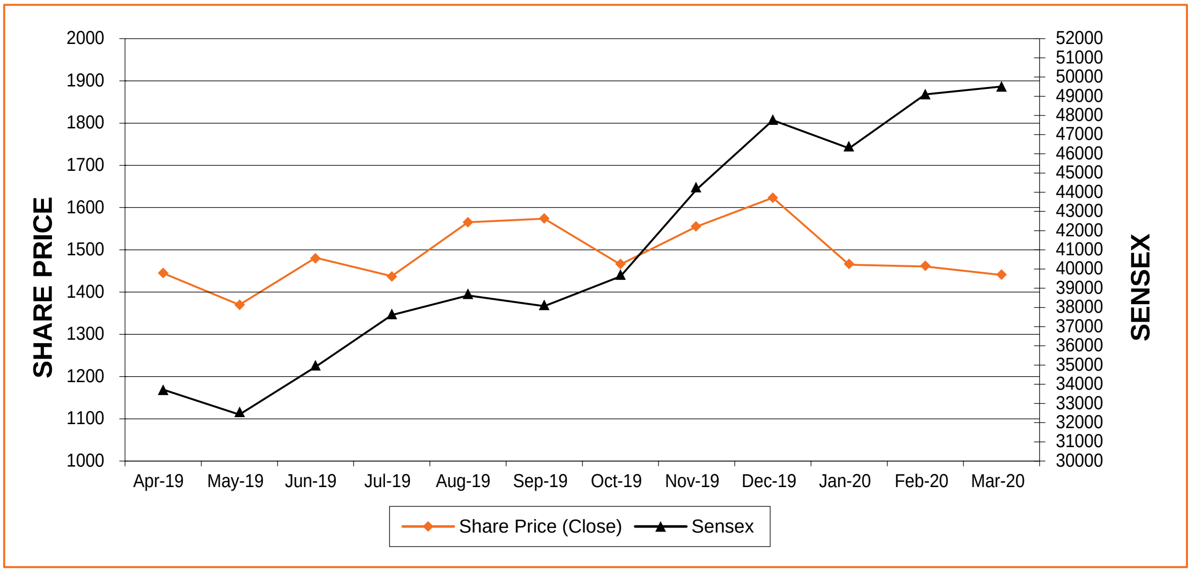
9. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Day, Time and Venue	27 July 2021, Tuesday 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 2021 iii. Half-Yearly Results – October 2021 iv. Third Quarter Results – February 2022 v. Results for the year ending 31 March 2022 - May 2022
Record Date	20 July 2021
Dividend Payment date(s)	On or after 27 July 2021
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 2020 to 31 March 2021 and from 1 April 2021 to 31 March 2022.
Stock Code	500660 on BSE GLAXO on NSE
Demat ISIN Number for NSDL and CDSL	INE159A01016

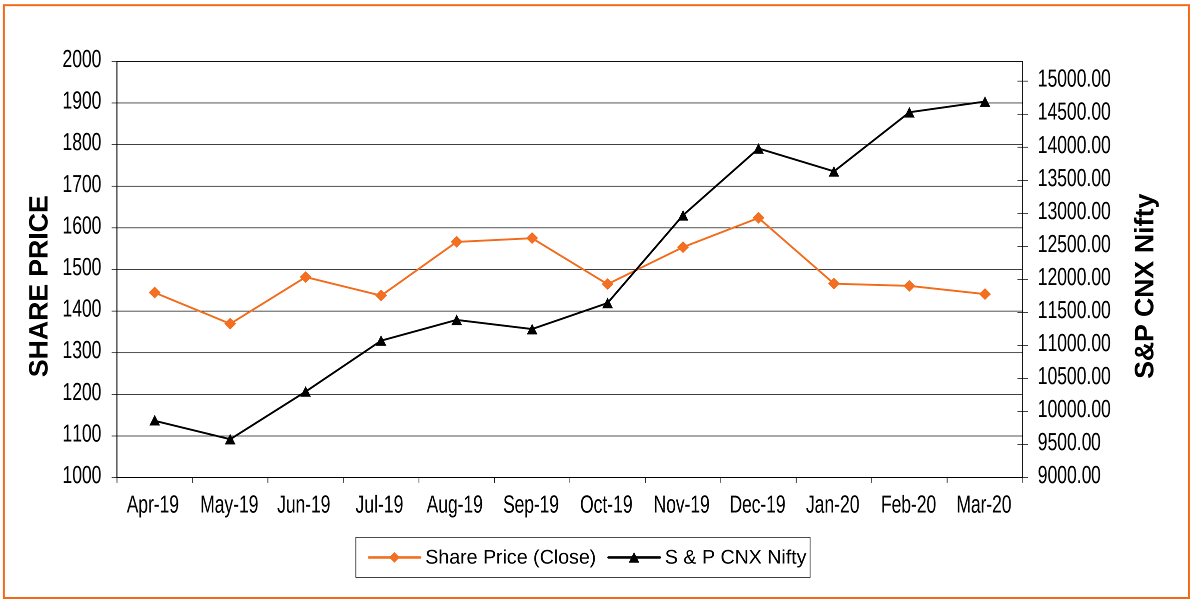
- High/low of market price of the company's shares traded along with the volumes on the Stock Exchange, Mumbai and on the National Stock Exchange during the year April 2020 to March 2021 is furnished below:

Month and Year	BSE			NSE		
	High (Rupees)	Low (Rupees)	Volume (No. of Shares)	High (Rupees)	Low (Rupees)	Volume (No. of Shares)
April 2020	1540.00	1154.70	113061	1522.00	1150.00	1528038
May 2020	1524.00	1337.00	51881	1522.00	1335.00	739956
June 2020	1524.00	1258.00	81324	1525.00	1206.00	867567
July 2020	1570.65	1430.00	78660	1574.00	1435.00	692983
August 2020	1628.90	1424.40	93081	1629.50	1423.10	2478145
September 2020	1805.00	1530.00	110870	1807.50	1526.00	3577005
October 2020	1612.00	1461.00	248540	1612.00	1461.00	1772589
November 2020	1569.00	1391.00	70434	1570.00	1391.00	995306
December 2020	1645.00	1490.00	74150	1645.00	1485.15	1306863
January 2021	1650.00	1425.00	63321	1630.00	1450.10	781677
February 2021	1549.00	1406.30	76351	1515.00	1419.30	1326438
March 2021	1574.85	1379.00	92767	1575.00	1521.00	943011

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



Share Performance of the company in comparison to NSE S&P CNX Nifty



Equity History

Particulars	No. of shares issued (of ₹10 each)	Year of issue
Original Holding	18,00,000	1924
Bonus Issue	2,00,000	1947
Bonus Issue	10,00,000	1962
Bonus Issue	24,00,000	1968
Public Issue	18,00,000	1969
Bonus Issue	36,00,000	1977
Bonus Issue	36,00,000	1980
Public cum Rights Issue	56,00,000	1983
Shares allotted to Group Companies	44,89,800	1993
Rights Issue	53,97,700	1993
Bonus Issue	2,98,87,500	1995
Shares issued pursuant to the amalgamation of SmithKline Beecham Pharmaceuticals (India) Limited (SBPIL) with the company in the ratio of one share of the company for every two shares of SBPIL issued on 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	4.78
2	Aditya Birla Sun Life Trustee Private Limited A/C	3.47
3	General Insurance Corporation of India	1.42
4	Investor Education Protection Fund	0.51
5	Vanguard Total International Stock Index Fund	0.34
6	Vanguard Emerging Markets Stock Index Fund, A Series	0.31
7	The New India Assurance Company Limited	0.26
8	Aditya Birla Sun Life Insurance Company Limited	0.22
9	The Oriental Insurance Company Limited	0.16
10	Integrated Core Strategies Asia Pte Ltd	0.16
	Total	11.63

- The distribution of shareholding as on 31 March 2021 is as follows:

Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
Upto 25	45532	36.51	457671	0.27
26 to 50	16278	13.05	656346	0.39
51 to 100	17670	14.17	1472796	0.87
101 to 500	38149	30.58	9354634	5.52
501 to 1000	4685	3.76	3327396	1.96
1001 to 10000	2322	1.86	4705237	2.78
10001 and above	89	0.07	149431954	88.21
TOTAL:	**124725**	**100.00**	**169406034**	**100.00**

- Shareholding pattern as on 31 March 2021 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	65,60,265	3.87
Financial Institutions / Banks / Insurance Companies	24,38,967	1.44
Foreign Institutional Investors / NRI / OCB	33,96,312	2.00
Bodies Corporates	5,72,452	0.34
Foreign Nationals	284	0.00
Individuals	1,90,41,465	11.25
Others	1,03,41,765	6.10
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 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	98.69% of the paid-up capital has been dematerialised as on 31 March 2021. 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 51 to the standalone financial statements in the Annual Report.
- Company has not obtained any credit rating for the financial year ended 31 March 2021.
- Company has not raised any funds through preferential allotment or QIP for the financial year ended 31 March 2021.
- Company has paid 113.74 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/).
- Three sexual harassment cases were reported, one was closed during the year and two complaints are under investigation.
- 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 a 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 Chairperson 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 the Audit Report.

D. Separate post of Chairperson and Managing Director

The posts of Chairperson 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 2021

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 May 05, 2021.

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, 2021, 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, 2021.

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: 21046930AAAACD5069

Place : Mumbai
Date : 18 May 2021

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 2021.

For GlaxoSmithKline Pharmaceuticals Limited

Sridhar Venkatesh
Managing Director

Mumbai, 18 May 2021

Annexure 'C' to the Directors' Report

Business Responsibility (BR) Report for the financial year 2020-2021

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 : https://india-pharma.gsk.com/en-in/
5. Email ID : askus@gsk.com
6. Financial year reported : 1 April 2020 to 31 March 2021
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 : 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) : 3193,73.63
3. Total profit after taxes (₹ in lakhs) : 357,56.76
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): 07263117

Name: Mr. Sridhar Venkatesh

Designation: Managing Director

b) **Details of the BR Head:**

1 DIN (if applicable): 07263117

2 Name: Mr. Sridhar Venkatesh

3 Designation: Managing Director

4 Telephone no.: +91 22 2495 9595

5 Email ID: sridhar.v.venkatesh@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	N.A.	Y	N.A.	Y	Y	Y	Y
		Standards and Policies adopted by our global parent Company 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?	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	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The Company does not have financial or manpower resources available for the task	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done within next six months	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done within next one year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Governance related to BR:

The Board of Directors of the Company assesses business responsibility initiatives annually. The Company publishes a Business Responsibility Report in its Annual Report once a year which is available on our official website.

Section E: Principle-wise performance

Ethics, transparency and accountability

Good governance and transparent reporting are part of our commitment to be open about our business activities. Your Company has a strong values-based culture and our actions are supported by robust policies and compliance processes. It conducts business in an ethical way and 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 help employees take ethical decisions and emphasises the Company's values: transparency, respect for people, integrity, and patient focus. Your Company ensures that everything that it does is guided by our commitment to our values and our commitment to following the regulations within which it has to operate. The foundations of these commitments are laid out in the Company's Code of Conduct and each employee takes personal responsibility to abide by this Code. 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. Our policies and the updated 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 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 while reducing environmental impact. 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 to final distribution. Being a global organisation, most of your Company's products are approved by major international regulators. Besides, there are mandatory regulatory approvals required in India endorsing the safety of the products.

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 (MSMEs). 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 with your Company's standards. To ensure the same, all vendors must go through the GSK Audit and Approval process, which are 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.

There remains relatively lesser scope in the healthcare industry for recycling. However, there is a mechanism to segregate the waste given to the authorised vendor for recycling, wherever appropriate. Globally, we look forward to working across our value chain - from discovery to disposal - to deliver reduction in environmental impact.

Your Company follows the GSK Manufacturing Practices guidelines with respect to product packaging. Your Company's products have various anti-counterfeiting and anti-pilferage measures such as barcodes and unique codes for products which are reviewed from time to time.

Employee health and wellbeing

Your Company believes that it cannot deliver on performance unless it invests in and supports its people. Your Company has a range of health and wellbeing programmes and support services to help employees understand how to feel better and more energised at work and at home. These programmes focus 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 Assistance Programme (EAP) and Partnership for Prevention (P4P) are the main modes of intervention offered to employees and their family members. EAP is a 24/7 independent counselling service available to all employees and their family members in multiple languages, accessible online and through mobile apps and helplines. P4P offers eight types of preventive healthcare services – adult and child immunisation, adult and child preventive care, de-addiction support, heart and diabetes care, women's health support and cancer screening. Your Company, in the year under consideration, not only sustained its offerings under the P4P but also included two additional vaccines under the flu category to the offering. The medical insurance benefits offered to employees were reviewed in light of the COVID pandemic and coverage was expanded for better protection against COVID, including covering home quarantine expenses.

Your Company is committed to conducting its operations in a responsible manner to protect its employees, the environment and the communities in which it operates. Extensive work has been carried out at the Nashik site as well as amongst the sales force to train and create awareness on employee health and safety. Safety training has been imparted to employees, temporary employees and those with disabilities at the Company's Nashik manufacturing facility in the last year.

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 train employees in bolstering defensive driving skills.

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 Health Care Professionals (HCPs) help shed light on patient needs ● Market research helps to uncover consumer insights	**What matters** ● The pricing of healthcare products, particularly out-of-pocket expenses ● Product innovation ● Access to reliable supply of high-quality, safe products **What your Company is doing** ● GSK takes a values-based approach to pricing to balance reward for innovation with access and affordability ● GSK is 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 made available 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 opportunities **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
Health Care Professionals (HCPs)	Your Company works with HCPs to understand patient needs and to ensure the HCPs understand the science behind GSK'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 our 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
Government and regulators	Your Company works with government 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 our products • Working with government to build a strong operating environment for healthcare	**What matters** • Environment which values innovation and drives investment in healthcare • Pricing of medicines • Public health threats • Scientific funding and collaboration **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, including swift regulatory approval for our pipeline products

NGOs and multilateral organisations	Your Company works with non-governmental organisations (NGOs) and multilateral organisations to improve access to healthcare through our 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 Organization (WHO) to address the public health issue of lymphatic filariasis in India	**What matters** ● Access to medicines and vaccines ● Achieving the UN Sustainable Development Goals (SDGs) and World Health Organization (WHO) targets for specific disease areas **What your Company is doing** ● Leveraging CSR programmes to deliver more impact for communities and vulnerable sections ● Focussing 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 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 ● Engage with suppliers through your Company's Third Party Oversight (TPO) programme and by conducting in-depth audits ● Participate in cross-industry forums such as the Organisation of Pharmaceutical Producers of India (OPPI) to improve supply chain sustainability	**What matters** ● Prompt payment for small and micro category MSME suppliers ● Understanding GSK standards and policies to ensure compliance ● Opportunities to innovate and grow relationships with suppliers **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 events christened Let's Talk with the India Leadership Team ● Facilitating dialogue and collaboration through various internal communications platforms ● 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 pertaining to line managers	**What matters** ● Opportunities for career opportunities and personal development ● Flexible working to enable balancing wider responsibilities ● Working in an inclusive and diverse environment ● Working for a Company with purpose **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

Patient focus

Patient focus is at the core of our values. 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, widening access to 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.

As of 31 March 2021, from quality perspective, 41 complaints which were reported to the Company are being investigated as per Company standards. As on 31 March 2021, there are five consumer complaints pending before the court and consumer forums.

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 Health and Safety Information (HSI)/Adverse Events (AE) reporting email - india.pharmacovigilance@gsk.com. Protecting our patients means taking this information seriously and your Company provides regular reports and discusses actions with regulatory authorities.

Human Rights

Your Company conforms to national laws as well as global GSK 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 include our employees, suppliers, local communities and more broadly, society.

Commitment to human rights

Employees

Your Company's employment standards promote diversity and inclusion, equal opportunities, health, safety and protection of human rights.

Suppliers

Your Company's third parties are required to meet our 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 supports them as part of our role as a responsible corporate citizen.

Society

Your Company's efforts to improve access to healthcare and SDGs help promote the welfare of society, fulfilling our purpose to help people do more, feel better, live longer.

Read our Position Statement on Human Rights 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. In alignment with our commitment towards environmental sustainability and compliance with local applicable laws and regulations, we continued with our Extended Producer Responsibility (EPR) obligation and collected back 2,070.52 MT of post consumer plastic waste from the market in FY 2020-21 on a pan-India basis and disposed the plastic waste in an environmentally sound manner.

Your Company is committed to reducing the environmental footprint from the production of antibiotics at its manufacturing site at Nashik and at the third party manufacturers by controlling the release of antibiotics into the environment within the science-driven, risk-based discharge limits.

Various initiatives for energy efficiency and renewable energy were undertaken at your Company's manufacturing facility at Nashik during the year. The facility undertook initiatives for reducing water consumption on principles of reduction, recycling and re-use in applications across the facility. There was zero discharge with respect to water and treated site effluents were 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. As part of our waste management processes, waste has been segregated and given to government approved vendors for recycling and incineration, as appropriate.

To read more about GSK's global environmental initiatives, please log on to our website (https://www.gsk.com/en-gb/responsibility/environment/).

Public policy and patient advocacy

Your Company is a member of various industrial and trade bodies such as the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI) and the 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 part of various task forces and sub-committees on critical issues such as clinical trials, 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.

Safeguarding our workplace

The Company has in place a Prevention of Sexual Harassment policy in line with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The information on complaints received under this policy is part of the Directors' Report.

Inclusive growth and equitable development

Your Company has a long legacy of partnering communities in which it operates. It undertakes Corporate Social Responsibility (CSR) projects, focussed on making life-changing, long-term differences by addressing some of the major health-related concerns. Your Company works to fulfil this through community-based partnerships since local organisations have deep 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 our CSR Report 2020-21 (https://india-pharma.gsk.com/media/911273/annual-csr-report-2020-21.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, In FY 2020-21, despite challenges due to COVID-19, more than 500 employees contributed nearly 1,500 volunteering hours through virtual volunteering programmes across locations.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2021

Annexure 'D' to the Directors' Report

Secretarial Audit Report for the Financial year ended 31 March 2021

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, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management 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, 2021, 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, 2021 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; (Not applicable to the Company during the audit period)

   (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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. The Board of Directors of GlaxoSmithKline Pharmaceuticals Limited (the "Company") at its meeting held on 30.03.2021 subject to the approval of shareholders, approved the sale of the Company's business undertaking i.e., manufacturing facility together with the land, plant and machinery, assets, software and equipment located at Vemgal, Karnataka to Hetero Labs Limited.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
Udin: F000327C000338192

Place: Mumbai
Date: 18 May 2021

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

'Annexure A'

To,
The Members
GlaxoSmithKline Pharmaceuticals Limited

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

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

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
Udin: F000327C000338192

Place: Mumbai
Date: 18 May 2021

Annexure 'E' 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 to reduce energy consumption on the site such as the improvement of biomass boiler efficiency, installation of EC drive for AHUs and adoption of LED Lighting. These initiatives have yielded an overall benefit of 840 T of CO2 emissions during the period 2020-21, which is a 7% net reduction as compared to the period 2019-20. Similarly, with projects like condensate recovery improvement, enhanced usage of rainwater and recycling applications, the site has witnessed a reduction in water consumption by 7,865 kL during the period 2020-21, which is an 8% net reduction as compared to 2019-20.

The emissions generated by the Company are within limits specified by the Maharashtra Pollution Control Board. With regard to waste management, our waste is segregated and given to government approved vendors for recycling wherever appropriate. Our Nashik site runs on zero discharge basis with respect to water. Treated site effluent is used for site gardening and recycled water use applications such as cooling towers. Also, in alignment with GSK's sustainability commitment towards elimination of ozone depleting substances (ODS), Nashik Site has replaced 176 TR of refrigerant quantity, thereby ensuring 100% elimination of ODS from Site.

b) Technology absorption:

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

- Upgradation to Derms Area, creating a segregated new facility for manufacture of non steroid products meeting Good Manufacturing Practices (GMP) requirements including heating, ventilating and air conditioning (HVAC) systems with terminal high efficiency particulate absorbing (HEPA) filtration.
- Replacement of fire detection system from conventional to addressable.
- Replacement of man material lift in ointment block.
- Elimination of manual packaging from ointment through engineering modifications to existing equipment to convert four manually packed ointment stock keeping units (SKUs).
- Providing a dedusting arrangement in the warehouse unloading receipt area for incoming material with cleaning and exhaust systems.
- Implementing Engineering Controls to mitigate chemical exposure risk in quality control (QC) lab & in welding operations.
- Provision of acoustic enclosures for utility equipment to preclude the need for PPEs in utility service areas in ointments and tablets.
- Providing engineering controls, localized gas generators to eliminate risk of asphyxiation in the QC Lab, along with the elimination of risks relating to gas cylinder handling and process safety.
- Upgrading flooring in tablet dispensary and Albendazole area towards risk mitigation for low Minimum Ignition Energy (MIE) material.
- Replacement of all hydrochlorofluorocarbon (HCFC) based equipment to ensure 100% ODS elimination from the site.
- Implementation of engineering controls to eliminate eight priority ergonomic risks at the site.
- Replacement of 30 year old streetlight poles at the site with GI LED type lights.

c) Foreign exchange earnings and outgo:

The foreign exchange earnings for the year ended 31 March 2021 was ₹ 2780.23 lakhs and foreign exchange outgo for the year ended 31 March 2021 was ₹ 113971.49 lakhs. The foreign exchange earnings for the period ended 31 March 2020 was ₹ 2756.68 lakhs and foreign exchange outgo for the period ended 31 March 2020 was ₹ 87497.39 lakhs.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2021

Annexure 'F' 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 & Remuneration of Key Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Non-Executive Directors to the median remuneration of the employees of the Company for the financial year ended 31 March 2021:

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	31.00*	2.55
2	Mr. P. V. Bhide	Independent Director	22.50*	1.85
3	Mr. N. Kaviratne	Independent Director	24.00*	1.97
4	Dr. (Ms.) S. Maheshwari	Independent Director	17.56*	1.44
5	Mr. A. N. Roy	Independent Director	21.50*	1.77
6	Mr. D. Sundaram	Independent Director	25.50*	2.10

*Sitting fees for the Board Meeting of March 2021 and Property Committee Meetings of February & March 2021 was paid in April 2021

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

Sr No.	Whole-time Directors and KMP	Designation	Remuneration of Directors/ KMP in the financial year in (₹ lakhs)	Ratio to median Remuneration	(%) Increase in remuneration in the financial year
1	Mr. S. Venkatesh	Managing Director	821.46	67.52	---
2	Ms. P. Thakur	Whole-time Director and CFO	355.52	29.22	9.00
3	Mr. A. Nadkarni	Company Secretary	115.68	9.51	14.00

3. There was 8.5 % increase in the median remuneration of employees.

4. There were 4,283 permanent employees on the rolls of the Company as on 31 March 2021.

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 8.5 % in 2020-21 in line with market and business growth.

6. We affirm that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Ms. R. S. Karnad
Chairperson

Mumbai, 18 May 2021

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, 2021, 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, 2021, 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 judgement, 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.

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 judgement 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 judgement 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021.

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: 21046930AAAACB2367)

Place : Mumbai
Date : May 18, 2021

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, 2021 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 the 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") 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, 2021, 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: 21046930AAAACB2367)

Place : Mumbai
Date : May 18, 2021

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, 2021 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, 2021 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 2016- 2017	207,94.43	126,54.31
		Income Tax Appellate Tribunal	2001-02 and 2011-12	20,43.28	5,06.96
Sub-total				**228,37.71**	**131,61.27**
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	1992-1993 to 1993-94, 2017-18 to 2019-20	2,04.64	2,04.64
		Customs, Excise and Service Tax Appellate Tribunal	1994-95	66.53	66.53
Sub-total				**2,71.17**	**2,71.17**
Finance Act, 1994	Service Tax	High Court	2000-01, 2002-03	1,29.20	1,29.20
Sub-total				**1,29.20**	**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 2017-2018	25,56.24	20,52.85
		Appellate Authority – Tribunal	1998-99 to 1999-00, 2001-02 to 2002-03, 2005-06 to 2012-13	66,22.75	61,55.75
		High Court	1990-91, 1999-2000, 2001-02 to 2005-06	2,76.06	2,30.58
		Supreme Court	1993-94, 1994-95	42.14	42.14
Sub-total				**94,97.20**	**84,81.32**
Total				**335,37.94**	**227,97.66**

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: 21046930AAAACB2367)

Place : Mumbai
Date : May 18, 2021

Standalone Balance Sheet

as at March 31, 2021

(₹ in lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	309,64.55	667,62.95
Right of use Assets	46	31,26.43	39,33.57
Capital work-in-progress	3	13,21.43	120,12.15
Investment property	4	1,32.87	1,47.25
Intangible assets	5	43,36.40	49,62.51
Financial assets			
(i) Investments	6	24,49.31	24,49.31
(ii) Deposits	7	8,06.08	8,21.56
(iii) Other financial assets	8	4,01.47	4,13.53
Current tax assets (net)		341,52.93	304,86.90
Deferred tax assets (net)	45	101,66.93	108,84.73
Other non-current assets	9	45,88.02	45,99.82
		924,46.42	**1374,74.28**
Current assets			
Inventories	10	523,33.85	483,03.22
Financial assets			
(i) Trade receivables	11	215,60.46	99,80.12
(ii) Cash and cash equivalents	12	404,90.20	98,02.79
(iii) Bank balances other than (ii) above	13	752,77.48	968,37.73
(iv) Other financial assets	14	19,20.27	30,91.22
Other current assets	15	75,38.46	76,51.75
		1991,20.72	1756,66.83
Assets classified as held for sale	16	180,11.84	11.23
		2171,32.56	**1756,78.06**
TOTAL ASSETS		**3095,78.98**	**3131,52.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	169,40.60	169,40.60
Other equity	18	1348,52.88	1670,63.37
Total equity		**1517,93.48**	**1840,03.97**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	-	2.40
(ii) Other financial liabilities	20	2,04.46	2,05.97
(iii) Other financial lease liabilities	20	20,24.99	26,83.72
Provisions	21 & 26	258,24.55	260,49.12
		280,54.00	**289,41.21**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	5,26.94	5,21.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	441,05.92	348,97.29
(ii) Other financial liabilities	23	171,90.23	142,89.62
(iii) Other financial lease liabilities	23	14,35.27	14,82.58
Other current liabilities	24	246,83.26	48,12.08
Provisions	25 & 26	254,17.62	280,66.59
Current tax liabilities (net)		163,72.26	161,37.62
		1297,31.50	**1002,07.16**
Total liabilities		**1577,85.50**	**1291,48.37**
TOTAL EQUITY AND LIABILITIES		**3095,78.98**	**3131,52.34**

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai, May 18, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in lakhs)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	27	3193,73.63	3224,68.02
Other income	28	110,18.78	77,55.56
Total income		**3303,92.41**	**3302,23.58**
Expenses			
Cost of materials consumed	29	452,63.87	474,37.97
Purchases of stock-in-trade		880,11.32	868,92.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(27,52.92)	(35,43.27)
Employee benefits expense	31	614,68.79	628,55.35
Finance costs	32	3,53.14	6,33.55
Depreciation and amortisation expense	33	79,28.36	82,67.77
Other expenses	34	578,86.54	629,80.69
Total expenses		**2581,59.10**	**2655,24.34**
Profit before exceptional items and tax		722,33.31	646,99.24
Exceptional items (net)	38	(172,59.69)	(324,49.31)
Profit before tax		**549,73.62**	**322,49.93**
Tax expense:			
Current tax	45	184,30.17	235,31.46
Deferred tax	45	7,86.69	(47,72.41)
Tax adjustment of earlier year		-	24,85.62
		192,16.86	**212,44.67**
Profit for the year		**357,56.76**	**110,05.26**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	45	(2,73.74)	(4,56.06)
Investments written off		-	(5.50)
Income tax relating to items that will not be reclassified to profit or loss	45	68.90	64.27
		(2,04.84)	**(3,97.29)**
Total comprehensive income for the year		**355,51.92**	**106,07.97**
Profit for the year attributable to owners of the Company		357,56.76	110,05.26
Other comprehensive income / (loss) attributable to owners of the Company		(2,04.84)	(3,97.29)
Total comprehensive income for the year attributable to owners of the Company		355,51.92	106,07.97
Earnings per equity share	47		
Basic and diluted earnings per share before exceptional item		31.32	26.69
Basic and diluted earnings per share after exceptional item		21.11	6.50

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

In terms of our report attached

For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors		
Chartered Accountants	R. S. Karnad	Chairperson	DIN: 00008064
	S. Venkatesh	Managing Director	DIN: 07263117
Rupen K. Bhatt	P. Thakur	CFO & Whole-time Director	DIN: 07971789
Partner	D. Sundaram	Audit Committee Chairman	DIN: 00016304
	A. Nadkarni	Company Secretary	FCS 10460
Mumbai, May 18, 2021	Mumbai, May 18, 2021		

Standalone Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

			Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before exceptional items and tax		722,33.31	646,99.24
	Adjustments for :			
	Loss/ (Gain) on disposal of property, plant and equipment (net)		5.88	(2,33.36)
	Interest income		(110,18.78)	(75,22.20)
	Finance costs		3,53.14	6,33.55
	Depreciation and amortisation expense		79,28.36	82,67.77
	Allowance for doubtful debts and advances		2,06.05	2,74.08
	Operating Profit before working capital changes		**697,07.96**	**661,19.08**
	Change in operating assets and liabilities			
	(Increase) in inventories		(23,43.34)	(67,71.67)
	(Increase) in trade receivables		(99,93.42)	(4.97)
	(Increase) / Decrease in other assets		(2,51.33)	148,00.45
	Increase / (Decrease) in trade payables		92,14.19	(48,24.95)
	Increase in provisions		27,08.09	12,77.16
	Increase/ (Decrease) in other liabilities		69,68.99	(1,16.77)
	Cash generated from operations		**760,11.14**	**704,78.33**
	Income taxes paid (net of refunds)		(146,91.85)	(185,70.86)
	Cash inflow from operating activities before exceptional items		**613,19.29**	**519,07.47**
	Exceptional items:			
	Sale of brands		-	50.69
	Payment of Associated cost to impairment		(7,03.09)	(7,13.89)
	Payment of redundancy cost		(11,30.59)	(27,63.21)
	Income taxes on exceptional items		0.93	6,16.28
	Net cash inflow from operating activities	**A**	**594,86.54**	**490,97.34**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payments to acquire property, plant and equipment and other intangible assets		(44,22.66)	(155,89.81)
	Proceeds from sale of property, plant and equipment		67.20	3,49.96
	Margin money deposits		14.33	29.81
	Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(3305,23.00)	(1106,00.00)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		3520,23.00	1193,00.00
	Interest received		54,55.98	64,01.16
	Changes in earmarked balances		57.98	1,80.70
	Cash inflow from investing activities before exceptional items		**226,72.83**	**71.82**
	Exceptional items:			
	Proceeds /(expenses incurred) from for sale of property		1,84.09	(2,48.24)
	Advance received towards disposal of Vemgal assets		180,00.00	-
	Income taxes on Exceptional items		(42.12)	(61,33.86)
	Net cash inflow/ (outflow) from investing activities	**B**	**408,14.80**	**(63,10.28)**

Standalone Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(15.30)	(40.60)
Interest paid, other than on lease liabilities		(34.99)	(82.83)
Interest paid on lease liabilities		(3,18.15)	(3,28.53)
Principal payment of lease liabilities		(14,83.08)	(14,64.60)
Dividend paid to company's shareholders		(677,62.41)	(338,81.21)
Tax on distributed profit		-	(69,64.38)
Net cash outflow from financing activities	**C**	**(696,13.93)**	**(427,62.15)**
Net increase in cash and cash equivalents	**(A + B + C)**	**306,87.41**	**24.91**
Cash and cash equivalents at the beginning of the year		98,02.79	97,77.88
Cash and cash equivalents at the end of the year		404,90.20	98,02.79
Net increase in cash and cash equivalents		**306,87.41**	**24.91**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		205,83.20	28,60.85
Term deposits with original maturity period of less than three months		199,07.00	6,00.00
Cheques on hand		-	63,41.94
Total		**404,90.20**	**98,02.79**

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, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the reporting period	169,40.60	169,40.60
Changes in equity share capital during the year	-	-
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 (i)	General reserve (ii)	Retained earnings (iii)	Capital redemption reserve (iv)	Remeasurements of the net defined benefit plans	
Balance as at April 1, 2020	**1,65.51**	**790,74.14**	**882,76.95**	**2,61.95**	**(7,15.18)**	**1670,63.37**
Total comprehensive income						
Profit for the year	-	-	357,56.76	-	-	357,56.76
Other comprehensive loss for the year	-	-	-	-	(2,04.84)	(2,04.84)
Transactions with owners of the company						
Dividend on equity shares (₹ 40 per share including special dividend of ₹ 20 per share)	-	-	(677,62.41)	-	-	(677,62.41)
Balance as at March 31, 2021	**1,65.51**	**790,74.14**	**562,71.30**	**2,61.95**	**(9,20.02)**	**1348,52.88**
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**

(i) 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.

(ii) General reserve represents the transfer of profits from retained earnings.

(iii) Retained earnings represents the cumulative profits of the Company which can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) 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, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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, 2021 (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, 2021 (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, 2021 (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

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

The classification depends on the Company's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where assets cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other expenses/ income. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently 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,

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss statement are recognised in other income/ expense in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

h) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost basis. The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses/ income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

l) Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax charge is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

m) Employee benefits

(a) Short Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Post-Employment Benefits

(i) Defined Contribution Plans

The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's contributions to these plans are charged to the statement of profit and loss as incurred.

(ii) Defined Benefits Plans

"Liability for defined benefit plans is provided on the basis of valuations, as at the balance sheet date, carried out by an independent actuary."

Gratuity and Post-Retirement Medical

The actuarial valuation method used for measuring the liability for gratuity and post-retirement medical is projected unit credit method. Actuarial gains and losses are recognised in the statement of other comprehensive income in the period of occurrence of such gains and losses. The obligations for gratuity and post-retirement medical are measured as the present value of estimated future cashflows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the balance sheet date.

Provident Fund

Provident fund contributions are made to a Trust administered by the Company. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The actuarial valuation method, carried out by an independent actuary, used for measuring the liability for provident fund is projected accrued benefit method. This approach determines the present value of the interest rate guarantee under three interest rate scenarios: base case scenario, rising interest rate scenario and falling interest rate scenario. The defined benefit obligation of the interest rate guarantee is set equal to the average of the present values determined under these scenarios in respect of accumulated provident fund contributions as at the valuation date.

(c) Other Long Term Benefit Plans

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

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 50 for segment information presented.

t) Provision and contingent liabilities

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as an interest expense.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Standards issued but not yet effective

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, 2021.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 2 : CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Standalone Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

a Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

b Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the management. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

c Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

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, 2021 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Depreciation						Net Carrying Value
	As at April 1, 2020	Additions	Disposals	Assets held for sale (Refer Note 3(b) below)	As at March 31, 2021	As at April 1, 2020	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	On Assets held for sale (Refer Note 3(b) below)	As at March 31, 2021	As at March 31, 2021
Freehold land	2.00	-	-	-	2.00	-	-	-	-	-	-	2.00
Leasehold land	55,99.13	-	-	55,54.90	44.23	21,98.55	17.82	-	-	22,16.37	-	44.23
Freehold buildings	26,05.30	-	-	-	26,05.30	2,49.53	67.72	-	-	-	3,17.25	22,88.05
Leasehold buildings	415,19.49	1,54.39	-	340,58.93	76,14.95	196,92.59	5,15.18	-	-	186,70.85	15,36.92	60,78.03
Plant and equipment (Refer Note (a) below)	749,84.71	21,90.29	5,73.98	449,47.75	316,53.27	384,61.50	38,01.89	5,68.10	54,45.00	332,22.06	139,18.23	177,35.04
Furniture and fixtures	46,98.04	20,98.51	9.97	24,34.13	43,52.45	32,09.00	4,59.88	7.93	-	24,34.13	12,26.82	31,25.63
Vehicles	14,21.66	4,06.29	3,03.18	36.45	14,88.32	7,47.11	2,48.92	2,50.81	-	10.91	7,34.31	7,54.01
Office equipment	10,24.72	7,61.14	4.90	1,25.88	16,55.08	5,33.82	3,14.23	4.65	-	1,25.88	7,17.52	9,37.56
Total	**1318,55.05**	**56,10.62**	**8,92.03**	**871,58.04**	**494,15.60**	**650,92.10**	**54,25.64**	**8,31.49**	**54,45.00**	**566,80.20**	**184,51.05**	**309,64.55**

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Depreciation						Net Carrying Value
	As at April 1, 2019	Additions	Disposals	Assets held for sale (Refer Note 3(b) below)	As at March 31, 2020	As at April 1, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	On Assets held for sale (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)

Following the decision to initiate a global voluntary recall (pharmacy/retail level) of ranitidine products including Zinetac in India by the Ultimate Holding Company the Company during the previous year ended March 31, 2020 had undertakten comprehensive strategic review of the impact of this recall on all related assets in India including its manufacturing site at Vemgal. Consequent to the above, the Company had 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 had created provision of ₹ 40,33.00 lakhs on account of other related assets. After considering all the strategic options available, during the year the Company decided to proceed with the sale of the assets at Vemgal site and classifed these assets as held for sale after considering additional impairment of ₹ 54,45.00 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

Impairment charge for the year ended March 31, 2020 included provision in respect of certain capital work-in-progress amounting to ₹ 26,31.00 lakhs due to abandonment of assets.

Capital work-in-progress:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	120,12.15	1002,64.42
Additions	20,95.67	99,62.37
Less:		
Capitalisation	(57,62.89)	(869,71.22)
Asset held for sale	(70,23.50)	-
Impairment (Refer Note 3(b) above)	-	(112,43.42)
Closing Balance	**13,21.43**	**120,12.15**

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	77.08	62.70
Depreciation	14.38	14.38
Closing Accumulated Depreciation	91.46	77.08
Net carrying amount	**1,32.87**	**1,47.25**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation	(14.38)	(14.38)
Amount recognised in the Statement of Profit and Loss (net)	(14.38)	(14.38)

(ii) Estimation of fair value

The Company has two properties (March 31, 2020: two properties) that have been considered as Investment Properties. These comprise of two vacant land sites (March 31, 2020: 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

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, 2020: ₹ 340,88.28 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."

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Amortisation						Net Carrying Value
	As at April 1, 2020	Additions	Disposals	Assets held for Sale (Refer Note 3(b) above)	As at March 31, 2021	As at April 1, 2020	Charge for the Year	On Disposals	On Assets held for Sale (Refer Note 3(b) above)	Impairment (Refer Note 3(b) above)	As at March 31, 2021	As at March 31, 2021
Intangible Assets												
Software	94,46.48	2,77.24	-	23,79.43	73,44.29	44,83.97	9,03.35	-	23,79.43	-	30,07.89	43,36.40
Total	**94,46.48**	**2,77.24**	**-**	**23,79.43**	**73,44.29**	**44,83.97**	**9,03.35**	**-**	**23,79.43**	**-**	**30,07.89**	**43,36.40**

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Amortisation						Net Carrying Value
	As at April 1, 2019	Additions	Disposals	Assets held for Sale	As at March 31, 2020	As at April 1, 2019	Charge for the Year	On Disposals	On Assets held for Sale	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)

	As at March 31, 2021	As at March 31, 2020
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 7 : NON-CURRENT FINANCIAL ASSETS - DEPOSITS		
Unsecured considered good	8,06.08	8,21.56
Unsecured considered doubtful	2,41.34	2,31.00
Less: Allowance for doubtful deposits	(2,41.34)	(2,31.00)
	8,06.08	**8,21.56**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 8 : NON-CURRENT FINANCIAL ASSETS - OTHERS		
Margin money / Deposit against bank guarantee	4,01.47	4,13.53
	4,01.47	**4,13.53**
NOTE 9 : OTHER NON-CURRENT ASSETS		
Capital advances	2,87.24	2,84.25
Less : Allowance for doubtful advances	(2,83.17)	(2,83.17)
	4.07	1.08
Balances with Government Authorities	11,58.27	10,37.23
Sundry Deposits	31,23.66	32,58.25
Others	3,02.02	3,03.26
	45,88.02	**45,99.82**
NOTE 10 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw and Packing materials (includes in-transit as on March 31, 2021: ₹ 9,06.49 lakhs; March 31, 2020 ₹ Nil)	88,88.47	76,47.89
Work-in-progress	1,06.14	30,72.62
Finished goods	116,21.99	92,38.26
Stock-in-trade (includes in-transit as on March 31, 2021: ₹ 17,11.20 lakhs; March 31, 2020 ₹ 23,20.70 lakhs)	313,38.13	280,02.46
Stores and spares	3,79.12	3,41.99
	523,33.85	**483,03.22**
NOTE 11 : TRADE RECEIVABLES		
Unsecured, Considered good	215,60.46	99,80.12
Receivables which have significant increase in Credit Risk (Refer Note 48 C)	20,07.07	18,01.02
Less : Allowance for doubtful receivables	(20,07.07)	(18,01.02)
	215,60.46	**99,80.12**

During the year ended March 31, 2021 the Company has created additional allowance for doubtful debts of ₹ 2,06.05 lakhs (net) (Previous Year: ₹ 2,74.08 lakhs)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 12 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	205,83.20	28,60.85
Term deposits with original maturity period of less than three months	199,07.00	6,00.00
Cheques on hand	-	63,41.94
	404,90.20	**98,02.79**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 13 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unclaimed dividend accounts	19,86.36	20,44.34
Term deposits with original maturity period of more than three months but less than twelve months	732,00.00	947,00.00
Margin money	91.12	93.39
	752,77.48	**968,37.73**
NOTE 14 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	11,38.56	7,30.82
Interest accrued on deposits with banks	7,50.06	23,15.78
Advances recoverable	31.65	44.62
	19,20.27	**30,91.22**
NOTE 15 : OTHER CURRENT ASSETS		
Balances with Government Authorities	46,34.42	43,23.56
Advance to Creditors	9,82.18	15,43.00
Prepayments and Prepaid Expenses	13,49.57	11,78.88
Others	5,72.29	6,06.31
	75,38.46	**76,51.75**
NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building	9.60	9.60
Plant and Machinery (Refer Note (a) below)	1.63	1.63
Assets at Vemgal location (Refer Note (b) below)	180,00.61	-
	180,11.84	**11.23**

Notes:-

(a) The amount includes Plant and Machinery from Mysore and Bangalore site held for sale.

(b) Assets at Vemgal location held for sale consequent to the binding sale agreement entered into by the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 17 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2020: 18,00,00,000) equity shares of ₹ 10 each	180,00.00	180,00.00
Issued		
16,94,15,420 (March 31, 2020: 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, 2020: 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, 2020: 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.

		As at March 31, 2021		As at March 31, 2020	
		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	169,406,034	169,40.60
	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.

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

	As at March 31, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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	8,091,878	4.78%	9,483,374	5.60%

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
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)	553,51.28	875,61.77
	1348,52.88	**1670,63.37**
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
(Unsecured)		
Interest free deferred sales tax incentive	-	2.40
	-	**2.40**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2021 of ₹ 2.40 lakhs (March 31, 2020: ₹ 17.70 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in one instalment closing on April 30, 2021. The current maturity amount as at March 31, 2021 is ₹ 2.40 lakhs (March 31, 2020: ₹ 15.30 lakhs) of the loan has been disclosed under Note 23.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 20 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received (Unsecured)	2,04.46	2,05.97
Other financial lease liabilities (Refer Note 46)	20,24.99	26,83.72
	22,29.45	**28,89.69**
NOTE 21 : NON-CURRENT PROVISIONS		
For Pricing matters (Refer Note 41 and 26)	122,70.82	122,70.82
For employee benefits (Refer Note 39)		
Gratuity	16,98.96	24,22.27
Leave encashment and compensated absences	34,94.48	32,07.75
Post retirement medical and other benefits	62,85.22	60,37.58
For long term incentive plan (Refer Note 26 and 52)	2,85.61	3,44.52
For divestment / restructuring (Refer Note 26)	1,92.96	1,92.96
For others (Refer Note 26)	15,96.50	15,73.22
	258,24.55	**260,49.12**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 22 : TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	5,26.94	5,21.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	441,05.92	348,97.29
	446,32.86	**354,18.67**
NOTE 23 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer Note 19)	2.40	15.30
Unclaimed dividends *	19,86.36	20,44.34
Salaries, wages, bonus and employee benefits payable	126,97.57	95,55.20
Creditors for capital goods	2,17.03	24,03.59
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other financial lease liabilities - Current (Refer Note 46)	14,35.27	14,82.58
Other Payables	21,56.59	1,40.91
	186,25.50	**157,72.20**
* 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	61,92.30	44,32.53
Advance from Customers	4,90.96	3,79.55
Advance received towards disposal of Vemgal Assets (Refer Note (a) below)	180,00.00	-
	246,83.26	**48,12.08**

Note:-

a) During the current year, the company had received money as advance towards disposal of Vemgal Assets consequent to the signing of a binding agreement to sell. However, actual transfer will be concluded in the subsequent year after obtaining all relevant statutory and other approvals / consents / permissions as required by law (Refer Note 16).

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 25 : CURRENT PROVISIONS		
For employee benefits (Refer Note 39)		
Leave encashment and compensated absences	4,11.44	3,53.52
Post retirement medical and other benefits	3,36.01	3,26.13
For long term incentive plan (Refer Note 26 and 52)	10,18.81	6,61.55
For expected sales returns (Refer Note 26)	72,87.28	52,33.04
For others (Refer Note 26)	163,64.08	214,92.34
	254,17.62	**280,66.59**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

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 1, 2020	**-**	**122,70.82**	**10,06.07**	**1,92.96**	**52,33.04**	**64,10.87**	**31,51.74**	**18,91.00**	**116,11.96**
Add: Provision during the year	-	-	12,85.06	-	75,54.27	-	-	-	29,23.00
Less: Amounts utilised/reversed during the year	-	-	9,86.71	-	55,00.03	47,69.87	12,13.35	11,86.00	8,58.77
Balance as at March 31, 2021	**-**	**122,70.82**	**13,04.42**	**1,92.96**	**72,87.28**	**16,41.00**	**19,38.39**	**7,05.00**	**136,76.19**
Balance as at April 1, 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	-	52,71.55	71,24.76	63,25.51	18,91.00	64,70.59
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**	**52,33.04**	**64,10.87**	**31,51.74**	**18,91.00**	**116,11.96**

Notes:

(i) Rationalisation relating to a manufacturing site: This represented an estimated amount of cost required to be incurred to rationalise closed manufacturing site of the Company which was utilised/reversed during the previous 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 52.

(iv) Expected sales returns: This represents provision made for expected sales returns. Revenue is adjusted for the expected value of returns.

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

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

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 27 : REVENUE FROM OPERATIONS		
A. Sale of products		
Sale of products	3160,14.60	3187,35.11
	3160,14.60	**3187,35.11**
B. Other operating revenue		
Service income	20,67.58	24,08.67
Manufacturing charges recovery	7,60.93	11,73.34
Others	5,30.52	1,50.90
	33,59.03	**37,32.91**
Total Revenue from operations (A + B)	**3193,73.63**	**3224,68.02**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the Country of Domicile- India	3179,10.33	3207,22.07
Revenue from foreign countries	14,63.30	17,45.95
	3193,73.63	**3224,68.02**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3391,77.45	3325,23.99
Less:		
Trade discounts, volume rebates, etc.	231,62.85	137,88.88
Net revenue recognised from contracts with customers	**3160,14.60**	**3187,35.11**
NOTE 28 : OTHER INCOME		
Interest income on:		
Deposits with banks	38,61.66	64,80.21
Income Tax Refund	71,28.52	10,20.62
Loans	16.04	19.36
Others	12.56	2.01
Gain on disposal of Property, Plant and Equipment (net)	-	2,33.36
	110,18.78	**77,55.56**
NOTE 29 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	452,63.87	474,37.97
	452,63.87	**474,37.97**
NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening 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**
Less: Closing stock		
Finished goods	116,21.99	92,38.26
Stock-in-trade	313,38.13	280,02.46
Work-in-progress	1,06.14	30,72.62
	430,66.26	**403,13.34**
	(27,52.92)	**(35,43.27)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 31 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	563,60.56	571,05.16
Contributions to : Provident and pension funds (Refer Note 39)	24,51.01	25,81.71
Gratuity funds (Refer Note 39)	8,93.70	12,83.41
Staff welfare expense	17,63.52	18,85.07
	614,68.79	**628,55.35**
NOTE 32 : FINANCE COSTS		
On Security deposits	34.99	21.53
Interest in respect of financial lease liability	3,18.15	3,28.53
Interest on income tax payment	-	2,22.19
Others	-	61.30
	3,53.14	**6,33.55**
NOTE 33 : DEPRECIATION AND AMORTIZATION EXPENSE		
On Property, Plant and Equipment (Refer Note 3)	54,25.64	55,78.14
On Investment Properties (Refer Note 4)	14.38	14.38
On Other Intangible assets (Refer Note 5)	9,03.35	9,77.99
On Right to use Assets (Building) (Refer Note 46)	15,84.99	16,97.26
	79,28.36	**82,67.77**

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 34 : OTHER EXPENSES		
Sales promotion	128,59.49	138,22.95
Stock point commission	19,90.22	19,96.50
Freight	42,42.60	54,17.01
Travelling	46,88.44	87,52.50
Loss on disposal of Property, Plant and Equipment (net)	5.88	-
Exchange loss (net)	-	12,36.98
Manufacturing charges	81,96.22	89,67.47
Repairs:		
Buildings	7,74.58	6,11.52
Plant and Machinery	13,71.55	11,00.90
	21,46.13	**17,12.42**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	3,10.36	1,08.21
Power, fuel and water	26,07.72	33,36.11
Rent	3,59.34	6,98.88
Rates and taxes	37,84.38	29,90.34
Printing, postage and telephones	9,19.37	11,07.60
Sales training, briefing and conference	91.92	10,51.32
Insurance	5,51.80	4,03.57
Remuneration to auditors :		
Statutory audit fees	1,00.00	1,00.00
In other capacity in respect of :		
Tax audit fees	7.00	6.00
Other services	2.50	1.00
Reimbursement of expenses	1.24	3.10
	1,10.74	**1,10.10**
Cost audit fees	5.92	9.77
Corporate social responsibility (Refer Note 37)	10,32.99	10,89.07
Commission to non whole-time Directors	1,43.06	95.21
Directors' sitting fees	49.00	34.50
Legal and professional fees	11,72.97	11,77.39
Miscellaneous	76,70.70	58,33.47
Reimbursement of expenses (net) (Refer Note 36)	49,47.29	30,29.32
	578,86.54	**629,80.69**

NOTE 35: The recurring expenditure on research and development charged off to revenue amounts to ₹ 1,80.72 lakhs (Previous Year: ₹ 2,18.02 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/ third parties.

NOTE 37 : EXPENSES TOWARDS CSR

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
a) Amount spent		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	10,87.29	11,46.28
Total amount spent	**10,87.29**	**11,46.28**
The above includes allocation of ₹ 54.30 lakhs (Previous Year ₹ 57.21 lakhs) towards Corporate Social Responsibility which are shown under Employee Benefits Expenses in note 31.		
(b) Gross amount required to be spent by the Company	10,86.04	11,44.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 38 : EXCEPTIONAL ITEMS (NET)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of property	1,84.09	546,30.28
Impairment of Assets (Refer Note 3(b)) and Note (c) below	(209,00.00)	(677,75.85)
Provision for product recall (Refer Note (a) below)	34,80.26	(108,08.80)
Redundancy Costs (Refer Note (b) below)	(24.04)	(59,14.63)
Impairment of Capital Work-In-Progress	-	(26,31.00)
Sale of Brands	-	50.69
	(172,59.69)	**(324,49.31)**

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 had initiated voluntary pharmacy/retail level recall of the Zinetac products above from the Indian market.

Consequently, the Company had during the previous year ended March 31, 2020 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. During the year there has been reversal of these provisions of ₹ 34,80.26 lakhs.

b) ₹ 24.04 Lakhs (Previous Year ₹ 59,14.63 Lakhs) is on account of restructuring of manufacturing and commercial organisation.

c) Following the decision to initiate a global voluntary recall (pharmacy/retail level) by the Ultimate Holding Company of ranitidine products including Zinetac in India , the Company initiated a comprehensive strategic review of the impact of this recall on all related assets in India including the manufacturing site at Vemgal. After considering all the strategic options available, the Company during the quarter ended September 2020 had decided to proceed with the sale of the site and had classified the corresponding assets as held for sale. During the quarter ended March 2021 the company entered into a binding agreement for the sale of these assets subject to necessary regulatory approvals. Consequently, the company has recognized an impairment of ₹ 249,45 lakhs (year ended 31st March 2020 ₹ 677,75.85 lakhs including costs to sell and associated costs) to reflect the estimated realizable value of the assets and reversal of associated costs ₹ 19,22 lakhs and reversal of cost to sell of ₹ 21,23 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (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, 2021. 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, 2021	Year ended March 31, 2020
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,20.65	5,89.46
Employees' pension scheme	5,72.71	6,04.33

(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 ₹ 39,05.92 lakhs. (March 31, 2020: ₹ 35,61.27 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, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021			Year ended March 31, 2020		
		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	99,85.25	63,63.71	579,20.62	97,27.99	38,83.15	532,07.18
	Amount recognised in Statement of profit and loss/Capitalised						
	Current service cost	7,32.30	63.74	13,69.22	7,05.70	37.50	13,82.19
	Past service cost	-	-	-	-	23,79.58	-
	Interest cost	6,61.71	4,25.30	39,35.09	6,91.37	2,76.97	39,62.81
		13,94.01	**4,89.04**	**53,04.31**	**13,97.07**	**26,94.05**	**53,45.00**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	1,39.03	38.80	-	5,59.16	3,85.52	-
	Demographic assumptions	21.64	(4.87)	-	-	-	-
	Experience adjustment	53.66	76.68	7,62.92	26.41	(2,51.96)	7.79
		2,14.33	**1,10.61**	**7,62.92**	**5,85.57**	**1,33.56**	**7.79**
	Contributions by employee	-	-	35,59.71	-	-	35,14.66
	Liabilities assumed on acquisition/(settled on divestiture)	19.86	-	(5,32.60)	(13.50)	-	(6,50.53)
	Benefits paid	(7,58.21)	(3,42.13)	(53,39.48)	(17,11.88)	(3,47.05)	(35,03.48)
	Closing defined benefit obligation	**108,55.24**	**66,21.23**	**616,75.48**	**99,85.25**	**63,63.71**	**579,20.62**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	75,62.98	-	579,20.62	17,60.48	-	532,07.18
	Amount recognised in the Statement of Profit and Loss/Capitalised	-	-	-	-	-	-
	Expected return on plan assets	5,00.31	-	39,35.09	1,01.31	-	39,62.81
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	51.20	-	7,62.92	2,63.07	-	7.79
	Contributions by employer	18,00.00	-	13,69.22	71,50.00	-	13,82.19
	Contributions by employee	-	-	35,59.71	-	-	35,14.66
	Assets Acquired on acquisition/(settled on divestiture)	-	-	(5,32.60)	-	-	(6,50.53)
	Benefits paid	(7,58.21)	-	(53,39.48)	(17,11.88)	-	(35,03.48)
	Closing fair value of plan assets	**91,56.28**	**-**	**616,75.48**	**75,62.98**	**-**	**579,20.62**
	Actual return on Plan Assets	5,51.51	-	46,98.01	3,64.38	-	39,70.60

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021			Year ended March 31, 2020		
		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	7,32.30	63.74	13,69.22	7,05.70	37.50	13,82.19
	Past service cost	-	-	-	-	23,79.58	-
	Net interest expense	1,61.40	4,25.30	-	5,90.06	2,76.97	-
	Less : Employee Cost adjusted against provision for Vemgal	-	-	(11.57)	-	-	-
	Components of defined benefit costs recognised in the Statement of Profit and Loss	**8,93.70**	**4,89.04**	**13,57.65**	**12,95.76**	**26,94.05**	**13,82.19**
(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)	51.20	-	7,62.92	2,63.07	-	7.79
	Actuarial gain / (loss) arising from changes in demographic assumptions	(21.64)	4.87	-	-	-	-
	Actuarial gain / (loss) arising from changes in financial assumptions	(1,39.03)	(38.80)	-	(5,59.16)	(3,85.52)	-
	Actuarial gain / (loss) arising from changes in experience adjustments	(53.66)	(76.68)	(7,62.92)	(26.41)	2,51.96	(7.79)
	Components of defined benefit costs recognised in Other Comprehensive Income	**(1,63.13)**	**(1,10.61)**	**-**	**(3,22.50)**	**(1,33.56)**	**-**
(v)	**Amount recognised in the Balance Sheet**						
	Present value of obligations as at year end	108,55.24	66,21.23	616,75.48	99,85.25	63,63.71	579,20.62
	Fair value of plan assets as at year end	91,56.28	-	616,75.48	75,62.98	-	579,20.62
	Net (asset) / liability recognised as at year end	**16,98.96**	**66,21.23**	**-**	**24,22.27**	**63,63.71**	**-**
(vi)	**The major categories of plan assets are as follows:**						
	Government of India Securities	3%		49%	6%		47%
	Other debt instruments	1%		34%	11%		45%
	Special Deposit Scheme	8%		9%	0%		0%
	Insurer managed funds	87%		0%	82%		0%
	Others	1%		8%	1%		8%
(vii)	**Principal actuarial assumptions used**						
	Discount rate (p.a.)	6.90%	6.90%	6.90%	6.95%	6.95%	6.95%
	Expected rate of return on plan assets (p.a.)	6.90%		9.20%	6.95%		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, 2021 (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, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	-4.26%	4.60%	-4.34%	4.69%
Future salary growth (0.5% movement) - Gratuity	3.96%	-3.80%	4.14%	-3.94%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.66%	6.28%	-5.60%	6.21%
Medical inflation rate (1% movement)	12.25%	-10.08%	12.61%	-10.00%
Life expectancy +/- 1 year	2.90%	-2.98%	2.94%	-3.01%

The above sensitivity analysis 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, 2022 is ₹ 12,00.00 lakhs (March 31, 2021: ₹ 12,00.00 lakhs)

The weighted average duration of defined benefit obligation is 8.85 years (March 31, 2020: 9.02 years)

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

(₹ in lakhs)

March 31, 2021	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	10,28.46	9,07.53	30,78.65	184,72.88	234,87.52
Post employment medical benefits	3,36.01	3,57.75	11,88.13	185,99.73	204,81.62
Total	**13,64.47**	**12,65.28**	**42,66.78**	**370,72.61**	**439,69.14**

(₹ 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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 40 : CONTINGENT LIABILITIES

(₹ in lakhs)

			As at March 31, 2021	As at March 31, 2020
A.	**Contingent Liabilities not provided for:**			
(i)	Cheques discounted with banks		10,51.84	16,77.01
(ii)	In respect of claims made against the Company not acknowledged as debts by the Company			
	(a)	Sales tax matters	58,20.80	57,83.08
	(b)	Excise and custom matters	8,75.87	8,31.50
	(c)	Service tax matters	1,29.20	1,29.20
	(d)	Labour matters	61,45.39	60,11.73
	(e)	Other legal matters (Refer Note 42)	24,98.43	24,98.43
			154,69.69	**152,53.94**
(iii)	Income-tax matters in respect of which appeals are pending			
	Tax on matters in dispute		320,56.61	302,11.00

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 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, 2021	As at March 31, 2020
B.	**Commitments**			
(i)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for		7,45.59	11,61.90
	(Refer Note (a) below)			
(ii)	Uncalled liability on partly paid shares:			
	-	in Hill Properties Limited	0.04	0.04
	(Refer note (b) 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, 2021 mainly comprises the investments in the capital assets at corporate office and site and as at March 31, 2020 mainly comprised the ongoing investments in the corporate office renovations and other miscellaneous capitalisations at site.

(b) 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, 2021 (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 judgement 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. The Company's counsel has been routinely appearing in the matter and urging the Delhi High Court to hear the matter expeditiously considering it is at final hearing stage and has been pending for a long time. The counsel has also cited the significant sums involved; however, the Court is not inclined to take this matter out of turn and is currently hearing urgent matters only due to the ongoing Covid 19 situation. Next date of the matter is July 15, 2021.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

that the demand is not sustainable has been confirmed by an eminent counsel. The Government of India's application in the Supreme Court praying that the writ petition be transferred to the the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

(ii) Erstwhile BWIL had made an application to the Government of India for approval under Section 198(4) of the Companies Act, 1956, in respect of payment to the Managing Director and three whole time Directors amounting to ₹ 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, 2021	As at March 31, 2020
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,64.80	4,60.08
	(ii)	Interest due thereon	62.14	61.30
			5,26.94	**5,21.38**
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	31,87.11	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	0.84	53.90
	(ii)	Total Interest accrued during the year and remaining unpaid	0.84	53.90

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, 2021 (contd.)

NOTE 45 : TAX EXPENSE

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
Current tax on profits for the year	184,30.17	235,31.46
Current tax on account of earlier years	-	24,85.62
Total current tax expense	184,30.17	260,17.08
Deferred tax		
In respect of current year	7,86.69	(64,14.45)
Adjustment to deferred tax attributable to change in income tax rate	-	16,42.04
Total Deferred tax (benefit) / expense	7,86.69	(47,72.41)
Total tax expense	**192,16.86**	**212,44.67**

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

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	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	(2,73.74)	68.90	(2,04.84)	(4,56.06)	64.27	(3,91.79)
	(2,73.74)	**68.90**	**(2,04.84)**	**(4,56.06)**	**64.27**	**(3,91.79)**

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	549,73.62	322,49.93
Tax using the Company's domestic tax rate at 25.168% on Normal Profit	137,89.43	(56,45.44)
Tax using the Company's domestic tax rate in terms of Long Term Capital Gain at 22.88%	42.12	125,11.01
Total Tax	**138,31.55**	**68,65.57**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	2,59.98	1,74.02
Donations	-	1,00.08
Due to change in income tax rate from 34.944% to 25.168%	-	16,42.04
Impairment of assets	52,60.11	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)
Actual utilisation of Vemgal related cost	(1,77.00)	-
Other items	42.22	1,26.13
Tax effect on account of earlier years:		
Current tax on account of earlier years:	-	24,85.62
Total tax Expense	**192,16.86**	**212,44.67**

Consequent to the reconciliation items shown above, the effective tax rate is 34.96% (Financial Year 2019-20: 65.88%)

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	Balance as at April 1, 2020	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2021
Deferred tax asset				
Provision for Employee Benefits	25,97.91	1,27.13	68.90	27,93.93
Voluntary retirement schemes	3,81.89	(99.21)	-	2,82.68
Allowance for doubtful debts	5,22.44	51.86	-	5,74.30
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	16,30.54	-	-	16,30.54
Expenses allowable for tax purpose when paid	74,75.75	(10,33.19)	-	64,42.56
Total Deferred tax asset	**126,08.53**	**(9,53.41)**	**68.90**	**117,24.01**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(17,23.80)	1,66.72	-	(15,57.08)
Deferred tax asset (net)	**108,84.73**	**(7,86.69)**	**68.90**	**101,66.93**

Note: Deferred Tax asset will be recognized in the books of account on completion of sale of assets at Vemgal site, after obtaining necessary regulatory approvals. Deferred Tax recognized earlier on Book Depreciation of Vemgal Assets will get reversed in the year of Sale of Vemgal Assets.

(₹ in lakhs)

Particulars	Balance as at April 1, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (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, 2021 on an undiscounted basis:

(₹ in lakhs)

0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
14,35.27	10,50.32	6,33.70	2,56.70	84.27	-

Right of use asset (₹ in lakhs)

Particulars	**Buildings**
Balance as on April 1, 2020	39,33.57
Additions	7,77.85
Less: Depreciation	(15,84.99)
Balance as on March 31, 2021	**31,26.43**

Other financial lease liabilities (₹ in lakhs)

Particulars	**Buildings**
Lease liabilities recognised as at April 1, 2020	**41,66.30**
Additions	7,77.04
Add: Interest accrued during the period	3,18.15
Less: Payments	(18,01.23)
Lease liabilities recognised as at March 31, 2021	**34,60.26**
Current lease liabilities	14,35.27
Non current lease liabilities	20,24.99

Borrowing rate - discounting rate used by the Company

The lessee's weighted average incremental borrowing rate applied to the lease liabilities was 7.26% to 7.59%

NOTE 47 : EARNINGS PER SHARE

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year	Rupees in lakhs	357,56.76	110,05.26
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earnings per share before Exceptional items (Basic and Diluted)	₹	31.32	26.69
Earnings per share after Exceptional items (Basic and Diluted)	₹	21.11	6.50
Face value per share	₹	10	10

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 48 : 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, 2021	As at March 31, 2020
Financial assets at amortised cost *		
Security Deposits	8,06.08	8,21.56
Margin money/ Deposit against bank guarantee	4,01.47	4,13.53
Trade receivables	215,60.46	99,80.12
Cash and cash equivalents	404,90.20	98,02.79
Bank balances other than Cash and cash equivalents	752,77.48	968,37.73
Interest accrued on deposits with bank	7,50.06	23,15.78
Receivable from group companies	11,38.56	7,30.82
Advances recoverable	31.65	44.62
Total financial assets	**1404,55.96**	**1209,46.95**
*Excludes investments in subsidiary		
Financial liabilities at amortised cost		
Borrowings	2.40	17.70
Other financial lease liabilities	34,60.26	41,66.30
Security deposits received	2,04.46	2,05.97
Payable to employees	126,97.57	95,55.20
Unclaimed dividends	19,86.36	20,44.34
Trade payables	446,32.86	354,18.67
Creditors for capital goods	2,17.03	24,03.59
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	21,56.59	1,40.91
Total financial liabilities	**654,87.81**	**540,82.96**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements.

(a) Financial instruments that are recognised and measured at fair value

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 : It includes financial instruments measured using quoted prices

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(b) Fair value of financial assets and liabilities measured at amortised cost*

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Security Deposits		
Carrying value	8,06.08	8,21.56
Fair value	8,06.08	8,21.56
Margin money/ Deposit against bank guarantee		
Carrying value	4,01.47	4,13.53
Fair value	4,01.47	4,13.53
*Excludes investments in subsidiary		
Financial liabilities		
Borrowings		
Carrying value	2.40	17.70
Fair value	2.40	17.70
Other financial lease liabilities		
Carrying value	34,60.26	41,66.30
Fair value	34,60.26	41,66.30
Security deposits received		
Carrying value	2,04.46	2,05.97
Fair value	2,04.46	2,05.97

The impact of fair valuation of the above Financial assets and liabilities is considered to be insignificant and hence carrying value and the fair value is considered to be same.

The carrying amounts of Trade receivables, Cash and cash equivalents, Bank balances other than Cash and cash equivalents, Interest accrued on deposits with bank, Receivable from group companies, Advances recoverable, Payable to employees, Unclaimed Dividends, Trade payables, Creditors for capital goods, Rationalisation relating to a manufacturing site and Other Payables are considered to be the same as their fair values due to their short term nature.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's trade receivables are largely from sales made to wholesale customers and direct sales to hospitals with a smaller proportion of sales to Indian Government Institutions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customer and the default risk of the industry.

The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Exposures to customers outstanding at the end of each reporting period are reviewed to determine incurred and expected credit losses and the Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators 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 continue. The impairment loss as at March 31, 2021 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 IndAS 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, 2021	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	142,11.27	5.01	142,06.26
Past due 0-180 days	68,65.75	61.26	68,04.49
Past due 181-365 days	96.79	31.93	64.86
Past due 366-730 days	5,97.67	1,56.96	4,40.71
Past due 731-1095 days	1,95.43	1,51.29	44.14
Past due more than 3 years	16,00.62	16,00.62	-
Total	**235,67.53**	**20,07.07**	**215,60.46**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

(₹ 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**

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, 2021, the Company had working capital of ₹ 874,01.06 lakhs, including cash and cash equivalents of ₹ 404,90.20 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 ₹ 732,00.00 lakhs.

As of March 31, 2020, the Company had working capital of ₹ 754,70.90 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.

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, 2021	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	2.40	2.40	2.40	-	-	-
Trade Payables and other payables	598,34.33	598,34.33	598,34.33	-	-	-
Unclaimed dividends	19,86.36	19,86.36	19,86.36	-	-	-
Security deposits received	2,04.46	2,04.46	-	-	2,04.46	-

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ 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	476,48.65	476,48.65	476,48.65	-	-	-
Unclaimed dividends	20,44.34	20,44.34	20,44.34	-	-	-
Security deposits received	2,05.97	2,05.97	-	-	2,05.97	-

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

The Company is exposed to currency risk on account of its receivables and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to GBP, USD, EUR and other currencies. The Company has not hedged this foreign currency exposure and strives to achieve asset liability offset of foreign currency exposure.

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(₹ in lakhs)

	As at March 31, 2021				As at March 31, 2020			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current Financial assets	4,45.84	-	4.31	-	27.56	-	-	-
Trade payables	(24,01.30)	(97,22.69)	(6,21.51)	(93.11)	(13,05.69)	(47,19.02)	(1,58.27)	(81.74)
Capital Creditors	-	(6.03)	-	-	-	(1,25.96)	(10,07.08)	-
Net statement of financial position exposure	(19,55.46)	(97,28.72)	(6,17.20)	(93.11)	(12,78.13)	(48,44.98)	(11,65.35)	(81.74)

Sensitivity analysis

A reasonably possible strenghtening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

Effect in ₹ Lakhs	Strengthening / Weakening %	Profit or (loss)		Equity	
		Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2021					
GBP	5%	(97.77)	97.77	-	-
USD	5%	(4,86.44)	4,86.44	-	-
EUR	5%	(30.86)	30.86	-	-
Other currencies	5%	(4.66)	4.66	-	-

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	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

NOTE 49 : 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, 2021 and March 31, 2020.

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Equity shares		
	Final dividend for the year ended March 31, 2020 of ₹ 40 (March 31, 2019: ₹ 20) per fully paid share	677,62.41	338,81.21
(ii)	Dividend Distribution Tax on the above	-	69,64.38
(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 ₹ 30 per fully paid equity share (March 31, 2020: ₹ 40 per fully paid equity share (including special dividend of ₹ 20 per equity share)). The proposed dividend for the year ended March 31, 2021 is subject to the approval of shareholders in the ensuing annual general meeting.	508,24.63	677,62.41
(iv)	Dividend Distribution Tax on the above (Refer note below)	-	-

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 50 : 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, 2021	Year ended March 31, 2020
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	3179,10.33	3207,22.07
Revenue from foreign countries	14,63.30	17,45.95
Total	**3193,73.63**	**3224,68.02**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Details of non current asset		
Non Current asset from the Country of Domicile- India	786,22.63	1229,05.15
Non Current asset from foreign countries	-	-
Total	**786,22.63**	**1229,05.15**

Information about major customers

The Company did not have any external revenue from a particular customer which exceeded 10% of total revenue.

NOTE 51 : 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.*

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

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

Laboratoire GlaxoSmithKline S.A.S., France*

GlaxoSmithKline Pharmaceutical Sdn Bhd, Malaysia

GlaxoSmithKline Export Limited, U.K.

SmithKline Beecham Pharmaceuticals , U.S.A

GlaxoSmithKline Latin America S.A*

GlaxoSmithKline Pakistan Limited, Pakistan*

GlaxoSmithKline Research & Development Ltd, U.K

GlaxoSmithKline Corporate Centre, U.S.A*

GlaxoSmithkline Philippines Inc., Philippines*

GlaxoSmithKline Australia Pty Limited, Australia*

GlaxoSmithKline Canada Inc, Canada*

GlaxoSmithKline Trading Services Limited, Ireland

GlaxoSmithKline Limited, Hong Kong*

GlaxoSmithKline South Africa (Pty) Ltd, South Africa

GlaxoSmithKline LLC, U.S.A*

GlaxoSmithKline Limited, Kenya*

GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria*

Stiefel India Private Limited, India

GSK India Global Services Private Limited

Glaxo Wellcome Ceylon Ltd., Sri Lanka*

US Pharmaceuticals, U.S.A.*

GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka

ViiV Healthcare Limited, U.K.*

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

GlaxoSmithKline S.A.E., Egypt*

GlaxoSmithKline Inc, Philadelphia*

GlaxoSmithKline Manufacturing SPA, Italy*

GlaxoSmithKline Intellectual Property Limited*

GlaxoSmithKline (Thailand) Ltd.

* no transactions during the year

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

Directors:	GSK India Leadership Team:
Ms. P. Thakur #	Mr. A. Nadkarni
Mr. S. Venkatesh # (w.e.f. April 1, 2020)	Mr. R. D'souza
Mr. M. Dawson (w.e.f. Janaury 28, 2021)	Mr. S. Dheri
Ms. S.Maheshwari (w.e.f. May 18, 2020)	Ms. S. Choudhary
Mr. N. Kaviratne	Mr. B. Kotak
Mr. P. Bhide	Mr. A. Iyer
Ms. R. S. Karnad	Mr. S. Balasubramanian
Mr. A. N. Roy	Mr. A. Kashyap (w.e.f. May 28, 2020)
Mr. D. Sundaram	Mr. B. Akshikar (w.e.f. December 1, 2020)
Mr. S. Williams	Mr. C. Sharma (w.e.f. December 1, 2020)
Mr. R. Krishnaswamy # (upto January 27, 2021)	Mr. N. Hindia (w.e.f. June 1, 2018 upto March 22, 2020 and w.e.f. January 4, 2021)
Ms. A. Bansal (upto March 29, 2020)	Ms. M. Priyam (upto August 31, 2020)
Mr. A. Vaidheesh # (upto March 31, 2020)	Ms. D. Jakate (upto January 31, 2021)
	Ms. S. Zota (w.e.f. March 23, 2020 upto December 31, 2020)
	Mr. G. Kotian (w.e.f. October 1, 2018 upto October 31, 2019)
	Mr. N. Sudrik (w.e.f. October 1, 2018 upto October 31, 2019)
	Ms. S. Ghosh(w.e.f. August 25, 2020 upto December 1, 2020)

Also member of GSK India Leadership Team

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, 2021	Year ended March 31, 2020
Glaxo Group Limited, U.K.	219,49.38	121,94.10
GlaxoSmithKline Pte Limited, Singapore	171,37.45	95,20.80
Eskaylab Limited, U.K.	42,33.60	23,52.00
Burroughs Wellcome International Limited, U.K.	24,19.20	13,44.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(ii) Details relating to parties referred to in items 1(i), 1(ii) and 1(iii) above:

(₹ in lakhs)

		Holding company/ ultimate holding company 1(i)		Subsidiary of the company 1(ii)		Other companies in the GSK Group 1(iii)	
		Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
1	Purchase of materials/traded goods	-	-	3,62.48	-	619,20.62	634,52.35
2	Sale of materials/sale of products	-	-	-	-	63.17	23.92
3	Sale of laptops	-	-	-	-	-	28.56
4	Expenses recharged to other companies	-	36.05	29.89	35.34	26,95.55	27,93.64
5	Expenses recharged by other companies	49.56	-	-	-	96,35.07	74,67.46
6	Manufacturing charges recovered	-	-	4,65.95	-	4,31.95	13,84.54
7	Clinical research and data management recoveries	-	-	-	-	9,36.45	8,98.26
8	Liabilities written back	-	-	-	-	77.24	-
9	Employee benefit liabilities transferred to a related party	-	-	-	-	19.86	13.51
10	Outstanding receivables at the period end	-	-	4,04.06	-	7,29.68	7,30.82
11	Outstanding payables at the period end	46.17	-	-	35.58	118,94.44	56,77.24
12	Cross charges recoverable at the period end	-	-	-	-	4.82	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, 2021	Year ended March 31, 2020
(a)	Purchase of materials/traded goods:		
	GlaxoSmithKline Asia Private Limited, India	1,80.74	15,78.80
	GlaxoSmithKline Biologicals S.A., Belgium	540,30.11	497,07.76
	Biddle Sawyer Limited	3,62.48	-
	Stiefel India Private Limited, India	10,51.03	29,26.99
	GlaxoSmithKline Export Limited, U.K.	66,58.74	85,60.10
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	63.17	23.92
(c)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	5,74.13	9,02.47
	GSK India Global Services Private Limited	2,89.03	-
	GSK Pharmaceuticals Pvt. Ltd. , Srilanka	36.73	-
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	5.65	17.37
	GlaxoSmithKline Export Limited, U.K.	4,15.60	4,70.03
	GlaxoSmithKline Biologicals S.A., Belgium	1,60.00	78.21

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
	GlaxoSmithKline Research & Development Ltd, U.K.	10.34	41.78
	GlaxoSmithKline Services Unlimited, U.K.	4,59.07	4,11.65
	Glaxo Operations UK Limited, U.K	4,59.91	4,57.88
	GlaxoSmithKline Trading Services Limited, Ireland	2,97.64	2,48.65
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	-	36.12
	GlaxoSmithKline Pte Limited, Singapore	-	36.05
(d)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	-	72,03.67
	GlaxoSmithKline Services Unlimited, U.K.	1,19.84	1,23.30
	SmithKline Beecham Pharmaceuticals U.S.A	97.50	-
	SmithKline Beecham Limited, U.K.	30.22	15.95
	GlaxoSmithKline Pte Limited, Singapore	49.56	-
	GlaxoSmithKline Asia Private Limited, India	93,87.51	1,24.54
(e)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	4,31.95	13,84.54
	Biddle Sawyer Limited	4,65.95	-
(f)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	7,84.03	7,48.60
	GlaxoSmithKline Research & Development Ltd, U.K.	1,00.44	1,49.66
(g)	Sale of laptops:		
	GlaxoSmithKline Asia Private Limited, India	-	28.56
(h)	Liabilities written back:		
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	77.24	-
(i)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	19.86	13.51

(₹ in lakhs)

		As at March 31, 2021
(j)	Outstanding receivables at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	1,57.35
	Biddle Sawyer Limited, India	4,04.06
	GlaxoSmithKline Export Limited, U.K.	19.17
	GlaxoSmithKline Research & Development Ltd, U.K.	15.70
	GlaxoSmithKline Services Unlimited, U.K.	66.46
	Glaxo Operations UK Limited, U.K.	1,32.05
	GSK India Global Services Private Limited	2,83.84

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		As at March 31, 2021
(k)	Outstanding payables at the period end :	
	GlaxoSmithKline Pte Limited, Singapore	46.17
	GlaxoSmithKline Biologicals S.A., Belgium	75,78.57
	GlaxoSmithKline Export Limited, U.K.	23,27.92
	Stiefel India Private Limited, India	1,49.50
	GlaxoSmithKline Services Unlimited, U.K.	32.50
	GlaxoSmithKline Asia Private Limited, India	17,79.02
	SmithKline Beecham Limited, U.K.	26.68

(₹ in lakhs)

		As at March 31, 2021
(l)	Cross charges recoverable at the period end :	
	GSK India Global Services Private Limited	4.82

(₹ in lakhs)

		As at March 31, 2020
(m)	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
(n)	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		As at March 31, 2020
(o)	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

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

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
1	Remuneration / commission / sitting fees	37,93.20	40,91.89
2	Payments under the long-term incentive plan	2,95.47	5,16.49

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

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Remuneration / commission / sitting fees (Refer Note below):		
	Mr. A. Vaidheesh	-	9,47.67
	Mr. S. Venkatesh	8,21.46	-
	Mr. A. Iyer	3,42.86	4,54.17
	Mr. R. Krishnaswamy	5,01.22	2,60.48
	Ms. P. Thakur	3,27.63	3,98.40
	Ms. M. Priyam	1,24.19	4,13.37
(b)	Payments made during the year under the long-term incentive plan (Refer Note below):		
	Mr. A. Vaidheesh	-	3,26.95
	Ms. P. Thakur	27.89	35.36
	Mr. R. Krishnaswamy	53.24	28.90
	Mr. S. Dheri	26.48	31.82
	Mr. A. Iyer	89.16	11.48
	Mr. B. Kotak	43.36	-

Note: Amounts are not comparable as they pertain to part of the year and/ or are recorded on cash payment basis.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 52 : SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Share Awards (RSAs)

Certain employees of the Company are entitled to receive cash settled stock based awards ('awards') pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc').

Under this plan, certain employees are granted cash settled RSAs at no cost, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after two and a half to three year vesting period during which the employee has to remain in continuous employment with the Company. These RSA's do not give any voting rights or the right to accrue dividends.

The fair value of these awards is determined based on the closing share price on the day of grant, after deducting the expected future dividend yield of 5% (Previous Year 4.2%) over the duration of the award.

Reconciliation of RSAs

	Number of RSA
As at April 1, 2019	139,839
Granted	122,201
Exercised *	(43,148)
Cancelled**	(50,616)
As at March 31, 2020	**168,276**
Granted	95,703
Exercised *	(61,387)
Cancelled**	(37,408)
As at March 31, 2021	**165,184**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2021 was GBP 12.88 (March 31, 2020 GBP 15.15)

** 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, 2021	Year ended March 31, 2020
Restricted Share Awards (RSAs)	12,85.06	13,21.17

Carrying amount of liability (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Carrying amount of liability included in long term incentive plan (Notes 21 and 25)	13,04.42	10,06.07

NOTE 53 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended a Dividend of ₹ 30 per equity share of face value of ₹ 10 each for this year. (March 31, 2020: ₹ 40 per share) (Refer Note 49 (b)).

Notes to the Standalone Financial Statements
for the year ended March 31, 2021 (contd.)

NOTE 54:

The spread of Covid-19 is having an unprecedented impact on people and economy. This has impacted our operations and results for the year ended March 31, 2021. 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 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 impact assessment of Covid-19 is a continuing process given the uncertainities and the Company will continue to closely monitor the developments.

NOTE 55:

Previous year figures have been regrouped / reclassified wherever necessary.

NOTE 56: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 18, 2021

In terms of our report attached			
For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors		
Chartered Accountants	R. S. Karnad	Chairperson	DIN: 00008064
	S. Venkatesh	Managing Director	DIN: 07263117
Rupen K. Bhatt	P. Thakur	CFO & Whole-time Director	DIN: 07971789
Partner	D. Sundaram	Audit Committee Chairman	DIN: 00016304
	A. Nadkarni	Company Secretary	FCS 10460
Mumbai, May 18, 2021	Mumbai, May 18, 2021		

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	:	4,68.16
6.	Total assets	:	46,00.57
7.	Total Liabilities	:	40,36.41
8.	Investments	:	NIL
9.	Turnover	:	12,56.22
10.	Profit before taxation	:	76.22
11.	Provision for taxation	:	18.24
12.	Profit after taxation	:	57.98
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 75th Report for the year ended 31 March 2021.

FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

₹ in Lakhs

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from Operations	12,56.22	-
Profit/(Loss) before Tax	76.22	(16,80.40)
Provision for Tax	-	-
Deferred Tax Charge/(credit)	18.24	10.18
Net Profit/(Loss) for the year	57.98	(16,90.58)
Opening Surplus brought forward	(5,98.74)	10,91.84
Closing Surplus carried forward	5,40.76	5,98.74

State of Company Affairs

During the year under review, your Company has generated total revenue from operations of ₹ 1256 lakhs as against ₹ Nil during the previous year ended 31 March 2020. Company made net profit of was ₹ 58 lakhs, as compared to loss of ₹ 1691 lakhs during the previous year ended 31 March 2020.The Company has entered into agreement with one of its group Company to sell Albendazole tablets in conjunction with group company's partnership with World Health Organisation (WHO) led public health initiative to eliminate Lymphatic Filariasis.

DIVIDEND

The Directors do not recommend any dividend for the year ended 31 March 2021.

AUDITORS AND AUDITOR'S 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. Raju Krishnaswamy resigned as Director of the Company with effect from 27 January 2021, Mr. Bhushan Akshikar was appointed as Additional Director from 18 March 2021 till the conclusion of Annual General Meeting.

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

The Notice convening the forthcoming Annual General Meeting includes the proposal for reappointment of aforesaid Director.

None of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended 31 March 2021 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 judgement 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 2021 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 2021 on a going concern basis;

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER MANDATORY DISCLOSURES

- The Board of Directors met 5 (Five) times during the financial year 2020-21.
- As on 31 March 2021, the Company did not have any Subsidiary / Joint Venture / Associate Company.
- 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 2020-21.
- There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.
- Your Company has not accepted any deposits from the public during the year under review.
- There were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of Interest of the Company at large.
- No details as required under the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given, as there are no employees drawing remuneration in excess of the prescribed limits.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company is 100 % subsidiary of GlaxoSmithKline Pharmaceuticals Limited ("Parent Company") and all policies including Vigil Mechanism, Risk Management Policy and Internal Financial Control have been adopted on lines of parent Company.
- The Company does not have any manufacturing plant or office so Conservation of Energy & Technology Absorption is not applicable, and Company does not have any Foreign exchange earnings and Foreign Exchange outgo for the financial year 2020-21.

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, 10 May 2021

INDEPENDENT AUDITOR'S 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 March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

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 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, 2021 and its profit, 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 ("SA"s) specified under section 143(10) of the Act. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Responsibilities for the Ind AS financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements for the year ended March 31, 2021 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 judgement 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 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 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, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 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, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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”; 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, 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 Ind AS financial statements – Refer Note 16 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.

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 Cornelius & Davar
Chartered Accountants
(Firm’s Registration No. 101963W)

Rustom D. Davar
Partner
(Membership No. F-10620)
UDIN:21010620AAAABG3059

Place: MUMBAI
Date: May 10, 2021

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 to the Members of BIDDLE SAWYER LIMITED 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 BIDDLE SAWYER LIMITED (the “Company”) as of March 31, 2021 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 Management of the Company 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 (the “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 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 ICAI 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, 2021, 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 ICAI.

For Cornelius & Davar
Chartered Accountants
(Firm’s Registration No. 101963W)

Rustom D. Davar
Partner
(Membership No. F-10620)
UDIN:21010620AAAABG3059

Place: MUMBAI
Date: May 10, 2021

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 to the Members of BIDDLE SAWYER LIMITED of even date)

(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) As explained to us, the inventories have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification;

(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, 2021. 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
(Firm's Registration No. 101963W)

Rustom D. Davar
Partner
(Membership No. F-10620)
UDIN:21010620AAAABG3059

Place: MUMBAI
Date: May 10, 2021

BIDDLE SAWYER LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

₹ in Lakhs

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Investment properties	2	2.08	2.08
Financial assets			
(i) Loans	3	-	-
Current tax assets (net)		4,97.08	4,92.75
Deferred tax assets (net)	25	1,45.68	1,63.91
Other non-current assets	4	4,28.70	1,51.54
		10,73.54	**8,10.28**
Current assets			
Inventories	5	23,35.96	-
Financial Assets			
(i) Cash and cash equivalents	6	28.72	6,78.36
(ii) Bank balances other than (i) above	7	1.45	10,01.45
(iii) Other financial assets	8	0.77	6.42
Other current assets	9	11,60.13	1,59.43
		35,27.03	**18,45.66**
TOTAL ASSETS		**46,00.57**	**26,55.94**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10 & 17	96.00	96.00
Other Equity	11	4,68.16	4,10.18
Total equity		**5,64.16**	**5,06.18**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	12	1.35	1.35
Provisions	13	1,25.33	1,25.33
		1,26.68	**1,26.68**
Current liabilities			
Financial liabilities			
(i) Trade payables	14	22,07.94	3,22.58
Other current liabilities	15	17,01.79	17,00.50
		39,09.73	**20,23.08**
TOTAL EQUITY AND LIABILITIES		**46,00.57**	**26,55.94**

Significant Accounting Policies & Notes on Accounts

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS
(Firm's Registration No.101963W)

RUSTOM D. DAVAR
(PARTNER)
Membership No. F10620
Place : Mumbai
Date: May 10, 2021
UDIN: 21010620AAAABG3059

For and on behalf of the Board

Sridhar Venkatesh
Director
DIN: 07263117

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

₹ in Lakhs

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	18	12,56.22	-
Other Income	19	39.49	1,45.68
Total income		**12,95.71**	**1,45.68**
Expenses			
Cost of materials consumed	20	19,38.60	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods	21	(11,89.80)	-
Other expenses	22	4,70.69	1,26.08
Total expenses		**12,19.49**	**1,26.08**
Profit/(loss) before exceptional items and tax		76.22	19.60
Exceptional items	24	-	(17,00.00)
Profit/(loss) before tax		**76.22**	**(16,80.40)**
Income tax expenses			
Current tax	25	-	-
Deferred tax	25	18.24	10.18
Profit / (Loss) for the period		**57.98**	**(16,90.58)**
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 / (loss) for the period		**57.98**	**(16,90.58)**
Profit /(loss) attributable to:			
Owners of the Company		57.98	(16,90.58)
Total comprehensive income / (loss) attributable to:			
Owners of the Company		57.98	(16,90.58)
Earnings per equity share	23	6.04	(176.10)
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
(Firm's Registration No.101963W)

RUSTOM D. DAVAR
(PARTNER)
Membership No. F10620
Place : Mumbai
Date: May 10, 2021
UDIN: 21010620AAAABG3059

For and on behalf of the Board

Sridhar Venkatesh
Director
DIN: 07263117

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

STATEMENT OF CHANGES IN EQUITY

₹ in Lakhs

(a) Equity share capital	As at March 31, 2021		As at March 31, 2020	
	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 2020	2.91	10,06.01	(5,98.74)	-	4,10.18
Total Comprehensive					
Profit/(loss) for the year	-	-	57.98	-	57.98
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, 2021	**2.91**	**10,06.01**	**(5,40.76)**	**-**	**4,68.16**

₹ 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	-	-	(16,90.58)	-	(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**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For CORNELIUS & DAVAR
CHARTERED ACCOUNTANTS
(Firm's Registration No.101963W)

RUSTOM D. DAVAR
(PARTNER)
Membership No. F10620
Place : Mumbai
Date: May 10, 2021
UDIN: 21010620AAAABG3059

For and on behalf of the Board

Sridhar Venkatesh
Director
DIN: 07263117

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ in Lakhs

			Year Ended March 31, 2021	Year Ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before income tax and exceptional items		76.22	19.60
	Adjustments for :			
	Provision for doubtful loans and advances		-	42.92
	Provision written back		-	(47.32)
	Interest income classified as investing cash flows		(38.71)	(1,45.67)
	Change in operating assets and liabilities			
	(Increase) in Other non-current assets		(2,77.16)	(12.19)
	(Increase)/Decrease in Other current assets		(10,00.70)	79.65
	(Increase)/Decrease in Inventories		(23,35.96)	-
	Increase /(Decrease) in Trade payables		18,85.37	(3.29)
	(Decrease) / Increase in Other liabilities		1.28	(10.83)
	Cash generated from operations		**(16,89.66)**	**(77.13)**
	Income taxes paid (net of refunds)		(4.34)	(17.57)
	Cash flow before exceptional items		**(16,94.00)**	**(94.70)**
	Net cash outflow from operating activities	**A**	**(16,94.00)**	**(94.70)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	(Purchase) / sale of bank deposits with maturity period more than 3 months but less than 12 months		(73,00.00)	-
	Redemption in bank deposits with maturity period more than 3 months but less than 12 months		83,00.00	500.00
	Interest received		44.36	1,73.28
	Net cash inflow from investing activities	**B**	**10,44.36**	**6,73.28**
	Net increase / (decrease) in cash and cash equivalents	**(A + B)**	**(6,49.64)**	**5,78.58**
	Cash and cash equivalents as at 1st April, 2020 (opening balance)		678.36	99.78
	Cash and cash equivalents as at 31st March, 2021 (closing balance)		28.72	6,78.36
	Net increase / (decrease) in cash and cash equivalents		**(6,49.64)**	**5,78.58**
	NOTES:			
	Cash and cash equivalents include:			
	Balances with banks		28.72	6,78.36
	Total cash and cash equivalents		**28.72**	**6,78.36**

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
(Firm's Registration No.101963W)

RUSTOM D. DAVAR
(PARTNER)
Membership No. F10620
Place : Mumbai
Date: May 10, 2021
UDIN: 21010620AAAABG3059

For and on behalf of the Board

Sridhar Venkatesh
Director
DIN: 07263117

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

i) 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

j) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

2 INVESTMENT PROPERTY - AS AT MARCH 31, 2021

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
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

	As at March 31, 2021	As at March 31, 2020
(i) Fair value		
Investment properties	24,75.15	23,57.35

Estimation of fair value

The company obtains independent valuations for its investment properties at least 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 ₹ 24,75.15 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

	As at March 31, 2021	As at March 31, 2020
NOTE 3		
Non current Financial assets - Loans		
Sundry Deposits	16.37	16.37
Advances recoverable	26.55	26.55
Less: Provision for bad and doubtful loans and advances	(42.92)	(42.92)
	-	-
NOTE 4		
Other non-current assets		
Balance with Government Authorities	4,28.70	1,51.54
	4,28.70	**1,51.54**
NOTE 5		
Inventories (at lower of cost or net realisable value)		
Raw materials	11,35.26	-
Packing materials	10.90	-
Work-in-progress	23.98	-
Finished goods	11,65.82	-
	23,35.96	**-**
NOTE 6		
Cash and cash equivalents		
Current account Balances with Banks	28.72	6,78.36
	28.72	**6,78.36**
NOTE 7		
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
Term deposit with original maturity period of more than twelve months	1.45	1.45
	1.45	**10,01.45**

₹ in Lakhs

	As at March 31, 2021	As at March 31, 2020
NOTE 8		
Current financial assets - Others		
Interest accured on investments/ deposits	0.77	6.42
	0.77	**6.42**
NOTE 9		
Other current assets		
Balance with Government Authorities	0.08	0.08
Sundry advances	1,15.33	1,15.33
Current account balances with group companies	10,44.72	44.02
	11,60.13	**1,59.43**
NOTE 10		
Share capital		
Equity share capital	96.00	96.00
	96.00	**96.00**
NOTE 11		
Other Equity		
General reserve	10,06.01	10,06.01
Capital reserve	2.91	2.91
Retained earnings	(5,40.76)	(5,98.74)
	4,68.16	**4,10.18**
NOTE 12		
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 13		
Non-current Provisions		
Drugs Prices Equalisation Account (refer note 16 (ii))	71.24	71.24
Provision for pricing of formulation	54.09	54.09
	1,25.33	**1,25.33**
NOTE 14		
Trade and other payables		
Trade and other payables	22,07.94	3,22.58
	22,07.94	**3,22.58**
NOTE 15		
Other current liabilities		
Other liabilities	17,00.00	17,00.00
Statutory dues	1.79	0.50
	17,01.79	**17,00.50**

₹ in Lakhs

		As at March 31, 2021	As at March 31, 2020
16 (I)	**CONTINGENT LIABILITIES**		
	Claims against the Company not acknowledged as debts	2,57.03	2,57.03
	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

16 (II) DRUGS PRICES EQUALISATION ACCOUNT

The Company received a letter dated 20th/24th August, 1998 from the Central Government demanding an amount of ₹ 4,40,79,918 comprising ₹ 1,42,74,110 in respect of prices relating to Salbutamol formulations during the period April, 1979 to December, 1983 with interest thereon amounting to ₹ 2,98,05,808 upto 31st July, 1998. The Company had been legally advised that the demand of ₹ 1,42,74,110 is not sustainable and it, therefore follows that the interest demand also cannot be sustained. The total demand has been challenged by the Company in a Writ Petition filed in the Bombay High Court. The Bombay High Court has granted an interim stay of the demand, subject to the Company depositing 50% of the principal amount. Accordingly, the Company has deposited an amount of ₹ 71,50,000 with the Government on 3rd May, 1999. This is a normal interim order passed by the High court in such matters and does not in any way reflect upon the merits or otherwise of the case. The amount will be refunded if the Company succeeds at the final hearing of the matter. The Government's application in the Supreme Court praying that this writ petition be transferred to the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

₹ in Lakhs

		As at March 31, 2021	As at March 31, 2020
17	**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**

₹ in Lakhs

		As at March 31, 2021	As at March 31, 2020
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	9,60,000	96.00	9,60,000	96.00
Issued during the year	-	-	-	-
Balance at the end of the year	9,60,000	96.00	9,60,000	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	9,60,000	9,60,000
	{100%}	{100%}

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
18 REVENUE FROM OPERATIONS		
Sale of products (gross)		
Sale of products	12,56.22	-
Total Revenue from operations	**12,56.22**	**-**
19 OTHER INCOME		
Interest income	38.71	98.35
Provisions written back (net)	-	47.32
Miscellaneous Income	0.78	0.01
	39.49	**1,45.68**
20 COST OF MATERIALS CONSUMED		
Cost of materials consumed	**19,38.60**	**-**

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Opening stock		
Work-in-progress	-	-
Finished goods	-	-
Traded goods	-	-
Less: Closing stock		
Work-in-progress	23.98	-
Finished goods	11,65.82	-
Traded goods	-	-
	(11,89.80)	**-**
22 OTHER EXPENSES		
Manufacturing charges	3,94.87	-
Rent	-	0.34
Rates and taxes	4.51	5.62
Remuneration to auditors :		
Statutory audit fees	3.45	3.45
Tax audit fees	0.70	-
Reimbursement of expenses	0.30	0.56
Reimbursement of expenses to GlaxoSmithKline Pharmaceuticals Limited	25.33	29.95
Repairs and Maintenance	2.63	0.90
Tax and consulting fees	5.53	14.35
Security guard services	24.43	23.55
Third party warehousing	5.58	4.36
Miscellaneous expenses	3.36	0.08
Provision for bad and doubtful loans and advances	-	42.92
	4,70.69	**1,26.08**
23 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 /(loss) after taxation (₹ Lakhs)	57.98	(16,90.58)
Weighted average number of shares (Nos)	960,000	960,000
Earnings per share (Basic and Diluted) - ₹	6.04	(1,76.10)
Face value per share - ₹	10.00	10.00

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
24 EXCEPTIONAL ITEMS		
Provision for Severance Pay (Note a)	-	(17,00.00)
	-	**(17,00.00)**

Note a:

Exceptional item for the year ended 31st March 2020 of ₹1700 lakhs is a charge on account of outstanding litigation matter.

	For the year ended March 31, 2021	For the year ended March 31, 2020
25 TAX EXPENSE		
(a) Amounts recognised in profit and loss		
Current income tax	-	-
Deferred tax		
Decrease (increase) in deferred tax assets	18.24	5.00
(Decrease) increase in deferred tax liabilities	-	-
Adjustment to deferred tax attributable to change in Income Tax rates	-	5.18
Deferred tax expense	18.24	10.18
Tax expense for the year	**18.24**	**10.18**
(b) Reconciliation of effective tax rate		
Profit /(loss) before tax	76.22	(16,80.40)
Tax using the Company's domestic tax rate at 25.168% (Previous Year: 25.168%)	19.18	(4,22.93)
Tax effect of:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other items	(0.94)	4,27.93
Due to change in income tax rate from 26% to 25.168%	-	5.18
	18.24	**10.18**

The Company's weighted average tax rates for the years ended March 31, 2021 and 2020 were 25.168%. Income tax expense was ₹ nil for the years ended March 31, 2021 and March 31, 2020

(c) Movement in deferred tax balances

₹ in Lakhs

	March 31, 2021			
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net Deferred tax asset / (liability)
Deferred tax asset				
Expenses allowable for tax purpose when paid	1,50.48	(18.24)	-	1,32.25
Provision for pricing matters	13.43	-	-	13.43
Tax assets (Liabilities)	**1,63.91**	**(18.24)**	**-**	**1,45.68**

₹ in Lakhs

	March 31, 2020			
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Deferred tax asset / (liability)
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**

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, 2021	As at March 31, 2020
Financial assets at amortised cost		
Cash and cash equivalents	28.72	6,78.36
Other bank balance	1.45	10,01.45
Total financial assets	**30.17**	**16,79.81**
Financial liabilities at amortised cost		
Security deposits received	0.63	0.63
Other non-current financial liabilities	0.72	0.72
Trade payables	22,07.94	3,22.58
Total financial liabilities	**22,09.29**	**3,23.93**

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, 2021	As at March 31, 2020
Financial assets	-	-
Financial liabilities		
Security deposits received		
Carrying value	0.63	0.63
Fair value	0.63	0.63
Other non-current liabilities		
Carrying value	0.72	0.72
Fair value	0.72	0.72

The amount of fair value of the above Financial assets and liabilities is considered to be insignificant in value and hence carrying value and the fair value is considered to be same.

The carrying amounts of Cash and cash equivalents, other bank balance, Trade receivables, Trade payables are considered to be the same as their fair values due to their short term nature.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee 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, 2021, the Company had working capital of ₹ -3,82.69 Lakhs, including cash and cash equivalents of ₹ 28.72 Lakhs, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 1.45 Lakhs.

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.

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, 2021	**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	22,07.94	22,07.94	22,07.94	-	-	-
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, 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	-

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 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 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, 2021	Year ended March 31, 2020
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	3,23.43	-
Revenue from foreign countries	9,32.79	-
Total	**12,56.22**	**-**

₹ in Lakhs

	Year ended March 31, 2021	Year ended March 31, 2020
Details of non current asset		
Non Current asset from the Country of Domicile- India	5,76.45	3,17.53
Non Current asset from foreign countries	-	-
Total	**5,76.45**	**3,17.53**

29 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.

Other related parties in the GlaxoSmithKline (GSK) Group where common control exists

- GSK Export Limited
- GSK Asia Private Limited
- Stiefel India Private 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, 2021	Year Ended 31st March, 2020
	GlaxoSmithKline Pharmaceuticals Limited	
1. Payment of common costs	25.33	29.95
2. Sale of products	3,23.43	-
3. Payment of Manufacturing charges	3,94.87	-
4. Outstanding receivable / (Payable) by the Company (net)*	(3,94.16)	44.02

₹ in Lakhs

	Other related parties in the GlaxoSmithKline (GSK) Group where common control exists				
	Year Ended 31st March, 2021 **	Year Ended 31st March, 2021	Year Ended 31st March, 2020	Year Ended 31st March, 2021	Year Ended 31st March, 2020
	GSK Asia Private Limited	GSK Export Limited		Stiefel India Private Limited	
1. Purchase of raw materials	10,52.62	-	-	-	-
2. Sale of products	-	9,32.79	-	-	-
3. Outstanding receivable / (Payable) by the Company (net)*	-	10,44.72	-	-	(0.59)

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

** No transactions for the year ended 31st March, 2020

30 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
(Firm's Registration No.101963W)

RUSTOM D. DAVAR
(PARTNER)
Membership No. F10620
Place : Mumbai
Date: May 10, 2021
UDIN: 21010620AAAABG3059

For and on behalf of the Board

Sridhar Venkatesh
Director
DIN: 07263117

Puja Thakur
Director
DIN: 07971789

Rohan Mota
Company Secretary
ACS 38473

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLAXOSMITHKLINE PHARMACEUTICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GlaxoSmithKline Pharmaceuticals Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, 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 the report of the 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, 2021, 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 report referred to in 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 judgement, 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.

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, standalone 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 judgements 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 judgement and maintain professional scepticism 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. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 4600.57 lakhs as at March 31, 2021, total revenues of ₹ 1295.71 lakhs and net cash outflows amounting to ₹ 649.64 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors 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 report of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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, 2021 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2021;

   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: 21046930AAAACC3570)

Place : Mumbai
Date : May 18, 2021

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, 2021 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 the 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") 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, 2021, 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: 21046930AAAACC3570)

Place : Mumbai
Date : May 18, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	309,64.55	667,62.95
Right of use Assets	46	31,26.43	39,33.57
Capital work-in-progress	3	13,21.43	120,12.15
Investment property	4	1,34.95	1,49.33
Intangible assets	5	43,36.40	49,62.51
Financial assets			
(i) Deposits	6	8,06.08	8,21.56
(ii) Other financial assets	7	4,01.47	4,13.53
Current tax assets (net)		346,50.01	309,79.65
Deferred tax assets (net)	45	103,12.61	110,48.64
Other non-current assets	8	50,16.72	47,51.36
		910,70.65	**1358,35.25**
Current assets			
Inventories	9	546,69.81	483,03.22
Financial assets			
(i) Trade receivables	10	215,60.46	99,80.12
(ii) Cash and cash equivalents	11	405,18.92	104,81.15
(iii) Bank balances other than (ii) above	12	752,78.93	978,39.18
(iv) Other financial assets	13	25,71.60	31,06.08
Other current assets	14	76,53.87	77,67.16
		2022,53.59	1774,76.91
Assets classified as held for sale	15	180,11.84	11.23
		2202,65.43	**1774,88.14**
TOTAL ASSETS		**3113,36.08**	**3133,23.39**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	169,40.60	169,40.60
Other equity	17	1329,67.37	1651,19.89
Total equity		**1499,07.97**	**1820,60.49**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	-	2.40
(ii) Other financial liabilities	19	2,05.81	2,07.32
(iii) Other financial lease liabilities	19	20,24.99	26,83.72
Provisions	20 & 25	259,49.88	261,74.45
		281,80.68	**290,67.89**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	5,26.94	5,21.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	459,20.06	351,84.64
(ii) Other financial liabilities	22	171,90.23	142,89.62
(iii) Other financial lease liabilities	22	14,35.27	14,82.58
Other current liabilities	23	263,85.05	65,12.58
Provisions	24 & 25	254,17.62	280,66.59
Current tax liabilities (net)		163,72.26	161,37.62
		1332,47.43	**1021,95.01**
Total liabilities		**1614,28.11**	**1312,62.90**
TOTAL EQUITY AND LIABILITIES		**3113,36.08**	**3133,23.39**

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

In terms of our report attached

For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors		
Chartered Accountants	R. S. Karnad	Chairperson	DIN: 00008064
	S. Venkatesh	Managing Director	DIN: 07263117
Rupen K. Bhatt	P. Thakur	CFO & Whole-time Director	DIN: 07971789
Partner	D. Sundaram	Audit Committee Chairman	DIN: 00016304
	A. Nadkarni	Company Secretary	FCS 10460
Mumbai, May 18, 2021	Mumbai, May 18, 2021		

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in lakhs)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	26	3198,86.22	3224,38.07
Other income	27	110,58.27	79,01.24
Total income		**3309,44.49**	**3303,39.31**
Expenses			
Cost of materials consumed	28	472,02.47	474,37.97
Purchases of stock-in-trade		880,11.32	868,92.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(39,42.72)	(35,43.27)
Employee benefits expense	30	614,68.79	628,55.35
Finance costs	31	3,53.14	6,33.55
Depreciation and amortisation expense	32	79,28.36	82,67.77
Other expenses	33	576,13.61	630,71.04
Total expenses		**2586,34.97**	**2656,14.69**
Profit before exceptional items and tax		**723,09.52**	**647,24.62**
Exceptional items (net)	37	(172,59.69)	(341,49.31)
Profit before tax		**550,49.83**	**305,75.31**
Tax expense:			
Current tax	45	184,30.17	235,31.46
Deferred tax	45	8,04.93	(47,62.23)
Tax adjustment of earlier year		-	24,85.62
		192,35.10	**212,54.85**
Profit for the year		**358,14.73**	**93,20.46**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	45	(2,73.74)	(4,56.06)
Investments written off		-	(5.50)
Income tax relating to items that will not be reclassified to profit or loss	45	68.90	64.27
		(2,04.84)	**(3,97.29)**
Total comprehensive income for the year		**356,09.89**	**89,23.17**
Profit for the year attributable to owners of the Company		358,14.73	93,20.46
Other comprehensive income / (loss) attributable to owners of the Company		(2,04.84)	(3,97.29)
Total comprehensive income for the year attributable to owners of the Company		356,09.89	89,23.17
Earnings per equity share	47		
Basic and diluted earnings per share before exceptional item		31.35	26.70
Basic and diluted earnings per share after exceptional item		21.14	5.50

The accompanying notes 1 to 57 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, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		723,09.52	647,24.62
Adjustments for :			
Loss / (Gain) on disposal of property, plant and equipment (net)		5.88	(2,33.36)
Interest income		(110,57.49)	(76,20.55)
Finance costs		3,53.14	6,33.55
Depreciation and amortisation expense		79,28.36	82,67.77
Allowance for doubtful debts and advances		2,06.05	3,17.00
Provision written back		-	(47.32)
Operating Profit before working capital changes		**697,45.46**	**660,41.71**
Change in operating assets and liabilities			
(Increase) in inventories		(46,79.30)	(67,71.67)
(Increase) in trade receivables		(99,93.42)	(4.97)
(Increase) / Decrease in other assets		(11,70.61)	148,57.26
Increase / (Decrease) in trade payables		107,40.97	(48,22.97)
Increase in provisions		27,08.09	12,77.16
Increase / (Decrease) in other liabilities		69,70.28	(1,27.99)
Cash generated from operations		**743,21.47**	**704,48.53**
Income taxes paid (net of refunds)		(146,96.18)	(185,88.43)
Cash inflow from operating activities before exceptional items		**596,25.29**	**518,60.10**
Exceptional items:			
Sale of brands		-	50.69
Payment of Associated cost to impairment		(7,03.09)	(7,13.89)
Payment of redundancy cost		(11,30.59)	(27,63.21)
Income taxes on Exceptional items		0.93	6,16.28
Net cash generated from operating activities	**A**	**577,92.54**	**490,49.97**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment and other intangible assets		(44,22.66)	(155,89.81)
Proceeds from sale of property, plant and equipment		67.20	3,49.96
Margin money deposits		14.33	29.81
Investment in bank deposits (having original maturity more than 3 months but less than 12 months)		(3378,23.00)	(1141,00.00)
Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)		3603,23.00	1233,00.00
Interest received		55,00.34	65,27.11
Changes in earmarked balances		57.98	1,80.70
Cash inflow from investing activities before exceptional items		**237,17.19**	**6,97.77**

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
Exceptional items:			
Proceeds from /(expenses incurred) for sale of property		1,84.09	(2,48.24)
Advance received towards disposal of Vemgal Assets		180,00.00	(61,33.86)
Income taxes on Exceptional items		(42.12)	-
Net cash inflow / (outflow) from investing activities	**B**	**418,59.16**	**(56,84.33)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(15.30)	(40.60)
Interest paid, other than on lease liabilities		(34.99)	(82.83)
Interest paid on lease liabilities		(3,18.15)	(3,28.53)
Principal payment of lease liabilities		(14,83.08)	(14,64.60)
Dividend paid to company's shareholders		(677,62.41)	(338,81.21)
Tax on distributed profit		-	(69,64.38)
Net cash outflow from financing activities	**C**	**(696,13.93)**	**(427,62.15)**
Net increase in cash and cash equivalents	**(A + B + C)**	**300,37.77**	**6,03.49**
Cash and cash equivalents at the beginning of the year		104,81.15	98,77.66
Cash and cash equivalents at the end of the year		405,18.92	104,81.15
Net increase in cash and cash equivalents		**300,37.77**	**6,03.49**
NOTES:			
Cash and cash equivalents include:			
Balances with banks			
Current accounts		206,11.92	35,39.21
Term deposits with original maturity period of less than three months		199,07.00	6,00.00
Cheques on hand		-	63,41.94
Total		**405,18.92**	**104,81.15**

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, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(a) Equity share capital

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the reporting period	169,40.60	169,40.60
Changes in equity share capital during the year	-	-
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 (i)	General reserve (ii)	Retained earnings (iii)	Capital redemption reserve (iv)	Remeasurements of the net defined benefit plans	
Balance as at April 1, 2020	**1,70.97**	**778,50.29**	**875,51.81**	**2,62.00**	**(7,15.18)**	**1651,19.89**
Total comprehensive income						
Profit for the year	-	-	358,14.73	-	-	358,14.73
Other comprehensive loss for the year	-	-	-	-	(2,04.84)	(2,04.84)
Transactions with owners of the company						
Dividend on equity shares (₹ 40 per share including special dividend of ₹ 20 per share)	-	-	(677,62.41)	-	-	(677,62.41)
Balance as at March 31, 2021	**1,70.97**	**778,50.29**	**556,04.13**	**2,62.00**	**(9,20.02)**	**1329,67.37**
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)
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**

(i) 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.

(ii) General reserve represents the transfer of profits from retained earnings.

(iii) Retained earnings represents the cumulative profits of the Company which can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) 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, 2021

For and on behalf of the Board of Directors

R. S. Karnad	Chairperson	DIN: 00008064
S. Venkatesh	Managing Director	DIN: 07263117
P. Thakur	CFO & Whole-time Director	DIN: 07971789
D. Sundaram	Audit Committee Chairman	DIN: 00016304
A. Nadkarni	Company Secretary	FCS 10460

Mumbai, May 18, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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, 2021	% voting power held as at March 31, 2020
Biddle Sawyer Limited (BSL)	India	100.00	100.00

B. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except where otherwise indicated.

b) Principles of consolidation

The Consolidated Financial Statement have been prepared on the following basis:

- The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess of cost to the Company of its investment in the subsidiary is recognised in the financial statements as goodwill, which has been amortised over a period of ten years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

- If the difference of the aggregate of the consideration transferred, the amount recognised for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the said deficit is recognized as a capital reserve.

c) Revenue recognition

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

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.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where assets cash flow represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other expenses/ income. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other expenses/ income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Group's right to receive payments is established.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

j) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost basis. The cost of work-in-progress (other than those lying at third party manufacturing sites which is valued at material cost) and finished goods comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

k) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Foreign currency transactions

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Employee benefits

(a) Short Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Provident Fund

Provident fund contributions are made to a Trust administered by the Group. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The actuarial valuation method, carried out by an independent actuary, used for measuring the liability for provident fund is projected accrued benefit method. This approach determines the present value of the interest rate guarantee under three interest rate scenarios: base case scenario, rising interest rate scenario and falling interest rate scenario. The defined benefit obligation of the interest rate guarantee is set equal to the average of the present values determined under these scenarios in respect of accumulated provident fund contributions as at the valuation date.

(c) Other Long Term Benefit Plans

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

(d) The expenditure on voluntary retirement schemes is charged to the statement of profit and loss in the year in which it is incurred.

(e) Share Based Payment Arrangements

In terms of a long-term incentive plan, the eligible members of the senior management are entitled to receive cash settled awards at the end of a three year ‘restricted period’, provided they remain in continuous employment with the Group for the aforesaid period. The value of such incentive is based on the price of shares of GlaxoSmithKline Plc, U.K.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

p) **Earnings per share**

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the owners of the Group and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

q) **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

r) **Exceptional items**

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Group for the year, the Group makes a disclosure of the nature and amount of such items separately under the head “Exceptional items”.

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 50 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, 2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 2 : CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

a Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

b Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the management. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

c Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

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, 2021 (contd.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Depreciation						Net Carrying Value
	As at April 1, 2020	Additions	Disposals	Assets held for sale (Refer Note 3(b) below)	As at March 31, 2021	As at April 1, 2020	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	On Assets held for sale (Refer Note 3(b) below)	As at March 31, 2021	As at March 31, 2021
Freehold land	2.00	-	-	-	2.00	-	-	-	-	-	-	2.00
Leasehold land	55,99.13	-	-	55,54.90	44.23	21,98.55	17.82	-	-	22,16.37	-	44.23
Freehold buildings	26,05.30	-	-	-	26,05.30	2,49.53	67.72	-	-	-	3,17.25	22,88.05
Leasehold buildings	415,19.49	1,54.39	-	340,58.93	76,14.95	196,92.59	5,15.18	-	-	186,70.85	15,36.92	60,78.03
Plant and equipment (Refer Note (a) below)	749,84.71	21,90.29	5,73.98	449,47.75	316,53.27	384,61.50	38,01.89	5,68.10	54,45.00	332,22.06	139,18.23	177,35.04
Furniture and fixtures	46,98.04	20,98.51	9.97	24,34.13	43,52.45	32,09.00	4,59.88	7.93	-	24,34.13	12,26.82	31,25.63
Vehicles	14,21.66	4,06.29	3,03.18	36.45	14,88.32	7,47.11	2,48.92	2,50.81	-	10.91	7,34.31	7,54.01
Office equipment	10,24.72	7,61.14	4.90	1,25.88	16,55.08	5,33.82	3,14.23	4.65	-	1,25.88	7,17.52	9,37.56
Total	**1318,55.05**	**56,10.62**	**8,92.03**	**871,58.04**	**494,15.60**	**650,92.10**	**54,25.64**	**8,31.49**	**54,45.00**	**566,80.20**	**184,51.05**	**309,64.55**

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Depreciation						Net Carrying Value
	As at April 1, 2019	Additions	Disposals	Assets held for sale (Refer Note 3(b) below)	As at March 31, 2020	As at April 1, 2019	Charge for the Year	On Disposals	Impairment (Refer Note 3(b) below)	On Assets held for sale (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)

Following the decision to initiate a global voluntary recall (pharmacy/retail level) of ranitidine products including Zinetac in India by the Ultimate Holding Company the Group during the previous year ended March 31, 2020 had undertakten comprehensive strategic review of the impact of this recall on all related assets in India including its manufacturing site at Vemgal. Consequent to the above, the Group had 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 had created provision of ₹ 40,33.00 lakhs on account of other related assets. After considering all the strategic options available, the Group decided to proceed with the sale of the assets at Vemgal site and classifed these assets as held for sale after considering additional impairment of ₹ 54,45.00 lakhs.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Impairment charge for the year ended March 31, 2020 included provision in respect of certain capital work-in-progress amounting to ₹ 26,31.00 lakhs due to abandonment of assets.

Capital work-in-progress:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	120,12.15	1002,64.42
Additions	20,95.67	99,62.37
Less:		
Capitalisation	(57,62.89)	(869,71.22)
Asset held for sale	(70,23.50)	-
Impairment (Refer Note 3(b) above)	-	(112,43.42)
Closing Balance	**13,21.43**	**120,12.15**

NOTE 4 : INVESTMENT PROPERTY

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	77.08	62.70
Depreciation	14.38	14.38
Closing Accumulated Depreciation	91.46	77.08
Net carrying amount	**1,34.95**	**1,49.33**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation	(14.38)	(14.38)
Amount recognised in the Statement of Profit and Loss (net)	(14.38)	(14.38)

(ii) Estimation of fair value

The Group has three properties (March 31, 2021: three properties) that have been considered as Investment Properties. These comprise of three vacant land sites (March 31, 2020: 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

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 ₹ 365,63.43 lakhs (March 31, 2020: ₹ 364,45.63 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.

NOTE 5 : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Amortisation						Net Carrying Value
	As at April 1, 2020	Additions	Disposals	Assets held for Sale (Refer Note 3(b) above)	As at March 31, 2021	As at April 1, 2020	Charge for the Year	On Disposals	On Assets held for Sale (Refer Note 3(b) above)	Impairment (Refer Note 3(b) above)	As at March 31, 2021	As at March 31, 2021
Intangible Assets												
Software	94,46.48	2,77.24	-	23,79.43	73,44.29	44,83.97	9,03.35	-	-	23,79.43	30,07.89	43,36.40
Total	**94,46.48**	**2,77.24**	**-**	**23,79.43**	**73,44.29**	**44,83.97**	**9,03.35**	**-**	**-**	**23,79.43**	**30,07.89**	**43,36.40**

(₹ in lakhs)

Particulars	Gross Carrying Value					Accumulated Amortisation						Net Carrying Value
	As at April 1, 2019	Additions	Disposals	Assets held for Sale	As at March 31, 2020	As at April 1, 2019	Charge for the Year	On Disposals	On Assets held for Sale	Impairment	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)

	As at March 31, 2021	As at March 31, 2020
NOTE 6 : NON-CURRENT FINANCIAL ASSETS - DEPOSITS		
Unsecured considered good	8,06.08	8,21.56
Unsecured considered doubtful	2,41.34	2,31.00
Less : Allowance for doubtful deposits	(2,41.34)	(2,31.00)
	8,06.08	**8,21.56**
NOTE 7 : NON-CURRENT FINANCIAL ASSETS - OTHERS		
Margin money / Deposit against bank guarantee	4,01.47	4,13.53
	4,01.47	**4,13.53**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 8 : OTHER NON-CURRENT ASSETS		
Capital advances	2,87.24	2,84.25
Less : Allowance for doubtful advances	(2,83.17)	(2,83.17)
	4.07	1.08
Balances with Government Authorities	15,86.97	11,88.77
Sundry Deposits	31,23.66	32,58.25
Others	3,02.02	3,03.26
	50,16.72	**47,51.36**
NOTE 9 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw and Packing materials (includes in-transit as on March 31, 2021: ₹ 9,06.49 lakhs; March 31, 2020 ₹ Nil)	100,34.63	76,47.89
Work-in-progress	1,30.12	30,72.62
Finished goods	127,87.81	92,38.26
Stock-in-trade (includes in-transit as on March 31, 2021: ₹ 17,11.20 lakhs; March 31, 2020 ₹ 23,20.70 lakhs)	313,38.13	280,02.46
Stores and spares	3,79.12	3,41.99
	546,69.81	**483,03.22**
NOTE 10 : TRADE RECEIVABLES		
Unsecured, Considered good	215,60.46	99,80.12
Receivables which have significant increase in Credit Risk (Refer Note 48 C)	20,07.07	18,01.02
Less : Allowance for doubtful receivables	(20,07.07)	(18,01.02)
	215,60.46	**99,80.12**

During the year ended March 31, 2021 the Group has created additional allowance for doubtful debts of ₹ 2,06.05 lakhs (net) (Previous Year: ₹ 2,74.08 lakhs).

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 11 : CASH AND CASH EQUIVALENTS		
Balances with Banks:		
Current account	206,11.92	35,39.21
Term deposits with original maturity period of less than three months	199,07.00	6,00.00
Cheques on hand	-	63,41.94
	405,18.92	**104,81.15**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances:		
Unclaimed dividend accounts	19,86.36	20,44.34
Term deposits with original maturity period of more than three months but less than twelve months	732,01.45	957,01.45
Margin money	91.12	93.39
	752,78.93	**978,39.18**
NOTE 13 : CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured considered good)		
Receivable from group companies	17,89.12	7,39.26
Interest accrued on deposits with banks	7,50.83	23,22.20
Advances recoverable	31.65	44.62
	25,71.60	**31,06.08**
NOTE 14 : OTHER CURRENT ASSETS		
Balances with Government Authorities	46,34.50	43,23.64
Advance to Creditors	9,82.18	15,43.00
Sundry advances	1,15.33	1,15.33
Prepayments and Prepaid Expenses	13,49.57	11,78.88
Others	5,72.29	6,06.31
	76,53.87	**77,67.16**
NOTE 15 : ASSETS CLASSIFIED AS HELD FOR SALE		
Freehold Land and Building	9.60	9.60
Plant and Machinery (Refer Note (a) below)	1.63	1.63
Assets at Vemgal location (Refer Note (b) below)	180,00.61	-
	180,11.84	**11.23**

Notes:-

(a) The amount includes Plant and Machinery from Mysore and Bangalore site held for sale.

(b) Assets at Vemgal location held for sale consequent to the binding sale agreement entered into by the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 16 : EQUITY SHARE CAPITAL		
Authorised		
18,00,00,000 (March 31, 2020: 18,00,00,000) equity shares of ₹ 10 each	180,00.00	180,00.00
Issued		
16,94,15,420 (March 31, 2020: 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, 2020: 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, 2020: 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.

		As at March 31, 2021		As at March 31, 2020	
		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	169,406,034	169,40.60
	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.

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

	As at March 31, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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	8,091,878	4.78%	9,483,374	5.60%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 17 : 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)	546,84.11	868,36.63
	1329,67.37	**1651,19.89**
NOTE 18 : NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
(Unsecured)		
Interest free deferred sales tax incentive	-	2.40
	-	**2.40**

Terms of repayment

Interest free deferred sales tax incentive as at March 31, 2021 of ₹ 2.40 lakhs (March 31, 2020 of ₹ 17.70 lakhs) availed under the 1993 Sales Tax Deferment Scheme which is repayable in one instalments closing on April 30, 2021. The current maturity amount as at March 31, 2021 is ₹ 2.40 lakhs (March 31, 2020: ₹ 15.30 lakhs) of the loan has been disclosed under Note 22.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 19 : NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Security deposits received (Unsecured)	2,05.09	2,06.60
Other non-current financial liabilities	0.72	0.72
Other financial lease liabilities (Refer Note 46)	20,24.99	26,83.72
	22,30.80	**28,91.04**
NOTE 20 : NON-CURRENT PROVISIONS		
For Pricing matters (Refer Note 40, 42 and 25)	123,96.15	123,96.15
For employee benefits (Refer Note 38)		
Gratuity	16,98.96	24,22.27
Leave encashment and compensated absences	34,94.48	32,07.75
Post retirement medical and other benefits	62,85.22	60,37.58
For long term incentive plan (Refer Note 25 and 52)	2,85.61	3,44.52
For divestment / restructuring (Refer Note 25)	1,92.96	1,92.96
For others (Refer Note 25)	15,96.50	15,73.22
	259,49.88	**261,74.45**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 21 : TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	5,26.94	5,21.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	459,20.06	351,84.64
	464,47.00	**357,06.02**
NOTE 22 : CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Interest free deferred sales tax incentive (Refer Note 18)	2.40	15.30
Unclaimed dividends *	19,86.36	20,44.34
Salaries, wages, bonus and employee benefits payable	126,97.57	95,55.20
Creditors for capital goods	2,17.03	24,03.59
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other financial lease liabilities - Current (Refer Note 46)	14,35.27	14,82.58
Other Payables	21,56.59	1,40.91
	186,25.50	**157,72.20**
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
NOTE 23 : OTHER CURRENT LIABILITIES		
Statutory dues including provident fund and tax deducted at source	61,94.09	44,33.03
Advance from Customers	4,90.96	3,79.55
Other liabilities	17,00.00	17,00.00
Advance received towards disposal of Vemgal Assets (Refer Note (a) below)	180,00.00	-
	263,85.05	**65,12.58**

Note:-

a) During the current year, the company had received money as advance towards disposal of Vemgal Assets consequent to the signing of a binding agreement to sell. However, actual transfer will be concluded in the subsequent year after obtaining all relevant statutory and other approvals / consents / permissions as required by law (Refer Note 15).

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
NOTE 24 : CURRENT PROVISIONS		
For employee benefits (Refer Note 38)		
Leave encashment and compensated absences	4,11.44	3,53.52
Post retirement medical and other benefits	3,36.01	3,26.13
For long term incentive plan (Refer Note 25 and 52)	10,18.81	6,61.55
For expected sales returns (Refer Note 25)	72,87.28	52,33.04
For others (Refer Note 25)	163,64.08	214,92.35
	254,17.62	**280,66.59**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 25 : 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 1, 2020	**-**	**123,96.15**	**10,06.07**	**1,92.96**	**52,33.04**	**64,10.87**	**31,51.74**	**18,91.00**	**116,11.96**
Add: Provision during the year	-	-	12,85.06	-	75,54.27	-	-	-	29,23.00
Less: Amounts utilised/reversed during the year	-	-	9,86.71	-	55,00.03	47,69.87	12,13.35	11,86.00	8,58.77
Balance as at March 31, 2021	**-**	**123,96.15**	**13,04.42**	**1,92.96**	**72,87.28**	**16,41.00**	**19,38.39**	**7,05.00**	**136,76.19**
Balance as at April 1, 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	-	52,71.55	71,24.76	63,25.51	18,91.00	64,70.59
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**	**52,33.04**	**64,10.87**	**31,51.74**	**18,91.00**	**116,11.96**

Notes:

(i) Rationalisation relating to a manufacturing site: This represented an estimated amount of cost required to be incurred to rationalise closed manufacturing site of the Group which was utilised/reversed during the previous 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 40, 41 and 42.

(iii) Long term incentive plan: Refer note 52.

(iv) Expected sales returns: This represents provision made for expected sales returns. Revenue is adjusted for the expected value of returns.

(v) Associated cost to impairment, cost to sell and severance pay: Refer note 3(b), note 37(b) and note 37(c) .

(vi) Provision for Zinetac (Other costs) : Refer note 37(a).

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 26 : REVENUE FROM OPERATIONS		
A. Sale of products		
Sale of products	3169,47.39	3187,35.11
	3169,47.39	**3187,35.11**
B. Other operating revenue		
Service income	20,42.25	23,78.72
Manufacturing charges recovery	3,66.06	11,73.34
Others	5,30.52	1,50.90
	29,38.83	**37,02.96**
Total Revenue from operations (A + B)	**3198,86.22**	**3224,38.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
C. Revenue from contracts with customers disaggregated based on geography		
Revenue from the Country of Domicile- India	3184,22.92	3206,92.12
Revenue from foreign countries	14,63.30	17,45.95
	3198,86.22	**3224,38.07**
D. Reconciliation of gross revenue with revenue from contracts with customers		
Gross revenue	3401,10.24	3325,23.99
Less:		
Trade discounts, volume rebates, etc.	231,62.85	137,88.88
Net revenue recognised from contracts with customers	**3169,47.39**	**3187,35.11**
NOTE 27 : OTHER INCOME		
Interest income on:		
Deposits with banks	39,00.37	65,78.56
Income Tax Refund	71,28.52	10,20.62
Loans	16.04	19.36
Others	12.56	2.01
Gain on disposal of Property, Plant and Equipment (net)	-	2,33.36
Liabilities Written Back	-	47.32
Miscellaneous income	0.78	0.01
	110,58.27	**79,01.24**
NOTE 28 : COST OF MATERIALS CONSUMED		
Cost of materials consumed	472,02.47	474,37.97
	472,02.47	**474,37.97**
NOTE 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening 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**
Less: Closing stock		
Finished goods	127,87.81	92,38.26
Stock-in-trade	313,38.13	280,02.46
Work-in-progress	1,30.12	30,72.62
	442,56.06	**403,13.34**
	(39,42.72)	**(35,43.27)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 30 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	563,60.56	571,05.16
Contributions to : Provident and pension funds (Refer Note 38)	24,51.01	25,81.71
Gratuity funds (Refer Note 38)	8,93.70	12,83.41
Staff welfare expense	17,63.52	18,85.07
	614,68.79	**628,55.35**
NOTE 31 : FINANCE COSTS		
On Security deposits	34.99	21.53
Interest in respect of financial lease liability	3,18.15	3,28.53
Interest on income tax payment	-	2,22.19
Others	-	61.30
	3,53.14	**6,33.55**
NOTE 32 : DEPRECIATION AND AMORTIZATION EXPENSE		
On Property, Plant and Equipment (Refer Note 3)	54,25.64	55,78.14
On Investment Properties (Refer Note 4)	14.38	14.38
On Other Intangible assets (Refer Note 5)	9,03.35	9,77.99
On Right to use Assets (Building) (Refer Note 46)	15,84.99	16,97.26
	79,28.36	**82,67.77**

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
NOTE 33 : OTHER EXPENSES		
Sales promotion	128,59.49	138,22.95
Stock point commission	19,90.22	19,96.50
Freight	42,42.60	54,17.01
Travelling	46,88.44	87,52.50
Loss on disposal of Property, Plant and Equipment (net)	5.88	-
Exchange loss (net)	-	12,36.98
Manufacturing charges	81,96.22	89,67.47
Repairs:		
Buildings	7,74.58	6,11.52
Plant and Machinery	13,74.18	11,01.80
	21,48.76	**17,13.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	3,10.36	1,08.21
Power, fuel and water	26,07.72	33,36.11
Rent	3,59.34	6,99.22
Rates and taxes	37,88.89	29,95.96
Printing, postage and telephones	9,19.37	11,07.60
Sales training, briefing and conference	91.92	10,51.32
Insurance	5,51.80	4,03.57
Remuneration to auditors :		
Statutory audit fees	1,00.00	1,00.00
In other capacity in respect of :		
Tax audit fees	7.00	6.00
Other services	2.50	1.00
Reimbursement of expenses	1.24	3.10
	1,10.74	**1,10.10**
Cost audit fees	5.92	9.77
Corporate social responsibility (Refer Note 36)	7,09.56	10,89.07
Commission to non whole-time Directors	1,43.06	95.21
Directors' sitting fees	49.00	34.50
Legal and professional fees	11,78.50	11,91.74
Miscellaneous	77,08.53	59,08.39
Reimbursement of expenses (net) (Refer Note 35)	49,47.29	30,23.54
	576,13.61	**630,71.04**

NOTE 34: The recurring expenditure on research and development charged off to revenue amounts to ₹ 1,80.72 lakhs (Previous Year: ₹ 2,18.02 lakhs)

NOTE 35: Reimbursement of expenses (net) are towards the value of costs apportioned, in accordance with the agreements on allocation of expenses with the group companies/ third parties.

NOTE 36 : EXPENSES TOWARDS CSR INCURRED BY THE PARENT COMPANY

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
a) Amount spent		
(i) Construction/ acquisition of the asset	-	-
(ii) On purposes other than (i) above	10,87.29	11,46.28
Total amount spent	**10,87.29**	**11,46.28**
The above includes allocation of ₹ 54.30 lakhs (Previous Year ₹ 57.21 lakhs) towards Corporate Social Responsibility which are shown under Employee Benefits Expenses in note 30.		
(b) Gross amount required to be spent by the Parent Company	10,86.04	11,44.25

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 37 : EXCEPTIONAL ITEMS (NET)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of property	1,84.09	546,30.28
Impairment of Assets (Refer Note 3(b)) and Note (c) below	(209,00.00)	(677,75.85)
Provision for product recall (Refer Note (a) below)	34,80.26	(108,08.80)
Redundancy Costs (Refer Note (b) below)	(24.04)	(76,14.63)
Impairment of Capital Work-in-Progress	-	(26,31.00)
Sale of Brands	-	50.69
	(172,59.69)	**(341,49.31)**

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 had initiated voluntary pharmacy/retail level recall of the Zinetac products above from the Indian market. Consequently, the Group had during the previous year ended March 31, 2020 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. During the year there has been reversal of these provisions of ₹ 34,80.26 lakhs.

b) ₹ 24.04 lakhs (Previous Year ₹ 59,14.63 lakhs) is on account of restructuring of manufacturing and commercial organisation. Also charge during the previous year of ₹ 17,00.00 lakhs on account of outstanding litigation matter.

c) Following the decision to initiate a global voluntary recall (pharmacy/retail level) by the Ultimate Holding Company of ranitidine products including Zinetac in India , the Group initiated a comprehensive strategic review of the impact of this recall on all related assets in India including the manufacturing site at Vemgal. After considering all the strategic options available, the Group during the quarter ended September 2020 had decided to proceed with the sale of the site and had classified the corresponding assets as held for sale. During the quarter ended March 31, 2021 the group entered into a binding agreement for the sale of these assets subject to necessary regulatory approvals. Consequently, the group has recognized an impairment of ₹ 249,45.00 lakhs (year ended March 31, 2020 ₹ 677,75.85 lakhs including costs to sell and associated costs) to reflect the estimated realizable value of the assets and reversal of associated costs ₹ 19,22.00 lakhs and reversal of cost to sell of ₹ 21,23.00 lakhs.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 38 : 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, 2021. 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, 2021	Year ended March 31, 2020
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	5,20.65	5,89.46
Employees' pension scheme	5,72.71	6,04.33

(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 ₹ 39,05.92 lakhs. (March 31, 2020: ₹ 35,61.27 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 Group's Consolidated Financial Statements as at balance sheet date:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021			Year ended March 31, 2020		
		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	99,85.25	63,63.71	579,20.62	97,27.99	38,83.15	532,07.18
	Amount recognised in Statement of profit and loss / Capitalised						
	Current service cost	7,32.30	63.74	13,69.22	7,05.70	37.50	13,82.19
	Past service cost	-	-	-	-	23,79.58	-
	Interest cost	6,61.71	4,25.30	39,35.09	6,91.37	2,76.97	39,62.81
		13,94.01	**4,89.04**	**53,04.31**	**13,97.07**	**26,94.05**	**53,45.00**
	Amount recognised in other comprehensive income						
	Actuarial loss / (gain) arising from:						
	Financial assumptions	1,39.03	38.80	-	5,59.16	3,85.52	-
	Demographic assumptions	21.64	(4.87)	-	-	-	-
	Experience adjustment	53.66	76.68	7,62.92	26.41	(2,51.96)	7.79
		2,14.33	**1,10.61**	**7,62.92**	**5,85.57**	**1,33.56**	**7.79**
	Contributions by employee	-	-	35,59.71	-	-	35,14.66
	Liabilities assumed on acquisition/(settled on divestiture)	19.86	-	(5,32.60)	(13.50)	-	(6,50.53)
	Benefits paid	(7,58.21)	(3,42.13)	(53,39.48)	(17,11.88)	(3,47.05)	(35,03.48)
	Closing defined benefit obligation	**108,55.24**	**66,21.23**	**616,75.48**	**99,85.25**	**63,63.71**	**579,20.62**
(ii)	**Change in Fair Value of Assets**						
	Opening fair value of plan assets	75,62.98	-	579,20.62	17,60.48	-	532,07.18
	Amount recognised in the Statement of Profit and Loss / Capitalised	-	-	-	-	-	-
	Expected return on plan assets	5,00.31	-	39,35.09	1,01.31	-	39,62.81
	Amount recognised in other comprehensive income						
	Actuarial gain / (loss)	51.20	-	7,62.92	2,63.07	-	7.79
	Contributions by employer	18,00.00	-	13,69.22	71,50.00	-	13,82.19
	Contributions by employee	-	-	35,59.71	-	-	35,14.66
	Assets Acquired on acquisition/(settled on divestiture)	-	-	(5,32.60)	-	-	(6,50.53)
	Benefits paid	(7,58.21)	-	(53,39.48)	(17,11.88)	-	(35,03.48)
	Closing fair value of plan assets	**91,56.28**	**-**	**616,75.48**	**75,62.98**	**-**	**579,20.62**
	Actual return on Plan Assets	5,51.51	-	46,98.01	3,64.38	-	39,70.60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021			Year ended March 31, 2020		
		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	7,32.30	63.74	13,69.22	7,05.70	37.50	13,82.19
	Past service cost	-	-	-	-	23,79.58	-
	Net interest expense	1,61.40	4,25.30	-	5,90.06	2,76.97	-
	Less : Employee Cost adjusted against provision for Vemgal	-	-	(11.57)	-	-	-
	Components of defined benefit costs recognised in the Statement of Profit and Loss	**8,93.70**	**4,89.04**	**13,57.65**	**12,95.76**	**26,94.05**	**13,82.19**
(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)	51.20	-	7,62.92	2,63.07	-	7.79
	Actuarial gain / (loss) arising from changes in demographic assumptions	(21.64)	4.87	-	-	-	-
	Actuarial gain / (loss) arising from changes in financial assumptions	(1,39.03)	(38.80)	-	(5,59.16)	(3,85.52)	-
	Actuarial gain / (loss) arising from changes in experience adjustments	(53.66)	(76.68)	(7,62.92)	(26.41)	2,51.96	(7.79)
	Components of defined benefit costs recognised in Other Comprehensive Income	**(1,63.13)**	**(1,10.61)**	**-**	**(3,22.50)**	**(1,33.56)**	**-**
(v)	**Amount recognised in the Balance Sheet**						
	Present value of obligations as at year end	108,55.24	66,21.23	616,75.48	99,85.25	63,63.71	579,20.62
	Fair value of plan assets as at year end	91,56.28	-	616,75.48	75,62.98	-	579,20.62
	Net (asset) / liability recognised as at year end	**16,98.96**	**66,21.23**	**-**	**24,22.27**	**63,63.71**	**-**
(vi)	**The major categories of plan assets are as follows:**						
	Government of India Securities	3%		49%	6%		47%
	Other debt instruments	1%		34%	11%		45%
	Special Deposit Scheme	8%		9%	0%		0%
	Insurer managed funds	87%		0%	82%		0%
	Others	1%		8%	1%		8%
(vii)	**Principal actuarial assumptions used**						
	Discount rate (p.a.)	6.90%	6.90%	6.90%	6.95%	6.95%	6.95%
	Expected rate of return on plan assets (p.a.)	6.90%		9.20%	6.95%		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, 2021 (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, 2021		Year ended March 31, 2020	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement) - Gratuity	-4.26%	4.60%	-4.34%	4.69%
Future salary growth (0.5% movement) - Gratuity	3.96%	-3.80%	4.14%	-3.94%
Discount rate (0.5% movement) - Post retirement medical benefit	-5.66%	6.28%	-5.60%	6.21%
Medical inflation rate (1% movement)	12.25%	-10.08%	12.61%	-10.00%
Life expectancy +/- 1 year	2.90%	-2.98%	2.94%	-3.01%

The above sensitivity analysis 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, 2022 is ₹ 12,00.00 lakhs (March 31, 2021: ₹ 12,00.00 lakhs)

The weighted average duration of defined benefit obligation is 8.85 years (March 31, 2020: 9.02 years)

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

(₹ in lakhs)

March 31, 2021	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Defined benefit obligations (Gratuity)	10,28.46	9,07.53	30,78.65	184,72.88	234,87.52
Post employment medical benefits	3,36.01	3,57.75	11,88.13	185,99.73	204,81.62
Total	**13,64.47**	**12,65.28**	**42,66.78**	**370,72.61**	**439,69.14**

(₹ 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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 39 : CONTINGENT LIABILITIES

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
A.	**Contingent Liabilities not provided for:**		
(i)	Cheques discounted with banks	10,51.84	16,77.01
(ii)	In respect of claims made against the Group not acknowledged as debts by the Group		
	(a) Sales tax matters	58,40.76	58,03.04
	(b) Excise and custom matters	8,75.87	8,31.50
	(c) Service tax matters	1,29.20	1,29.20
	(d) Labour matters	64,02.42	62,68.76
	(e) Other legal matters (Refer Note 41)	25,47.72	25,47.72
		157,95.97	**155,80.22**
(iii)	Income-tax matters in respect of which appeals are pending		
	Tax on matters in dispute	320,56.83	302,11.22
(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.

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
B.	**Commitments**		
(i)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at March 31, 2021 mainly comprises the investments in the capital assets at corporate office and site and as at March 31, 2020 mainly comprised the ongoing investments in the corporate office renovations and other miscellaneous capitalisations at site.	7,45.59	11,61.90
	(Refer Note (a) below)		
(ii)	Uncalled liability on partly paid shares:		
	- in Hill Properties Limited	0.04	0.04
	(Refer note (b) 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, 2021 mainly comprises the investments in the capital assets at corporate office and site and as at March 31, 2020 mainly comprised the ongoing investments in the corporate office renovations and other miscellaneous capitalisations at site.

(b) 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, 2021 (contd.)

NOTE 40 : PRICING MATTERS

The demand of ₹ 71,79.00 lakhs made by the Central Government on the GlaxoSmithKline Pharmaceuticals Limited ("the Company") in respect of Betamethasone bulk drugs and formulations made therefrom during the period May 1981 to August 1987 has been under litigation for a period spanning nearly 30 years. Pursuant to the special leave petition of the Central Government in the Supreme Court of India against the Delhi High Court's Judgement 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 ₹ 18,68.00 lakhs in earlier years and a further provision of ₹ 53,11.00 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 ₹ 63,60.00 lakhs, which together with the amount of ₹ 8,19 lakhs previously deposited with the Government, aggregates the demand of ₹ 71,79.00 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 ₹ 117,66.00 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 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 ₹ 247,44.00 lakhs. Without prejudice to the position that interest is not payable, the Company has recognized a provision of ₹ 247,44.00 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 ₹ 136,82.00 lakhs in three equal installments within six month's time from the date of order. All three installments 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. The Company's counsel has been routinely appearing in the matter and urging the Delhi High Court to hear the matter expeditiously considering it is at final hearing stage and has been pending for a long time. The counsel has also cited the significant sums involved; however, the Court is not inclined to take this matter out of turn and is currently hearing urgent matters only due to the ongoing Covid 19 situation. Next date of the matter is July 15, 2021.

NOTE 41 : 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Erstwhile BWIL had accordingly furnished the required bank guarantee. If calculated on the basis of correct data, taking into account set offs claimable for earlier years for which data has been provided by erstwhile BWIL, no amount will be payable by the Company and accordingly no provision in that respect is considered necessary. The Company's stand that the demand is not sustainable has been confirmed by an eminent counsel. The Government of India's application in the Supreme Court praying that the writ petition be transferred to the the Supreme Court from the Bombay High Court was not allowed and the Company's writ petition will now be heard by the Bombay High Court.

(ii) Erstwhile BWIL had made an application to the Government of India for approval under Section 198(4) of the Companies Act, 1956, in respect of payment to the Managing Director and three whole time Directors amounting to ₹ 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 42 : Biddle Sawyer Limited (BSL) received a letter dated 20th/24th August, 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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 44 : DISCLOSURES AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE AS UNDER:

(₹ in lakhs)

			As at March 31, 2021	As at March 31, 2020
(a)	The principal amount and the interest due thereon remaining unpaid to suppliers			
	(i)	Principal	4,64.80	4,60.08
	(ii)	Interest due thereon	62.14	61.30
			5,26.94	**5,21.38**
(b)	(i)	The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	31,87.11	30,33.74
	(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	0.84	53.90
	(ii)	Total Interest accrued during the year and remaining unpaid	0.84	53.90

The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

NOTE 45 : TAX EXPENSE

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

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
Current tax on profits for the year	184,30.17	235,31.46
Current tax on account of earlier years	-	24,85.62
Total current tax expense	184,30.17	260,17.08
Deferred tax		
In respect of current year	8,04.93	(64,09.44)
Adjustment to deferred tax attributable to change in income tax rate	-	16,47.21
Total Deferred tax (benefit) / expense	8,04.93	(47,62.23)
Total tax expense	**192,35.10**	**212,54.85**

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

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	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	(2,73.74)	68.90	(2,04.84)	(4,56.06)	64.27	(3,91.79)
	(2,73.74)	**68.90**	**(2,04.84)**	**(4,56.06)**	**64.27**	**(3,91.79)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	550,49.83	305,75.31
Tax using the Company's domestic tax rate at 25.168% on Normal Profit	138,08.61	(60,68.37)
Tax using the Company's domestic tax rate in terms of Long Term Capital Gain at 22.88%	42.12	125,11.01
Total Tax	**138,50.73**	**64,42.64**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	2,59.98	1,74.02
Donations	-	1,00.08
Due to 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
Impairment of assets	52,60.11	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)
Actual utilisation of Vemgal related cost	(1,77.00)	-
Other items	41.28	5,54.07
Tax effect on account of earlier years:		
Current tax on account of earlier years:	-	24,85.62
Total tax Expense	**192,35.10**	**212,54.85**

Consequent to the reconciliation items shown above, the effective tax rate is 34.94% (Financial Year 2019-20: 69.52%)

(d) Movement in deferred tax balances

(₹ in lakhs)

Particulars	Balance as at April 1, 2020	Recognised in the Statement of Profit and Loss	Recognised in OCI	Balance as at March 31, 2021
Deferred tax asset				
Provision for Employee Benefits	25,97.91	1,27.13	68.90	27,93.94
Voluntary retirement schemes	3,81.89	(99.21)	-	2,82.68
Allowance for doubtful debts	5,22.44	51.86	-	5,74.30
Interest on income tax refund not accounted but considered as taxable under the Income Tax Act,1961	16,30.54	-	-	16,30.54
Expenses allowable for tax purpose when paid	76,39.66	(10,51.43)	-	65,88.23
Total Deferred tax asset	**127,72.44**	**(9,71.65)**	**68.90**	**118,69.69**
Deferred tax liabilities				
Fiscal allowance on Property, Plant and Equipment and Other Intangible assets	(17,23.80)	1,66.72	-	(15,57.08)
Deferred tax asset (net)	**110,48.64**	**(8,04.93)**	**68.90**	**103,12.61**

Note: Deferred Tax asset will be recognized in the books of account on completion of sale of assets at Vemgal site, after obtaining necessary regulatory approvals. Deferred Tax recognized earlier on Book Depreciation of Vemgal Assets will get reversed in the year of Sale of Vemgal Assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

Particulars	Balance as at April 1, 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	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.

NOTE 46 : LEASES

Future contractual charges on leases:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in lakhs)

0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Above 5 years
14,35.27	10,50.32	6,33.70	2,56.70	84.27	-

Right of use asset (₹ in lakhs)

Particulars	Buildings
Balance as on April 1, 2020	39,33.57
Additions	7,77.85
Less: Depreciation	(15,84.99)
Balance as on March 31, 2021	**31,26.43**

Other financial lease liabilities (₹ in lakhs)

Particulars	Buildings
Lease liabilities recognised as at April 1, 2020	**41,66.30**
Additions	7,77.04
Add: Interest accrued during the period	3,18.15
Less: Payments	(18,01.23)
Lease liabilities recognised as at March 31, 2021	**34,60.26**
Current lease liabilities	14,35.27
Non current lease liabilities	20,24.99

Borrowing rate - discounting rate used by the Group

The lessee's weighted average incremental borrowing rate applied to the lease liabilities was 7.26% to 7.59%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 47 : EARNINGS PER SHARE

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year	Rupees in lakhs	358,14.73	93,20.46
Weighted average number of shares	Nos.	169,406,034	169,406,034
Earnings per share before Exceptional items (Basic and Diluted)	₹	31.35	26.70
Earnings per share after Exceptional items (Basic and Diluted)	₹	21.14	5.50
Face value per share	₹	10	10

NOTE 48 : 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, 2021	As at March 31, 2020
Financial assets at amortised cost		
Security Deposits	8,06.08	8,21.56
Margin money/ Deposit against bank guarantee	4,01.47	4,13.53
Trade receivables	215,60.46	99,80.12
Cash and cash equivalents	405,18.92	104,81.15
Bank balances other than Cash and cash equivalents	752,78.93	978,39.18
Interest accrued on deposits with bank	7,50.83	23,22.20
Receivable from group companies	17,89.12	7,39.26
Advances recoverable	31.65	44.62
Total financial assets	**1411,37.46**	**1226,41.62**
Financial liabilities at amortised cost		
Borrowings	2.40	17.70
Other financial lease liabilities	34,60.26	41,66.30
Security deposits received	2,05.09	2,06.60
Payable to employees	126,97.57	95,55.20
Unclaimed dividends	19,86.36	20,44.34
Trade payables	464,47.00	357,06.02
Creditors for capital goods	2,17.03	24,03.59
Rationalisation relating to a manufacturing site	1,30.28	1,30.28
Other Payables	21,57.31	1,41.63
Total financial liabilities	**673,03.30**	**543,71.66**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(a) Financial instruments that are recognised and measured at fair value

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 : It includes financial instruments measured using quoted prices

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(b) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Security Deposits		
Carrying value	8,06.08	8,21.56
Fair value	8,06.08	8,21.56
Margin money/ Deposit against bank guarantee		
Carrying value	4,01.47	4,13.53
Fair value	4,01.47	4,13.53
Financial liabilities		
Borrowings		
Carrying value	2.40	17.70
Fair value	2.40	17.70
Other financial lease liabilities		
Carrying value	34,60.26	41,66.30
Fair value	34,60.26	41,66.30
Security deposits received		
Carrying value	2,05.09	2,06.60
Fair value	2,05.09	2,06.60

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

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, 2021 related to customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

In case of receivables from wholesale customers and hospitals, the Group has followed a provision approach consistent with expected credit loss approach as per Ind AS 109.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

Summary of the Group's ageing of outstanding from various customers and impairment for expected credit Loss is as follows:

(₹ in lakhs)

As at March 31, 2021	Gross Carrying amount	Expected Credit Losses	Carrying amount of trade receivables (net of Expected Credit loss)
Not due	142,11.27	5.01	142,06.26
Past due 0-180 days	68,65.75	61.26	68,04.49
Past due 181-365 days	96.79	31.93	64.86
Past due 366-730 days	5,97.67	1,56.96	4,40.71
Past due 731-1095 days	1,95.43	1,51.29	44.14
Past due more than 3 years	16,00.62	16,00.62	-
Total	**235,67.53**	**20,07.07**	**215,60.46**

(₹ 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**

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, 2021, the Group had working capital of ₹ 870,18.00 lakhs, including cash and cash equivalents of ₹ 405,18.92 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 ₹ 732,01.45 lakhs.

As of March 31, 2020, the Group had working capital of ₹ 752,93.13 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (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, 2021	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	2.40	2.40	2.40	-	-	-
Trade Payables and other payables	616,49.19	616,49.19	616,49.19	-	-	-
Unclaimed dividends	19,86.36	19,86.36	19,86.36	-	-	-
Security deposits received	2,05.09	2,05.09	-	-	2,05.09	-

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

(₹ 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	479,36.72	479,36.72	479,36.00	-	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	-

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, 2021 (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, 2021				As at March 31, 2020			
	GBP	USD	EUR	Others	GBP	USD	EUR	Others
Current Financial assets	4,45.84	-	4.31	-	27.56	-	-	-
Trade payables	(24,01.30)	(97,22.69)	(6,21.51)	(93.11)	(13,05.69)	(47,19.02)	(1,58.27)	(81.74)
Capital Creditors	-	(6.03)	-	-	-	(1,25.96)	(10,07.08)	-
Net statement of financial position exposure	(19,55.46)	(97,28.72)	(6,17.20)	(93.11)	(12,78.13)	(48,44.98)	(11,65.35)	(81.74)

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, 2021					
GBP	5%	(97.77)	97.77	-	-
USD	5%	(4,86.44)	4,86.44	-	-
EUR	5%	(30.86)	30.86	-	-
Other currencies	5%	(4.66)	4.66	-	-

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	-	-

(Note: The impact is indicated on the profit/loss before tax basis)

NOTE 49 : 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, 2021 and March 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(b) Dividend distribution and proposed dividend

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Equity shares		
	Final dividend for the year ended March 31, 2020 of ₹ 40 (March 31, 2019: ₹ 20) per fully paid share	677,62.41	338,81.21
(ii)	Dividend Distribution Tax on the above	-	69,64.38
(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 ₹ 30 per fully paid equity share (March 31, 2020: ₹ 40 per fully paid equity share (including special dividend of ₹ 20 per equity share)). The proposed dividend for the year ended March 31, 2021 is subject to the approval of shareholders in the ensuing annual general meeting.	508,24.63	677,62.41
(iv)	Dividend Distribution Tax on the above (Refer note below)	-	-

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.

NOTE 50 : 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, 2021	Year ended March 31, 2020
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	3184,22.92	3206,92.12
Revenue from foreign countries	14,63.30	17,45.95
Total	**3198,86.22**	**3224,38.07**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Details of non current asset		
Non Current asset from the Country of Domicile- India	795,50.49	1235,51.52
Non Current asset from foreign countries	-	-
Total	**795,50.49**	**1235,51.52**

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, 2021 (contd.)

NOTE 51 : 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

Laboratoire GlaxoSmithKline S.A.S., France*

GlaxoSmithKline Pharmaceutical Sdn Bhd, Malaysia

GlaxoSmithKline Export Limited, U.K.

SmithKline Beecham Pharmaceuticals, U.S.A

GlaxoSmithKline Latin America S.A*

GlaxoSmithKline Pakistan Limited, Pakistan*

GlaxoSmithKline Research & Development Ltd, U.K

GlaxoSmithKline Corporate Centre, U.S.A*

GlaxoSmithkline Philippines Inc., Philippines*

GlaxoSmithKline Australia Pty Limited, Australia*

GlaxoSmithKline Canada Inc, Canada*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

GlaxoSmithKline Trading Services Limited, Ireland

GlaxoSmithKline Limited, Hong Kong*

GlaxoSmithKline South Africa (Pty) Ltd, South Africa

GlaxoSmithKline LLC, U.S.A*

GlaxoSmithKline Limited, Kenya*

GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria*

Stiefel India Private Limited, India

GSK India Global Services Private Limited

Glaxo Wellcome Ceylon Ltd., Sri Lanka*

US Pharmaceuticals, U.S.A.*

GlaxoSmithKline Pharmaceutical Ltd., Sri Lanka

ViiV Healthcare Limited, U.K.*

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

GlaxoSmithKline S.A.E., Egypt*

GlaxoSmithKline Inc, Philadelphia*

GlaxoSmithKline Manufacturing SPA, Italy*

GlaxoSmithKline Intellectual Property Limited*

GlaxoSmithKline (Thailand) Ltd.

* no transactions during the year

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

Directors:

Ms. P. Thakur #

Mr. S. Venkatesh # (w.e.f. April 1, 2020)

Mr. M. Dawson (w.e.f. Janaury 28, 2021)

Ms. S.Maheshwari (w.e.f. May 18, 2020)

Mr. N. Kaviratne

Mr. P. Bhide

Ms. R. S. Karnad

Mr. A. N. Roy

Mr. D. Sundaram

Mr. S. Williams

Mr. R. Krishnaswamy # (upto January 27, 2021)

Ms. A. Bansal (upto March 29, 2020)

Mr. A. Vaidheesh # (upto March 31, 2020)

GSK India Leadership Team:

Mr. A. Nadkarni

Mr. R. D'souza

Mr. S. Dheri

Ms. S. Choudhary

Mr. B. Kotak (upto March 31, 2021)

Mr. A. Iyer (upto March 31, 2021)

Mr. S. Balasubramanian

Mr. A. Kashyap (w.e.f. May 28, 2020)

Mr. B. Akshikar (w.e.f. December 1, 2020)

Mr. C. Sharma (w.e.f. December 1, 2020)

Mr. N. Hindia (w.e.f. June 1, 2018 upto March 22, 2020 and w.e.f. January 4, 2021)

Ms. M. Priyam (upto August 31, 2020)

Ms. D. Jakate (upto January 31, 2021)

Ms. S. Zota (w.e.f. March 23, 2020 upto December 31, 2020)

Mr. G. Kotian (w.e.f. October 1, 2018 upto October 31, 2019)

Mr. N. Sudrik (w.e.f. October 1, 2018 upto October 31, 2019)

Ms. S. Ghosh(w.e.f. August 25, 2020 upto December 1, 2020)

Also member of GSK India Leadership Team

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (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, 2021	Year ended March 31, 2020
Glaxo Group Limited, U.K.	219,49.38	121,94.10
GlaxoSmithKline Pte Limited, Singapore	171,37.45	95,20.80
Eskaylab Limited, U.K.	42,33.60	23,52.00
Burroughs Wellcome International Limited, U.K.	24,19.20	13,44.00

(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(ii)	
		Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
1	Purchase of materials/traded goods	-	-	629,73.24	634,52.35
2	Sale of materials/sale of products	-	-	9,95.96	23.92
3	Sale of laptops	-	-	-	28.56
4	Expenses recharged to other companies	-	36.05	17,62.76	27,93.64
5	Expenses recharged by other companies	49.56	-	96,35.07	74,67.46
6	Manufacturing charges recovered	-	-	4,31.95	13,84.54
7	Clinical research and data management recoveries	-	-	9,36.45	8,98.26
8	Liabilities written back	-	-	77.24	-
9	Employee benefit liabilities transferred to a related party	-	-	19.86	13.51
10	Outstanding receivables at the period end	-	-	17,74.40	7,30.82
11	Outstanding payables at the period end	46.17	-	118,94.44	56,77.24
12	Cross charges recoverable at the period end	-	-	4.82	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, 2021	Year ended March 31, 2020
(a)	Purchase of materials / traded goods:		
	GlaxoSmithKline Asia Private Limited, India	12,33.36	15,78.80
	GlaxoSmithKline Biologicals S.A., Belgium	540,30.11	497,07.76
	Stiefel India Private Limited, India	10,51.03	29,26.99
	GlaxoSmithKline Export Limited, U.K.	66,58.74	85,60.10
(b)	Sale of materials/sale of products:		
	GlaxoSmithKline Trading Services Limited, Ireland	63.17	23.92
	GlaxoSmithKline Export Limited, U.K.	9,32.79	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(c)	Expenses recharged to other companies:		
	GlaxoSmithKline Asia Private Limited, India	5,74.13	9,02.47
	GSK India Global Services Private Limited	2,89.03	-
	GSK Pharmaceuticals Pvt. Ltd. , Srilanka	36.73	-
	GlaxoSmithKline Pharmaceuticals S.A., Belgium	5.65	17.37
	GlaxoSmithKline Export Limited, U.K.	4,15.60	4,70.03
	GlaxoSmithKline Biologicals S.A., Belgium	1,60.00	78.21
	GlaxoSmithKline Research & Development Ltd, U.K.	10.34	41.78
	GlaxoSmithKline Services Unlimited, U.K.	4,59.07	4,11.65
	Glaxo Operations UK Limited, U.K.	4,59.91	4,57.88
	GlaxoSmithKline Trading Services Limited, Ireland	2,97.64	2,48.65
	GlaxoSmithKline Pharmaceutical Nigeria Limited, Nigeria	-	36.12
	GlaxoSmithKline Pte Limited, Singapore	-	36.05
(d)	Expenses recharged by other companies:		
	GlaxoSmithKline Consumer Healthcare Limited, India	-	72,03.67
	GlaxoSmithKline Services Unlimited, U.K.	1,19.84	1,23.30
	SmithKline Beecham Pharmaceuticals, U.S.A	97.50	-
	SmithKline Beecham Limited, U.K.	30.22	15.95
	GlaxoSmithKline Pte Limited, Singapore	49.56	-
	GlaxoSmithKline Asia Private Limited, India	93,87.51	1,24.54
(e)	Manufacturing charges recovered:		
	GlaxoSmithKline Asia Private Limited, India	4,31.95	13,84.54
(f)	Clinical research and data management recoveries:		
	GlaxoSmithKline Biologicals S.A., Belgium	7,84.03	7,48.60
	GlaxoSmithKline Research & Development Ltd, U.K.	1,00.44	1,49.66
(g)	Sale of laptops:		
	GlaxoSmithKline Asia Private Limited, India	-	28.56
(h)	Liabilities written back:		
	GlaxoSmithKline South Africa (Pty) Ltd, South Africa	77.24	-
(i)	Employee benefit liabilities transferred to a related party:		
	GlaxoSmithKline Asia Private Limited, India	19.86	13.51

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		As at March 31, 2021
(j)	Outstanding receivables at the period end :	
	GlaxoSmithKline Biologicals S.A., Belgium	1,57.35
	GlaxoSmithKline Export Limited, U.K.	10,63.89
	GlaxoSmithKline Research & Development Ltd., U.K.	15.70
	GlaxoSmithKline Services Unlimited, U.K.	66.46
	Glaxo Operations UK Limited, U.K.	1,32.05
	GSK India Global Services Private Limited	2,83.84

(₹ in lakhs)

		As at March 31, 2021
(k)	Outstanding payables at the period end :	
	GlaxoSmithKline Pte Limited, Singapore	46.17
	GlaxoSmithKline Biologicals S.A., Belgium	75,78.57
	GlaxoSmithKline Export Limited, U.K.	23,27.92
	Stiefel India Private Limited, India	1,49.50
	GlaxoSmithKline Services Unlimited, U.K.	32.50
	GlaxoSmithKline Asia Private Limited, India	17,79.02
	SmithKline Beecham Limited, U.K.	26.68

(₹ in lakhs)

		As at March 31, 2021
(l)	Cross charges recoverable at the period end :	
	GSK India Global Services Private Limited	4.82

(₹ in lakhs)

		As at March 31, 2020
(m)	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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		As at March 31, 2020
(n)	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	23.03
	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
(o)	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

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

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
1	Remuneration / commission / sitting fees	37,93.20	40,91.89
2	Payments under the long-term incentive plan	2,95.47	5,16.49

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

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Remuneration / commission / sitting fees (Refer Note below):		
	Mr. A. Vaidheesh	-	9,47.67
	Mr. S. Venkatesh	8,21.46	-
	Mr. A. Iyer	3,42.86	4,54.17
	Mr. R. Krishnaswamy	5,01.22	2,60.48
	Ms. P. Thakur	3,27.63	3,98.40
	Ms. M. Priyam	1,24.19	4,13.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
(b)	Payments made during the year under the long-term incentive plan (Refer Note below):		
	Mr. A. Vaidheesh	-	3,26.95
	Ms. P. Thakur	27.89	35.36
	Mr. R. Krishnaswamy	53.24	28.90
	Mr. S. Dheri	26.48	31.82
	Mr. A. Iyer	89.16	11.48
	Mr. B. Kotak	43.36	-

Note: Amounts are not comparable as they pertain to part of the year and/ or are recorded on cash payment basis.

NOTE 52 : SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Share Awards (RSAs)

Certain employees of the Group are entitled to receive cash settled stock based awards ('awards') pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc').

Under this plan, certain employees are granted cash settled RSAs at no cost, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after two and a half to three year vesting period during which the employee has to remain in continuous employment with the Group. These RSA's do not give any voting rights or the right to accrue dividends.

The fair value of these awards is determined based on the closing share price on the day of grant, after deducting the expected future dividend yield of 5% (Previous Year 4.2%) over the duration of the award.

Reconciliation of RSAs

	Number of RSA
As at April 1, 2019	139,839
Granted	122,201
Exercised *	(43,148)
Cancelled**	(50,616)
As at March 31, 2020	**168,276**
Granted	95,703
Exercised *	(61,387)
Cancelled**	(37,408)
As at March 31, 2021	**165,184**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2021 was GBP 12.88 (March 31, 2020 GBP 15.15)

** Also includes for employees transferred

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (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, 2021	Year ended March 31, 2020
Restricted Share Awards (RSAs)	12,85.06	13,21.17

Carrying amount of liability (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Carrying amount of liability included in long term incentive plan (Notes 20 and 24)	13,04.42	10,06.07

NOTE 53 : 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

(₹ in lakhs)

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, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Parent								
GlaxoSmithKline Pharmaceuticals Limited	99.36%	1489,50.00	99.57%	356,59.98	100.00%	(2,04.84)	99.57%	354,55.14
Subsidiary								
Indian								
Biddle Sawyer Limited	0.64%	9,57.97	0.43%	1,54.75	0.00%	-	0.43%	1,54.75
Total	100.00%	1499,07.97	100.00%	358,14.73	100.00%	(2,04.84)	100.00%	356,09.89

	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)	-	-	(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

* 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, 2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021 (contd.)

NOTE 54 : EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended a Dividend of ₹ 30 per equity share of face value of ₹ 10 each for this year. (March 31, 2020: ₹ 40 per share) (Refer Note 49 (b)).

NOTE 55:

The spread of Covid-19 is having an unprecedented impact on people and economy. This has impacted our operations and results for the year ended March 31, 2021. 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 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 impact assessment of Covid-19 is a continuing process given the uncertainities and the Group will continue to closely monitor the developments.

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, 2021

In terms of our report attached			
For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors		
Chartered Accountants	R. S. Karnad	Chairperson	DIN: 00008064
	S. Venkatesh	Managing Director	DIN: 07263117
Rupen K. Bhatt	P. Thakur	CFO & Whole-time Director	DIN: 07971789
Partner	D. Sundaram	Audit Committee Chairman	DIN: 00016304
	A. Nadkarni	Company Secretary	FCS 10460
Mumbai, May 18, 2021	Mumbai, May 18, 2021		

NOTES

NOTES

NOTES

GlaxoSmithKline Pharmaceuticals Limited
GSK House, Dr. Annie Besant Road, Mumbai - 400 030.
Tel: 022-2495 9595
www.gsk-india.com

WyattPrism Communications