GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED

Annual Report

FOR THE YEAR ENDED MARCH 31, 2017


gsk
“In a study, it was found that up to
9 in 10 children’s diets could be
DEFICIENT in micronutrients*”
CLINICALLY PROVEN^
Horlicks
gsk
TALLER
STRONGER
SHARPER
CLASSIC MALT
500g
• Taller
• Stronger+
• Sharper++
*Iron Vit. B1, B2, B3, B12, A & Folate. Krishnaswamy GJ et. al, Adequacy of Nutrient Intakes in Urban School Children. Poster (CMN-P-053) presented at: Nutrition Risk Management and Nutrition. 48th Annual National Conference of Nutrition Society of India; 4th – 5th November 2016, Bengaluru, India. +More muscles. ++Increase in attention and concentration scores. Horlicks is nourishing beverage to be taken as a part of daily diet. ^Claims based on a study conducted in 1999-2000 and published in Nutrition: 22 (2006) S1-S39, comparing micronutrient enriched beverage vs. non-fortified placebo. Claims based on a recommended daily serve of 2 cups (54g).

GLAXOSMITHKLINE
CONSUMER HEALTHCARE LIMITED

Contents

Registrars And Transfer Agents:
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B
Plot No. 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad - 500 008

Website: www.gsk-ch.in

Investor Email ID: investor.2.co@gsk.com

Corporate Identity Number: L24231PB1958PLC002257

Chairman
Subodh Bhargava

Managing Director
Manoj Kumar

Directors
Kunal Kashyap
Mukesh H. Butani
Naresh Dayal
Sangeeta Talwar
P. Dwarakanath
Vivek Anand
Jonathan Box (till 17.05.2016)
Joaquin B Mascaro (w.e.f. 18.05.2016)
Jaiboy J. Phillips (till 31.08.2016)
Anup Dhingra (w.e.f. 01.09.2016)

Company Secretary
Sonali Khanna (till 17.05.2016)
Shanu Saksena (w.e.f 05.08.2016)

Bankers
State Bank of India
HDFC Bank Limited
HSBC Bank
Deutsche Bank A.G.
ANZ Bank
DBS Bank
Standard Chartered Bank
Citibank N.A.
Bank Of America
Barclays Bank

Auditors
Price Waterhouse

Registered Office
Patiala Road, Nabha – 147 201 (Punjab)

Head Office
24 & 25 Floor, One Horizon Centre, DLF Phase - V
Gurugram – 122 002 (Haryana)

Financial Statistics

Ten Year Financial Statistics

(Rs. Lacs)

	2007	2008	2009	2010	2011*	2012*	2013-14* (15 Months)	2014-15**	2015-16**^ (Ind AS)	2016-17**^ (Ind AS)
SOURCES AND APPLICATIONS OF FUNDS										
SOURCES OF FUNDS										
SHARE CAPITAL	42,06	42,06	42,06	42,06	42,06	42,06	42,06	42,06	42,06	42,06
RESERVES & SURPLUS	6,04,29	7,18,82	8,63,04	9,17,98	11,02,12	13,18,92	17,70,79	20,70,98	27,56,65	30,80,61
TOTAL SHAREHOLDERS' FUNDS	6,46,35	7,60,88	9,05,10	9,60,04	11,44,18	13,60,98	18,12,85	21,13,04	27,98,71	31,22,67
FUNDS EMPLOYED	**6,46,35**	**7,60,88**	**9,05,10**	**9,60,04**	**11,44,18**	**13,60,98**	**18,12,85**	**21,13,04**	**27,98,71**	**31,22,67**
DEFERRED TAX LIABILITIES	17,28	6,58	-	-	-	-	-	-	-	-
TOTAL	**6,63,63**	**7,67,46**	**9,05,10**	**9,60,04**	**11,44,18**	**13,60,98**	**18,12,85**	**21,13,04**	**27,98,71**	**31,22,67**
APPLICATION OF FUNDS										
GROSS FIXED ASSETS	5,40,99	5,55,34	5,96,26	7,07,29	7,85,82	8,53,47	8,93,07	11,01,60	6,20,82***	6,89,27***
DEPRECIATION	2,97,65	3,29,24	3,64,00	3,96,71	4,35,97	4,62,40	5,14,71	5,67,54	88,16***	1,44,17***
NET FIXED ASSETS	2,43,34	2,26,10	2,32,26	3,10,58	3,49,85	3,91,07	3,78,36	5,34,06	5,32,66***	5,45,10***
INVESTMENTS	2,97,83	0.05	0.05	0.05	-	-	-	-	-	-
DEFERRED TAX ASSET	-	-	11,01	26,73	39,89	61,63	90,30	1,04,34	1,13,13	1,27,80
NET ASSETS (CURRENT AND NON CURRENT)	1,22,46	5,41,36	6,61,83	6,22,73	7,54,44	9,08,28	13,44,19	14,74,64	21,52,92	24,49,77
TOTAL APPLICATION	**6,63,63**	**7,67,46**	**9,05,10**	**9,60,04**	**11,44,18**	**13,60,98**	**18,12,85**	**21,13,04**	**27,98,71**	**31,22,67**

**2011, 2012 and 2013-14 based on Revised Schedule VI*
***2014-15, 2015-16 and 2016-17 based on Schedule III*
****For 2015-16 and 2016-17, the Company has availed the deemed cost exemption and used the previous GAAP net carrying amount of property, plant and equipment including capital work in progress as deemed cost. Refer Note 3 of Financial Statements*
^2015-16 and 2016-17 are stated as per Ind AS

Ten Year Track Record

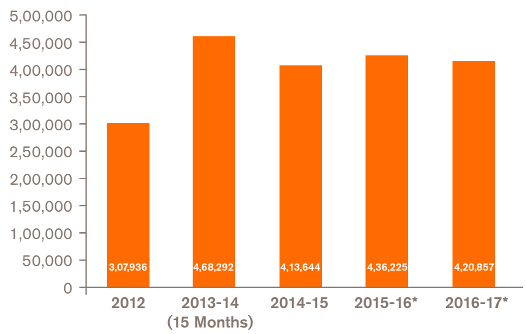
(Rs. Lacs)

	2007	2008	2009	2010	2011	2012	2013-14 (15 Months)	2014-15	2015-16 (Ind AS)*	2016-17 (Ind AS)*
TURNOVER	12,78,46	15,42,78	19,21,50	23,06,12	26,85,51	30,79,36	46,82,92	41,36,44	43,62,25	42,08,57
PROFIT BEFORE TAX	2,45,12	2,85,71	3,53,86	4,51,80	5,40,26	6,48,69	10,16,07	8,89,14	10,55,95	10,10,42
NET PROFIT	1,62,68	1,88,33	2,32,78	2,99,85	3,55,21	4,36,76	6,74,75	5,83,60	6,87,28	6,56,68
OTHER COMPREHENSIVE INCOME (NET)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	(3,91)	21,60
TOTAL COMPREHENSIVE INCOME	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6,83,37	6,78,28
DIVIDEND	50,47	63,08	75,70	2,10,28	1,47,19	1,89,25	1,89,25	2,31,31	2,31,31**	2,94,39**
CORPORATE DIVIDEND TAX	8,58	10,72	12,87	34,92	23,88	30,70	32,16	47,09	47,09**	59,93**
RETAINED EARNINGS	1,03,63	1,14,53	1,44,22	54,65	1,84,13	2,16,80	4,51,87	3,05,21	4,04,98**	3,23,96**
DIVIDEND - %	1,20	1,50	1,80	5,00	3,50	4,50	4,50	5,50	5,50	7,00
EARNINGS PER SHARE (Rs.)	38.68	44.78	55.35	71.30	84.46	103.75	160.44	138.77	163.42	156.15
NUMBER OF SHARE HOLDERS	22,315	22,548	22,443	22,867	25,639	27,020	26,423	27,288	33,352	41,916

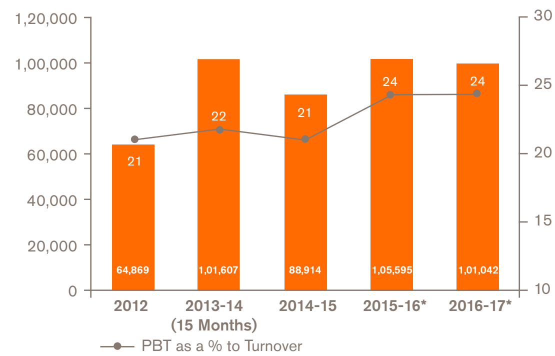
**2015-16 and 2016-17 are stated as per Ind AS*
***For 2015-16 and 2016-17, the company has reported Dividend, CDT & Dividend % on actual payment basis as per Ind AS.*

Financial Highlights

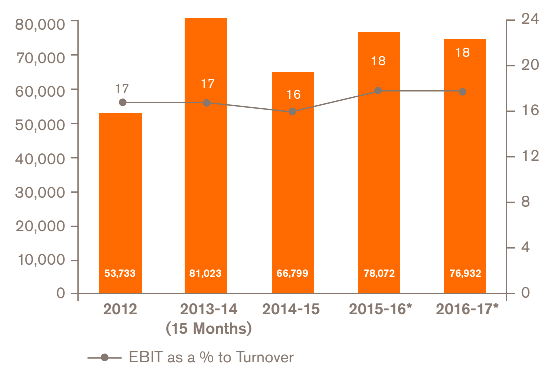
Turnover
(Rs. Lacs)



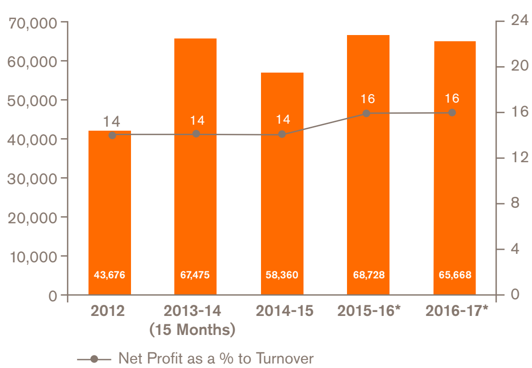
Profit Before Tax
(Rs. Lacs)



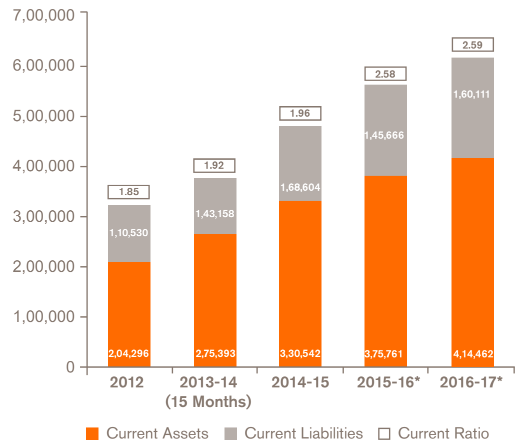
EBIT
(Rs. Lacs)



Net Profit
(Rs. Lacs)



Current Ratio (Times)
(Rs. Lacs)



*2015-16 & 2016-17 are stated as per Ind AS

Directors' Report

Your Directors are pleased to present the Annual Report on the business and operations of your Company and the audited Financial Statements of the Company for the year ended March 31, 2017, in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable provisions of the Act from FY 2016-17.

Financial Results

(Rs. Lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	44,21,08.89	45,64,37.68
Profit before Depreciation, Amortisation and Tax	10,74,59.12	11,13,39.07
Less: Depreciation	64,17.54	57,43.87
Profit Before Tax	**10,10,41.58**	**10,55,95.20**
Less: Provision for Tax		
- Current Tax	3,70,23.47	3,76,85.34
- Deferred Tax	(16,49.69)	(8,18.10)
	3,53,73.78	3,68,67.24
Profit After Tax	**6,56,67.80**	**6,87,27.96**
Other comprehensive income (Net)	**21,60.47**	**(3,90.77)**
Total comprehensive income for the year	**6,78,28.27**	**6,83,37.19**
Appropriations		
Dividend Paid	(2,94,38.88)	(2,31,30.55)
Tax on Dividend	(59,93.06)	(47,08.83)
Transferred to General Reserves	-	(68,69.15)
	(3,54,31.94)	(3,47,08.53)
Earnings Per Share (Rs.) (Basic & Diluted)	156.15	163.42
Dividend per Share (Rs.)	70.00*	70.00

*Dividend is recommended by the Directors and is subject to the approval of the Shareholders.

Performance of the Company

Your Company continued its journey to become a truly Fast Moving Consumer Healthcare Company and performed well against increased competitive intensity and volatile external environment. Net Sales and Profit after Tax for the year ended March 31, 2017 were Rs. 42,08,57 Lacs and Rs. 65,668 Lacs respectively. Your Company retained its leadership position in HFD category with volume and value market share at 64.4% and 56.3% respectively.

Your Company continued its focus on innovation, delivering products of value with superior science and has entered the advanced nutrition segment for consumers who want very high science products. Horlicks Growth+, launched in May, 2016 is clinically proven formula for catch up growth for children between 3-9 years. It has been proven to show results within 6 months of regular usage. The product is available in vanilla and chocolate variants to encourage consumption for children as they typically like these flavours.

Science remains the core of our product portfolio that addresses the nutritional needs of consumers. The new & improved Horlicks, re-launched in April, 2016, has 2X Immuno Nutrients, scientifically proven to support immunity to help the body's natural defence system. Research has shown that low immunity can obstruct the overall growth in children, leading to hindrances in day-to-day activities including school attendance. Horlicks 2X immunity addresses the mental & physical growth of children, thereby bringing alive our product proposition of making child "Taller, Stronger and Sharper".

Your Company launched in May, 2016 Cardia+ which contains Nutriose, which keeps the consumer fuller for longer so that they eat less and do not eat in between meals. This is clinically proven to reduce RLP Cholesterol, reduce insulin spikes, reduce blood sugar spikes.

Women's Horlicks continued its differentiation through "Bone Health" platform which was re-staged in August, with a unique combination of Calcium, Vitamin D and Vitamin K2 that helps to bind the bones. It was backed by a holistic campaign to remind consumers that it was time to start consumption of nutrients for strong bones once you turn '30'. The digital campaign "Strong to the Bone", launched on Women's Day, included an online Bone Mineral Density test. This campaign helped Women's Horlicks to emerge as the No.1 brand in online share of voice.

Mother's Horlicks was launched with great tasting Kesar flavor in June to address the taste fatigue of expecting and new mothers. The "Early Start" campaign continued to drive growth. Mother's Horlicks became the No.1 prescribed pregnancy HFD brand for the 1st time ever.

Marie Biscuits, were launched in September in East, positioned as "The Perfect Marie" backed by Horlicks' equity, aiming to entice consumers to switch to Horlicks Marie. This was backed with a holistic communication, strong launch plan and execution. The brand has garnered 1% market share.

In line with the access strategy, the Company reduced the price of Horlicks and Boost sachet to Rs. 5 & Rs. 10 to ensure that our products will be more attractive value enabling to increase consumer base. This has resulted in increase of consumption offtake. This will also help migrate consumers to the regular packs.

Junior Horlicks launched a new communication series in August, 2016 to drive differentiation around brain development emphasising the need for a specialized health drink in early years. Digital advocacy programs and social media interactions helped increase engagement, consideration and strengthen benefit perception amongst toddlers' mothers.

Boost was re-introduced in March last year with a new communication platform of "Play a Bigger Game". This was supported by a new visual that highlighted its packaging & looks across all consumer and shopper touch points. The brand had a growth of 7% and reached highest ever market shares in its core market in South.

In 2017-18, building on the same winning formula, a new campaign was launched with Indian cricket team captain, Virat Kohli. The 1st ever branded digital web series for kids with Virat was launched and garnered 15 million views online.

Boost further strengthened its consumer connect through inspiring campaigns. Boost 'Play the Pros', at the Chennai Open, recorded a new Guinness Record at an Association of Tennis Professionals event for the "largest" Kids Tennis Session.

Dividend

The Directors recommend a total dividend of Rs. 70 per equity share of Rs. 10 each for the year ended March 31, 2017. If approved by the Members at the ensuing Annual General Meeting to be held on August 9, 2017, it will be paid on or before, September 8, 2017 to those Members whose names appear in the Company's Register of Members and to those persons whose names appear as beneficial owners (as per the details to be furnished by the Depositories in respect of the shares held in dematerialised form) as at the close of business hours on August 3, 2017.

With reference to point 11(g) (iii) in the Audit report, the delay in deposit of demand draft to Investor Education Protection Fund was procedural, your Company did not benefit from the delay and the same has been submitted and accepted by the Registrar of Companies.

Management Discussion and Analysis Report

The changing global political landscape, shifting attitudes to globalisation, free trade, wage stagnation, political uncertainty, Brexit in UK caused significant volatility and unpredictability.

In India, the government remains keen on driving economic reforms. There are multiple initiatives like Demonetisation, GST, Digitisation, Make in India, Infrastructure project investments, rural development and financial empowerment.

The economic environment during the year remained under pressure on account of demonetisation leading to subdued consumer sentiments. During the year Rs. 500 & Rs. 1000 notes were demonetised. Thus, having a significant impact on cash dominated Indian economy. There was major impact on cash dominated geographies and channels, mainly wholesale and rural, resulting in lower consumption. Your Company responded to the volatile demand situation with agile Supply Chain and by supporting Trade with extended credit terms.

GST bill has been passed in the Parliament which is a positive for the economy as it will not only smoothen the credit chain, improve tax compliance but also bring more transparency in the system. The multiple administration and technological challenges in its implementation are key to its success. Your Company is on track for GST Implementation, basis the GST laws available in public domain and are upgrading IT systems to ensure GST readiness and compliance.

The fundamentals of the Indian economy continue to be good, reinforcing its growth potential. However the pace of execution of reforms remains key to translating the positive sentiment to actual growth of the economy.

FMCG Industry continued to remain under pressure due to subdued demand and market sentiments. Consumers continue to prioritise necessities as against discretionary spends. Earnings across the sector struggled on account of consumption.

Despite challenges, we are well placed to deliver consistent performance given our understanding of consumer behaviour. We also have robust price value proposition, high-science based products, Go to Market Strategy, pipeline for innovative products, efficient cost and talent management processes. These, we believe, fortifies us against headwinds.

The rural business has been working with the vision of building a strong connect with the communities it serves. Over the years your Company has built a strong rural business that continues to reach over 20,000 villages directly. This has helped the Company build categories & brands and create positive social impact by building awareness on nutrition & promoting good health practices.

Two key growth drivers in our Rural Programme are Horlicks Swasthya Abhiyan (HSA) and Village Level Entrepreneurs (VLE); HSA program aims to improve the standard of hygiene & health in the rural areas, engaging with rural medical practitioners and community workers, thus creating awareness, education and relevance for our brands. HSA now reaches over 5,600 villages, 10,000 Rural Medical practitioners and connects with over a million consumers. VLE has reached more than 1,600 villages by which we are reaching out to bottom of the pyramid (Direct reach of 1,60,000 Consumers) and in this process, create livelihood for underprivileged rural women while enhancing access of our products in small villages economically empowering rural women. Mobile Sakhi, a mobile based advisory service for pregnant mothers, delivers vital information pertaining to pregnancy is used by over 50,000 rural women.

Further, your Company has started to address the issue of malnutrition with strategic partners as part of Corporate Social Initiatives during the year.

Your Company's growth in Modern Trade continues to show progress. The strong performance has been on the back of visibility initiatives, strategic placements and competitive growth during Big Day sales, shopper education, activations and bone health checks.

Your Company continues to invest in Brands and connect with the Consumers through innovative and diversified platforms of Advertising. The Company has made investments in E-commerce Channel. Encouragement to the Cashless transactions has given a lot of push to the e-commerce companies.

Your Company has made significant efforts towards digital advocacy programs including activity targeting moms online. Other activities include social media amplification of TVCs (Junior Horlicks), Bone Density Tests on Women's Day, popularisation of " Horlicks Brand Store" , digital launches for Cardia+ & Growth+ to name a few. All these have helped increase engagement, consideration and strengthen benefit perception amongst customers.

Your Company's focus on cost management, working capital optimisation and simplification program continued to deliver positive results in mitigating inflation and supporting profitable growth. Improvement in working capital, better cash flow and cost optimization have supported sustained investments in Company's brands. Simplification initiatives like Electronic Collection and E-claims have been taken to empower, improve speed and strengthen the existing processes for better customer experience.

Reserves

The total Reserves as on March 31, 2017 stood at Rs. 30,80,61.28 Lacs representing an increase of 12% from March 31, 2016.

Research and Development (R&D)

Your Company's R&D vision is to improve lives of more by creating and sustaining consumer led Science based innovation. Last year we introduced 7 new launches with deep consumer insight and high science which helped create strong portfolio of Nutrition category.

- Horlicks with 2X Immuno-nutrients claim i.e. Selenium and vitamin D delivered at 100% RDA, which is scientifically proven to support immunity for consumers was launched in April, 2016.

- Horlicks Growth Plus was launched in May, 2016. A patent pending clinically proven formula evolved at Schneider Children's Medical Centre for children of age 3-9 years who are lagging behind on their growth is proven to help catch up on lost growth with key claims i) Horlicks Growth+: Start catching up on growth in just 3 months ii) Clinically Proven Horlicks Growth+: proven visible growth in 6 months. Two product variants i.e. vanilla and chocolate variants have been developed with great taste experience. The new design has a reusable wide mouth PET tamper proof container with silver tinted wrap around shrink sleeve to make it stand out on the shelf. Its flat cap surface makes it more stable on shelf and inbuilt plug seal, inside cap surface, offers in use sealability. Its primary pack structure keeps the product safe from moisture and gas during 12 months of product shelf life.

- Boost pack restage delivered a sharper design in line with a new brand visual language of 3X more stamina.

- Horlicks Cardia+ has been designed to deliver clinically proven i) Reduction in glucose spike ii) Reduction in Insulin spike iii) Reduction in RLP cholesterol. The product has been specially formulated with proprietary soluble fibres i.e. a) Fibersol which retards digestion and absorption of the associated dietary carbohydrate, thus flattening the postprandial rise in plasma glucose and insulin concentrations and b) Nutriose which reduces daily calorie intake and has a great vanilla taste. The packaging, delivered through science based packaging technology, stands out on the shelves.

- Mother's Horlicks Kesar flavour was developed by NPD team basis a strong consumer insight on ethnic Indian taste and association of Kesar with pregnancy. The product has been received very well.

- Women's Horlicks was developed with CALSEAL idea i.e. Calcium, Vitamin D and Vitamin K2 combination to drive Women's Horlicks brand relevance through stronger science on bone health with addition of Vitamin K2 in formula. There is strong evidence of Vitamin K2 science in absorption of calcium by bones.

- Horlicks Marie was developed by R&D team as your Company entered a new segment in food business in September, 2016. R&D team delivered a consumer winning product within 3 months of development time and this was possible due to strong technical capabilities in R&D team.

Packaging has long proven to be a critical success factor for winning with the consumers. Packaging excellence awards and recognitions have been received externally and internally within GSK India, Asia, and at the global level. Recently, high science packaging lab has been established to enhance capability and drive packaging science based innovation program for more functional based packaging.

You will be pleased to know your Company's R&D function has the cutting edge best practices as mentioned below:

- Adopted best practices in consumer insights and have strong network with GSK's global capabilities on scientific exploration, clinical science, sensory and product understanding, packaging expert networks to access best information to deliver product of best quality, science and relevance.

- Profitable growth ambitions are actively supported by R&D through a structured Value Engineering Program which also helps to mitigate the increasing cost of raw materials. Design to value remains an integral part of R&D product development process to provide most efficient cost advantage to end consumer.

- R&D partners with Supply Chain on a long term manufacturing process that is cost efficient, more sustainable and high quality.

- R&D is working also towards our environment sustainability initiatives. The R&D function has also partnered with Supply Chain for capacity enhancement projects and initiated work on long term manufacturing processes that are cost and capital efficient and aims to lower carbon footprint.

- The R&D function continues to focus on the regulatory compliance with local food laws, and also proactively engages with the regulatory authorities and industry associations to shape the regulatory environment for science based innovation in food and nutrition.

You will be glad to know that your Company's R&D is significantly involved in building and defining new science and benefits either through new technology that would give cutting edge advantage for our offerings along with scientific research to drive differentiated claims to maintain category leadership. Some of the high science differentiated products are in advance stage of development for launches in short, medium, and long term, and thus making our innovation pipeline robust.

ISO Certification

Your Company's manufacturing facilities at Nabha, Rajahmundry and Sonepat continue to be certified to the latest version of ISO 9001: 2008, ISO 22000: 2005, ISO 14001: 2004 and OHSAS 18001: 2007 by SGS, a leading International certification Company. These certifications indicate our commitment in meeting in a sustainable manner Global Quality, Environment, Health, and Safety Standards.

Information Technology

Your Company strengthens its efforts in integration of Information Technology for business efficiencies. The Information Technology function has been a key business enabler across all functions of the Company.

During the year, the Company has kicked off simplification projects like outsourcing Payroll & Medical Claims reimbursement in order to streamline the processes. Plans are afoot to rollout First SFA (GSKCH Global reporting and detailing solution) for expert marketing team in India. The rollout would help improve HCP's in-clinic experience, besides supporting the business with cutting edge execution analytics. Further, IT infrastructure upgrade is on track to ensure GST readiness and compliance.

In view of the uncertainty of the GST Go Live date, and to minimize business disruption owing to its implementation, the Company has taken a decision to defer the CERPS project implementation (SAP implementation project) till GST is rolled out.

Internal Control System and Adequacy

Your Company has established and maintained adequate internal control framework in line with the Internal Financial Controls ("IFC") requirement within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 including 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 (ICAI). The Company has evaluated the operating effectiveness of internal control systems which are supplemented by:

- Well-documented standard operating procedures, policies, risk and control matrices for all material processes and fraud risk mitigation. Further, these documents are tested for operating effectiveness, regularly reviewed and updated to align with global best practices.

- Any material variances from the budget are reviewed on a monthly basis and require approval of the Management Team. All major policy changes are approved by the Managing Director.

- The self-assessment by process/ control owner is also used as the basis of CEO/CFO certification as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange. Further, the self certification is reviewed by the Audit Committee on a half yearly basis.

- Your Company has a Risk Management and Compliance Board (RMCB), now called the 'Risk Management Committee' (RMC), comprising of the Managing Director, Finance Director, Operations Director, Executive Vice President – Legal and Executive Vice President –Human Resource. Risk maps stating the significant business risks, potential consequences along with mitigation plans are prepared by each function and reviewed by RMC on a regular basis.

- Your Company has a robust internal audit function, that reports into the Audit Committee and carries out review of operations, systems and functions basis the plan approved by Audit Committee.

All significant Audit observations and follow-up actions thereon are reported to the Audit Committee. The Committee reviews the adequacy and effectiveness of your Company's internal control framework and monitors the implementation of audit recommendations including those relating to strengthening your Company's risk management policies and systems.

Human Resource Development

In 2016, your Company continued in its journey to become a truly Fast Moving Consumer Healthcare Company where employees feel valued, able to develop, contribute to our mission and be proud of what we achieve. Your Company remains focussed in building a culture where both People and Performance are equally important.

A large part of embedding this culture in the organization is linked to providing rewarding careers to our people. To this extent, your Company has developed an integrated approach to Career Framework titled 'My Winning Career'. Our focus towards this initiative ensured that employees were able to leverage a vast number of career & development initiatives throughout 2016 which is reflected in the improving Engagement Survey scores.

Various initiatives around these enabled employees in the organization to come together, take a step back and spend a day dedicated to conversations around careers & development.

Your Company continued to invest significantly in developing talent across levels, leveraging processes such as Integrated Talent Management to ensure sustainability of talent, role changes and robust succession pipelines for all our key roles. Our focus on Differentiated Development ensures that employees are able to leverage a variety of opportunities to develop and take on greater responsibilities in line with their career aspirations. We also continued to build our early talent pipeline by hiring from the best B-schools, as well as sending our high potential talent on global talent acceleration programs.

Your Company also took positive steps towards Industrial relations. As a part of this, the Nabha Long Term Wage Settlement was successfully signed within plan on 14th June 2016 with the recognized union.

Your Company is strongly committed to principles of Inclusion and Diversity which is a critical element of the global HR strategy as well. In 2016, your organization refreshed the leave policy for new parents much ahead of industry & government standards, focusing on new parents; both men & women, single parents to ensure that they are supported and enabled by the organization. 2016 also saw our first ever "Inclusion & Diversity Week" to conduct a series of events and activations aimed at increasing employee awareness and sensitization to build an inclusive and diverse culture. Your organization also saw the appointment of women in leadership roles double in 2016 over 2015. Intake of women at entry level talent pipeline too has increased significantly.

Your Company has also put in place a Prevention of Sexual Harassment (POSH) at Workplace policy aimed at ensuring safety & respectable non-discriminatory environment for all employees. This policy defines what constitutes sexual harassment at workplace, reporting an incident, role of internal complaints committee and consequences in case of both genuine & false charges.

Building a healthy, engaged workforce remains one of our key priorities, and towards that we launched a program titled Partnership for Prevention (P4P), offering a host of preventive healthcare services for employees and their dependents. Under P4P, employee and their covered dependents can avail a range of preventive healthcare services at zero cost.

Your Company continues to reinforce its Values through relevant and transparent internal communication, employee engagement and direct contact programmes to ensure we have a highly engaged workforce that is truly aligned to your Company's mission of "do more, feel better, live longer."

Awards and Recognition

Your Company efforts to deliver the best quality products backed up by science based innovation, strong talent base and brands have been recognised during the year. Some of the key recognitions are:

- Rural campaigns won 6 awards at the 10th Annual Flame Asia Awards.
- Horlicks won a Gold at the prestigious DBA Design Effectiveness Awards 2017 for the product design in the beverage category.
- Boost Race of Champions won New On Ground Property of the year.
- Won the Golden Peacock Environment Management Award at the 18th World Congress on Environment Management, 2016.
- GSK ranked #1 on FORTUNE's Change the World list. The 'Change the World' list recognises companies that have made significant progress in sustainable, scalable approaches to addressing societal problems as part of their Company strategy.

Directors

Mr. Joaquin Mascaro was nominated as Director by Horlicks Limited under Article 97A of the Articles of Association of the Company w.e.f. May 18, 2016 in place of Mr. Jonathan Box. The change was noted and resolution for appointment was passed in the meeting held on May 17, 2016. The Board of Directors wishes to place on record its sincere appreciation for the valuable advice and guidance rendered by Mr. Jonathan Box.

At the Annual General Meeting held on August 5, 2016 the following Directors were elected under the system of proportional representation, Mr. Kunal Kashyap, Mr. P. Dwarkanath, Mr. Naresh Dayal, Mr. Mukesh H. Butani, Ms. Sangeeta Talwar, Mr. Jaiboy John Phillips and Mr. Vivek Anand for a period of three years.

The Board of Directors, at its meeting held on August 5, 2016 appointed Ms. Shanu Saksena as Company Secretary of the Company, w.e.f. August 5, 2016, due to the resignation of Ms. Sonali Khanna. The Board of Directors wishes to place on record its sincere appreciation for the valuable advice and guidance rendered by Ms. Sonali Khanna.

The Board of Directors, at its meeting held on August 5, 2016 also appointed Mr. Anup Dhingra as an Executive Director of the Company, w.e.f. September 1, 2016 till date of Annual General Meeting to be held in 2019, in the casual vacancy caused by the resignation of Mr. Jaiboy John Philips. The Board of Directors wishes to place on record its sincere appreciation for the valuable advice and guidance rendered by Mr. Jaiboy John Philips.

Performance Evaluation of Board

A regular process of evaluating the Board's performance can help the Board in validating the relevance of its processes and provide insights for strengthening its overall efficiency and effectiveness. We evaluate the Board as whole, the Directors, the Committees and the Chairman of the Board through a survey that takes place annually and the mechanism followed is mentioned below:

1. In February, multiple surveys were sent to all Directors through a secured online survey portal.
2. The evaluation was based on Board Effectiveness, Processes adopted by the Board, Contribution by the Board Members, Value addition by the Board, Committee Effectiveness and contribution of the Committees .
3. Once the Directors completed filling the survey, the third party appointed compiled the results and shared the analysis with the NRC Chairman and Chairman of the Board.
4. The Chairman of the Board then individually discussed the results and shared feedback with all Directors.
5. On the basis of the report of performance evaluation, it was determined whether to extend or continue the term of appointment of the Independent Directors.

On account of recent 'Guidance Note on Board Evaluation' shared by SEBI (dated January 5, 2017), we had revised few aspects of our Board Evaluation. While your organization was already compliant to most of the guidelines circulated by SEBI, we made few minor changes to the evaluation process. A notable change this year was to appoint a third party to manage the board evaluation process.

Criteria for Appointment of Directors

The success of the Board of Directors depends on the composition, structure, resources, diligence, and authority of the entire board, as well as their working relationships with other participants of corporate governance, including management. Your Company is committed to corporate governance best practices and is vigilant at the time of appointment of its Directors.

Key Responsibilities:

The Board of Directors is ultimately responsible for the Company's business affairs and governance. To that goal a director would be expected to:

- Represent organization's shareholders' interests and create value for them.
- Align the interests of management with those of shareholders while

protecting the interests of other stakeholders (customers, creditors, suppliers).

- Oversee the Company's performance by setting objectives, establishing short-term and long-term strategies to achieve these objectives.
- Provide counsel to the Company's senior executives on material strategic decisions and risk management. Establish or approve strategic plans and decisions to achieve these goals.
- Oversee the sustainability of the Company in creating long-term shareholder value and protecting interests of other stakeholders.

Pre-requisites for consideration:

- The candidate to acknowledge that s/he has sufficient time to effectively discharge her/his duties.
- The candidate should have skill sets and expertise area which is complementary to the current Board. The Board assesses the needs of the current Board to ensure that there is a range of skills, experience and diversity represented, including an understanding of:
  - the industry and markets in which the Company operates
  - Accounting, finance and legal matters
  - Other key areas of business operations
- The candidate should have experience and depth of knowledge in her/his area of work so as to contribute meaningfully to the operations of the Board
- There should be no conflict of interest between the candidate and the Company. The individual should not be in relation to any current employee of the Company and should not be holding more than 2% of the Company's shares at the time or during the appointment
- The candidate should not be employed or related to another organization/body which can directly/indirectly influence the operations of the Company or is in direct competition with the Company.

The Candidate has not been convicted of any offence, whether involving moral turpitude or otherwise and sentenced to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of sentence.

Remuneration Policy

Remuneration Policy for Non-Executive Directors

Your Company believes that its Board Members bring immense value in their independent evaluation and oversight of the operations of the Company. It is therefore expected that they will devote significant time and provide unbiased point of view to their board duties.

The remuneration paid to each Non-executive Director is as per the structure determined by the Nomination & Remuneration Committee and the Board. This is reviewed periodically and also compared to other peer organizations. It is ensured that the remuneration paid to them is in accordance with the provisions of the Companies Act and any other applicable law.

The remuneration structure for the Non-Executive Directors comprises of annual Commission and sitting fee per meeting attended.

Remuneration Policy for Employees

Philosophy

Your Company recognizes that reward is important in engaging employees and motivating them to do their best work to deliver our strategic priorities and mission. We reward high performance and recognize outstanding achievements of employees in a way that is consistent with our values and behaviours.

Principles

- Competitive – Your Company provides competitive rewards within a global reward framework.
- Differentiated - Your Company differentiates reward to attract and retain skilled employees; reward the greatest contributors and recognize employees who evolve their skills to enhance their individual contribution to GSK's success.
- Alignment - Your Company's reward programs and practices are transparent and focus on ensuring alignment at several levels.
- Business alignment - Your Company's reward program take into account the common and business-specific skill/ performance requirements across our various business units.
- Country alignment - Reward aims at meeting the needs of our diverse workforce and enabling them to live our mission - to do more, feel better and live longer.
- Individual alignment - Individual objectives are set and reviewed annually to ensure employees have a clear understanding of the link between the business value they deliver and their own performance based reward.

Managerial Remuneration

Your Company believes its employees are its biggest assets and aligns its compensation and benefits towards rewarding employees in line with its Rewards policy. Your Company focuses on being market aligned as well as differentiate basis performance to drive a high performance culture.

Your Company has 3807 permanent workers, including workmen. The remuneration for the workmen at two of the factories is governed by Long Term Wage Settlement (LTWS) which is done in consultation with the unions. For the remaining employees, the targeted salary increase was 10% for all employees including KMP.

If we compare the remuneration of these to that of median employee, we observe the following ratio:

Name	Designation	Remuneration for year ended March 31, 2017 (Rs.)*	Remuneration for year ended March 31 2016 (Rs.)*	Salary Change	Ratio of Salary to Median Employee
Manoj Kumar[1]	Managing Director	58,436,168	57,661,832	NC**	80
Vivek Anand[2]	Director-Finance	31,123,815	28,206,218	NC**	43
Jaiboy Phillips[3]	Director-Operations	20,035,493	28,692,921	NC**	27
Anup Dhingra[4]	Director-Operations	29,471,892	NA***	NC**	43
Sonali Khanna[5]	General Manager Legal & Company Secretary	835,566	6,740,191	NC**	1
Shanu Saksena[6]	Company Secretary & Area Ethics and Compliance Officer	5,768,232	NA***	NC**	8

*Remuneration is calculated on accrual basis.
**Not Comparable.
***Not Applicable.
1 Appointed in the role with effect from 1 June, 2015, salary increase & ratio to median salary not comparable
2 Appointed in the role with effect from 1 June, 2015, salary increase & ratio to median salary not comparable
3 Ceased to be in role with effect from 31 August, 2016, salary increase & ratio to median salary not comparable
4 Appointed in the role with effect from 1 September, 2016, salary increase & ratio to median salary not comparable
5 Ceased to be in role with effect from 17 May, 2016, salary increase & ratio to median salary not comparable
6 Appointed in the role with effect from 5 August, 2016, salary increase & ratio to median salary not comparable

Your Company believes that by means of the variable pay plan the Company is able to link a portion of compensation to the individual and business performance which creates a strong positive reinforcement. It also ensures that the employees of the Company are rewarded only when the shareholders' goals are met. Your Company's variable pay plan, therefore, links the variable pay to both – individual performance and business results such as sales growth and operating profits.

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the financial year is not applicable. It is also, affirmed that the remuneration is as per the Remuneration Policy of your Company.

Name	Designation	Remuneration of KMP as percentage of Revenue	Remuneration of KMP as percentage of PBT
Manoj Kumar	Managing Director	0.13%	0.58%
Vivek Anand	Director-Finance	0.07%	0.31%
Jaiboy Phillips[1]	Director-Operations	0.04%	0.20%

Anup Dhingra[2]	Director-Operations	0.06%	0.29%
Sonali Khanna[3]	General Manager Legal & Company Secretary	0.00%	0.01%
Shanu Saksena[4]	Company Secretary & Area Ethics and Compliance Officer	0.01%	0.06%

1 Ceased to be in role with effect from 31 August, 2016
2 Appointed in the role with effect from 1 September, 2016
3 Ceased to be in role with effect from 17 May, 2016
4 Appointed in the role with effect from 5 August, 2016

Total KMP Remuneration as a percentage of Revenue: 0.3%
Total KMP Remuneration as a percentage of PBT: 1.5%

Your Company believes in balancing the competitiveness of pay as well as sustainability of the associated costs for the organization. The salary increases for this year were aimed at maintaining the pay competitiveness with market as well as performance of the Company.

Policy on Board Diversity

As stated in the policy for appointment of Directors, your Company recognizes that the success of the Board of Directors depends on the composition, structure, resources, diligence, and authority of the entire board, as well as their working relationships with other participants of corporate governance, including management. GSK is committed to build a truly diverse board which brings with it diversity of expertise, skills, regional and industry experience, gender and demographics. GSK believes that such a Board will enhance the quality of decisions by utilizing the diversity of its members.

The Nomination and Remuneration Committee (NRC) is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy board positions. At the time of appointment, the candidate must bring with him/her skill sets and expertise area which is complementary to the current Board composition. The Board will have an optimum combination of Executive, Non-executive and Independent Directors with at least one women director in compliance with all statutory provisions. The Board of Directors shall maintain an appropriate mix of diversity, skill, experience and expertise on the Board.

The NRC and the Board of Directors shall refer to this Policy on Board Diversity at the time of appointment of persons as a Board Member.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rules, 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided to members upon request in writing made before the Annual General Meeting wherein Financial Statements for the relevant financial year are proposed to be adopted. In terms of Section 136 of the Act, the copy of the Annual Report is being sent to the Members and others entitled thereto, and is also available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Annual Report of the Company is also available on the Company's website- www.gsk-ch.in.

Particulars of Loans, Guarantee, Investment U/S 186

There are no Loans, guarantees, Investments to be reported u/s 186 of Companies Act 2013.

Details of Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and five Audit Committee Meetings were convened and 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.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information required as per the Companies Accounts Rules, 2014 is given in the Annexure I to this Report.

Auditors

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of Messrs. Price Waterhouse, Chartered Accountants, as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company have made its recommendation for appointment of Messrs Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the Company by the Members at the Annual General Meeting of the Company.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed herewith as Annexure II to this Report duly certified by S.N. Ananthasubramanian & Co., a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company.

Composition of Audit Committee

Please refer corporate governance report for composition of audit committee.

Risk Management Policy

The Company has a Risk Management policy and an internal control framework, which is used to manage risks.

Vigil Mechanism for Directors and Employees of Company

The detailed policy for Vigil Mechanism and Whistle blower is available at www.gsk-ch.in - Vigil Mechanism Whistle Blower.

Extract of Annual Report

Information required under this clause is given in the Annexure III to this report.

Related Party Transaction

Disclosures as required under Form AOC 2 are contained in Note 28 (Financial Statements).There are no transactions, which are not at arm's length and all the Related Party transactions are at arm's length basis.

The detailed policy for Related Party Transactions is available at http://www.gsk-ch.in/Policies.aspx

Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Information on Company's Share Performance

The market capitalisation of the Company decreased by 15% (Rs. 2,16,84,04 lacs) Vs March 31,2016 (Rs. 2,53,81,13 lacs). The EPS as on March 31,2017 stands at Rs.156.15 vs Rs.163.42 as on closing date of last financial year. The PE ratio as on March 31, 2017 stands at 33 vs 37 as on closing date of last financial year.

Environment and Social Commitment

Your Company is dedicated towards improving the quality of human life by enabling people to do more, feel better and live longer. As a Global Healthcare Company, your Company believes that it can play an important role in meeting societal challenges through right engagement towards environmental and societal commitments. Your Company's philosophy is to target support to selected programmes that are innovative, sustainable and which produce tangible results.

Your Company's stated mission statement is "To lend a helping hand to the under served in our society through the support of women, children and the aged in the areas of health and education". Towards implementing this philosophy in spirit, your Company continued its positive contributions during the current period to the communities and invested in health and education programmes and partnerships that aimed to bring sustainable improvements to under-served people.

Your Company has revamped its CSR focus to align its efforts and create lasting impact in the realm of Nutrition and Healthcare. The initiatives undertaken by your Company are primarily focused towards children and the community at large.

Your Company has spent 2% of our average net profit of last three financial years as part of your CSR in the reporting period.

Your Company undertakes these activities in the following different ways:

a. **Nutrition:** Your Company has started three key programs to address the nation's issue of malnutrition with strategic partners. Following are the programs initiated during the reporting period:
    - Holistic nutrition program for 50,000 kids with The Akshaya Patra Foundation in Karnataka.
    - Mass Outreach Through Schools with SHARP for 1,50,000 in Karnataka; Madhya Pradesh; Uttar Pradesh; and Bihar.
    - Improve awareness about malnutrition with NGO Sakshi for 200 kids in Haryana.

b. **Skill development:** We have started a program with Confederation of Indian Industry focussing on Capacity building of FBOs including Mid-day Meal Organisers, Self Help Groups, Mass and Railways Catering, Food Storage Locations on how to prepare, produce and serve Safe Food.

c. **Community Development:** All community and rural development focussed projects running under supervision of BCF and CAF continued. The projects were focused on healthcare and nutrition, education, vocational training, income generation, support to the elderly across the country. Under these projects, your Company is supporting 16 grass roots projects in 9 states of India addressing some important issues of poverty, malnutrition, education, health, disability, support to widows, differently-abled, infant & maternal mortality, and community disease like Kalazar, among others.

d. **Healthcare:** We supported our Global program for eradicating Lymphatic Filariasis (elephantiasis) through Albendazole contribution to World Health Organization (WHO).

For other details regarding CSR, please refer Annexure IV to Directors' Report.

Significant Material Orders Passed by the Court/ Regulator/ Tribunal Impacting Going Concern Status and Company's Operations in Future

Your Company has not received any material Show cause under the Companies Act / SEBI Regulations. Notices received from other regulatory/ statutory authorities are being suitably dealt with.

There are no significant legal /arbitral proceedings against the Company. All such matters are being brought to the notice of the Audit Committee / Board as the case may be.

Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanation obtained, your Directors make the following statement in terms of Section 134 (3) (c) and 134(5) of the Companies Act 2013 for the year ended March 31, 2017:

a. The Financial Statements of the Company for the period ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standard) Rules, 2015 as amended] and other relevant provisions of the Act. There have been no material departures in the adoption and application of accounting standards.

b. All Financial Statements have been prepared on historical cost convention, as a going concern and on the accrual basis.

c. The estimates and judgments relating to Financial Statements have been made on a prudent and reasonable basis in order to ensure that Financial Statements reflect, in a true and fair manner, the form and substance of the transactions and reasonably present the Company's state of affair and profit for the year.

d. The Directors of the Company have taken adequate care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding of assets of the Company and for preventing and detecting fraud and other irregularities.

e. The Company has established and maintained adequate internal control framework in line with the Internal Financial Controls ("IFC") requirement within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013 including 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 (ICAI). The internal financial controls are adequate and operating effectively and our internal auditors have conducted periodic audits to provide reasonable assurances on the same.

f. The systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

Declaration of Independent Directors

Pursuant to Sections 149(6) & 149(7) of Companies Act 2013, the Independent Directors of your Company have given a declaration that they have complied with the criteria of independence as set out under sub section (6) of Section 149 of the Companies Act, 2013.

Cautionary Statement

Statements in this report particularly that pertains to Management Discussion and Analysis may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the Company's operations such as Government policies, local, political and economic development, risks inherent to the Company's growth and such other factors.

Acknowledgements

The Directors wish to extend their thanks and appreciation to all the employees of the Company at all levels, agents and other business associates for their commitment, dedication and respective contributions to the Company's operations during the year under review.

The Directors would also like to acknowledge the valuable guidance, technical assistance and advice being received from the Associate Company in the U.K. Your Directors look forward to the future with confidence.

For and on behalf of the Board

Subodh Bhargava (DIN: 00035672) *Chairman*	Manoj Kumar (DIN: 07177262) *Managing Director*
Vivek Anand (DIN: 06891864) *Director*	Mukesh H. Butani (DIN: 01452839) *Director*

Place: Gurugram
Dated: May 11, 2017

Annexure I to the Directors' Report for the year ended March 31, 2017

Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

(A) CONSERVATION OF ENERGY-

(i) the steps taken or impact on conservation of energy;

As in the past, the Company continued to stress upon measures for the conservation and optimal utilization of energy in all the areas of operations and effective usage of sources/equipment.

All the sites have increased the agri-waste bio-mass (briquettes/pellets) blending with coal for steam generation resulting in reduction of about 50,441 Tons of CO_2 thus significantly reducing carbon foot print in generating steam and endeavouring towards a clean & sustainable environment.

More than 12 energy conservation initiatives have been carried out during the year 2016-17. Significant measures which have contributed to energy conservation were:

- 441KW roof top solar plant for renewable energy.
- High Speed Doors to avoid air conditioning losses.
- 1800KVA backup power supply replacement with energy efficient system.
- Energy efficient fans in air conditioning systems.
- Increase in agri-waste biomass to replace coal for steam generation, thereby saving on Carbon.
- Sunpipe in FG warehouse, for daylight use.
- Replaced water based vacuum pumps with dry vacuum pumps(oil lubricated), to minimize the ground water usage.
- Installation of LED lighting in place of the conventional lighting system at all the sites.
- Boiler efficiency improvements.

(ii) the steps taken by the Company for utilising alternate sources of energy;

- 441KW roof top solar PV plant for renewable energy.
- Increase in agrarian waste biomass to replace coal for steam generation, thereby reducing the fossil fuel consumption.

(iii) the capital investment on energy conservation equipments;

- Company has spent close to 13 crores on various energy conservation equipments and initiatives last year.

(iv) Total energy consumption and energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the Schedule there to:

FORM "A"

		Year ended March 31, 2017	Year ended March 31, 2016
A.	**Power and Fuel Consumption**		
1.	**Electricity**		
a)	Purchased Units (in Lacs)	**4,37.93**	4,58.08
	Total amount (Rs. Lacs)	**34,91.63**	37,10.64
	Rate/Unit (Rs.)	**7.97**	8.10
b)	Own Generation		
	1. DG Sets Units (in Lacs)	**31.94**	25.29
	Units per litre of Diesel oil	**3.57**	3.44
	Cost/Unit (Rs.)	**12.88**	12.92
	2. Turbine Units (in Lacs)	**23.72**	18.12
2.	**Coal Used in Boilers**		
	Quantity (Tonnes)*	**15,390**	18,054
	Total Cost (Rs. Lacs)	**9,07.36**	10,99.57
	Average Rate (Rs.)	**58,95.77**	60,90.55
3.	**Bio-mass used in Boilers**		
	Quantity (Tonnes)	**39,167**	38,815
	Total Cost (Rs. Lacs)	**21,61.85**	22,18.89
	Average Rate (Rs.)	**55,19.57**	57,16.60

*Includes Coal consumed to produce steam to generate electricity from Turbine.

B. Consumption per unit of Production:

		Year ended March 31, 2017		Year ended March 31, 2016	
		Coal/ Bio-mass	**Power**	Coal/ Bio-mass	Power
		MT	**Units**	MT	Units
1.	Malt based Food / Energy and Protein Health Food / Cereal based Food/ Powdered Milk (Per Ton)	**0.61**	**538**	0.62	545
2.	Ghee & Butter (Per Ton)	**0.18**	**123**	0.18	122

(B) TECHNOLOGY ABSORPTION-

(i) the efforts made towards technology absorption;

- New technology introduced and stabilized for Horlicks manufacturing (vacuum band dryers) at one of the sites.
- New technology introduction for energy conservation through electronically commuted (direct drive) fans.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- 18 Kilo Tonnes Horlicks manufacturing capacity enhanced through vacuum band drying technology.
- Direct Drive technology of electronically commutated (EC) fan system after evaluation of different energy saving options.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

(a) the details of technology imported;
- Vacuum band dryers.
- Energy efficient electronically commutated (EC) fan

(b) the year of import;
- 2013
- 2016

(c) whether the technology been fully absorbed;
- Yes
- In process

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- Energy efficient electronically commutated (EC) fan - Pilot installation completed & full scale installation is in progress. Same is replicated at all sites.

(C) RESEARCH & DEVELOPMENT (R&D)

(i) Specific Areas in which R&D was carried out by the Company

As part of delivering our vision to improve more people's lives by creating and sustaining consumer led Science based innovation, key focus areas continue to be exploration of new scientific areas, product Innovation, new claims development, new product research, clinical research, packaging development, continuous cost optimization , quality compliance, speed to market, regulatory compliance and regulatory strategy. Further, various new initiatives have been taken to build a strong pipeline of new claims, new communications, new products and enhance consumption of existing products through product creativity and tapping new consumer needs.

(ii) Benefits derived as a result of the above R&D

New and differentiated claims, new communication, new product launches, re-launches and new packaging together enabled business to keep the relevance of our products and also delivered solutions to meet consumer needs. R&D constantly explores the opportunities for a good Innovation pipeline, setting the platform for new launches in the future. Value Engineering efforts have helped the business deliver profitable growth and reinvest in brands. All the efforts have been carried out to ensure all our products comply to frequent changing regulations.

(iii) Further Plan of Action

Your Company's R&D has a key role to play in achieving our vision of becoming the world's best and fast-Moving Consumer Healthcare Company, driven by Science and values. Cutting edge innovations based on consumer preferences without shifting focus on profitability would help R&D contribute and achieving this vision In the R&D organization, the focus will be to continue drive excellences across Research & Development areas by bringing best practices across the world while adopting local & regional consumer insights meeting local regulatory and statutory guidelines, There is significant focus on driving quality improvement through Quality by design, cost control and Design to Value, simplification and technical governance which will further make your organization strong and robust to deliver profitable consumer driven and Science led innovation

(iv) Expenditure on R&D

(Rs. Lacs)

		Year ended March 31, 2017	Year ended March 31, 2016
a)	Capital	**2,71.86**	21.52
b)	Recurring	**47,02.68**	41,91.32
	Total	**49,74 .54**	42,12.84
	R&D Expenditure as a percentage of turnover	**1.2%**	1%

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Activities relating to exports : Initiatives taken to grow exports: Development of new export methods for products and services and export plans

The Foreign exchange earnings in the current year include exports to Bangladesh, Sri Lanka, Middle East, Myanmar, Kenya, Mauritius and Pakistan. The efforts to broaden the export base to new and existing countries are continuing.

(ii) Total Foreign Exchange used and earned:

(Rs. Lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Exchange Earnings	**2,59,13.17**	2,81,58.93
Foreign Exchange Outgo	**28,15.03**	26,05.47

For and on behalf of the Board

Subodh Bhargava (DIN: 00035672) *Chairman*	Manoj Kumar (DIN: 07177262) *Managing Director*
Vivek Anand (DIN: 06891864) *Director*	Mukesh H. Butani (DIN: 01452839) *Director*

Place: Gurugram
Dated: May 11, 2017

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,
The Members,
GlaxoSmithKline Consumer Healthcare Limited
CIN L24231PB1958PLC002257
Patiala Road,
Nabha 147201
Punjab

We have conducted secretarial audit of compliance of the applicable statutory provisions and adherence to good corporate practices by **GlaxoSmithKline Consumer Healthcare 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2017,** 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 here in after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2017** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (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 there under to the extent of Foreign Direct Investment ,Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable as the Company has not issued further capital under the Regulations, during the financial year under review;**
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable as the Company has not issued any shares/ options to Directors/ employees under the said Guidelines/ Regulations, during the financial year under review;**
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued and listed any debt securities, during the financial year under review;**
   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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / proposes to delist its equity shares from any stock exchange, during the financial year under review and**
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable as the Company has not bought back/ proposes to buy-back any of its securities, during the financial year under review.**

vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:
   1. Food Safety and Standards Act, 2006 and Rules and Regulations thereunder.
   2. Legal Metrology Act, 2009 and Rules and Regulations thereunder.

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
(ii) Listing agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and the Securities and Exchange Board of India (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: -

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

- Adequate notice is given to all Directors pertaining to schedule of the Board/Committee Meetings, agenda and detailed notes on agenda, were sent atleast seven days in advance before the meeting. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- All decisions of the Board and Committee meetings were carried with requisite majority.

We further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary, and taken on record by the Board of Directors, at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which are commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- as informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were no specific events/ actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., referred above.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries
S. N. Ananthasubramanian
Partner
C.P No: 1774
Date: 2nd May, 2017
Place: Thane

To,
The Members,
GlaxoSmithKline Consumer Healthcare Limited
CIN L24231PB1958PLC002257
Patiala Road,
Nabha 147201
Punjab

Our Secretarial Audit Report for the Financial Year ended 31st March, 2017, of even date, is to be read along with this letter.

Management's Responsibility.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

S.N.Ananthasubramanian
Partner
C.P No: 1774
Date: 2nd May, 2017
Place: Thane

Annexure III to Directors Report for the year ended March 31,2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

(i) REGISTRATION AND OTHER DETAILS:

1	CIN	L24231PB1958PLC002257
2	Registration Date	October 30,1958
3	Name of the Company	GlaxoSmithKline Consumer Healthcare Limited
4	Category/Sub-Category of the Company	Company limited by shares
5	Address of the Registered office and contact details	Patiala Road, Nabha-147201,Punjab Investor.2.co@gsk.com
6	Whether listed Company (Yes/No)	Yes
7	Name ,Address and Contact details of Registrar and transfer agents, if any:	Karvy Computershare Pvt. Ltd. , Karvy Selenium Tower B.Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 008

(ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Malt Based Food	219.1	95%

(iii) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

a. Horlicks Limited, UK b. GlaxoSmithKline Pte Limited, Singapore

(iv) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

S. No.	Description	Shareholders	Equity Shares	% Equity
1	Banks	20	5899	0.01
2	Clearing Members	51	7549	0.02
3	Employees	5	206	0.00
4	Foreign Institutional Investor	17	306723	0.73
5	Foreign Portfolio Investors	104	1531937	3.64
6	Foreign Promoters	2	30471992	72.46
7	H U F	658	84444	0.20
8	Indian Financial Institutions	16	1054843	2.51
9	Bodies Corporates	896	641890	1.53
10	Beneficial Holdings Under MGT-4	4	215	0.00
11	Mutual Funds	73	2466835	5.87
12	NBFC	8	46130	0.11
13	Non Resident Indians	1029	72762	0.17
14	NRI Non-Repatriation	284	85758	0.20
15	NRI Repatriation	10	2350	0.01
16	Overseas Corporate Bodies	1	280	0.00
17	Resident Individuals	38732	5275010	12.54
18	Trusts	6	715	0.00
	Total:	**41916**	**42055538**	**100.00**

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share-holding during the year
		No. of Shares	% Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Horlicks Limited	1,81,52,243	43.16	-	1,81,52,243	43.16	-	-
2	GlaxoSmithKline Pte Limited	1,23,19,749	29.29	-	1,23,19,749	29.29	-	-
		3,04,71,992	**72.45**	**-**	**3,04,71,992**	**72.45**	-	-

(iii) Change in Promoters' Shareholding(please specify, if there is no change): There is no change in the promoter's Shareholding

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

S. No.	Name	Shares	% Equity	Category
1	Life Insurance Corporation of India	657141	1.56	IFI
2	ICICI Prudential Long Term Equity Fund Tax Savings	307737	0.73	MUT
3	ICICI Prudential Balanced Fund	270066	0.64	MUT
4	ICICI Prudential Dynamic Plan	258128	0.61	MUT
5	Life Insurance Corporation of India P & GS Fund	206324	0.49	IFI
6	Vanguard Emerging Markets Stock Index Fund, Aseries	190341	0.45	FPI
7	HSBC Global Investment Funds - Indian Equity	180014	0.43	FPI
8	Wasatch Small Cap Growth Fund	169382	0.40	FPI
9	ICICI Prudential Balanced Advantage Fund	161593	0.38	MUT
10	SBI Magnum Taxgain Scheme	146342	0.35	MUT

(v) **Shareholding of directors and key Managerial Personnel**
Mr. P. Dwarakanath holds 15 shares of the Company. None of the other Directors of the Company are holding any shares in the Company as on March 31, 2017.

(vi) **Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:
The Company does not have any loans, interest outstanding.

(v). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and/or Manager: *(Amt. In Rs.)*

S. No.	Particulars of Remuneration	Mr. Manoj Kumar	Mr. Vivek Anand	Mr. Jaiboy John Philips	Mr. Anup Dhingra
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	4,43,26,161	2,80,31,307	1,14,65,083	2,40,46,001
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,42,362	1,25,503	6,29,744	59,632
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option**	-	-	1,42,58,124	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**47,368,523**	**28,156,810**	**26,352,951**	**24,105,633**
	Ceiling as per the Act	**10% of Net Profits**			

*Includes Basic Salary, Bonus and Retiral Benefits on Payment Basis.
Remuneration is calculated on payment Basis (Pursuant to Section 92(1) of The Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.
**Includes Cash settled stock based awards of GSK Plc on Payment Basis.

B. Remuneration to other Directors:

(Amt. In Rs.)

Particulars of Remuneration	Mr. Kunal Kashyap	Mr. Mukesh H. Butani	Mr. Naresh Dayal	Mr. P Dwarakanath	Ms. Sangeeta Talwar	Mr. Subodh Bhargava	Mr. Joaquin Mascaro
Independent Directors							
Fees for attending Board and Committee meetings	875,000	1,075,000	700,000	750,000	950,000	-	
Commission	700,000	700,000	700,000	700,000	700,000	-	
Total (1)	**1,575,000**	**1,775,000**	**1,400,000**	**1,450,000**	**1,650,000**	**-**	**-**
Other Non- Executive Directors							
Fees for attending Board and Committee meetings						600,000	-
Commission						1,000,000	-
Total (2)	**-**	**-**	**-**	**-**	**-**	**1,600,000**	**-**
Total (B) (1)+ (2)	**1,575,000**	**1,775,000**	**1,400,000**	**1,450,000**	**1,650,000**	**1,600,000**	**-**

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

(Amt. In Rs.)

S. No.	Particulars of Remuneration	Ms.Sonali Khanna	Ms.Shanu Saksena
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	684,931	5,178,377
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,684	25,403
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option**	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	Total	**701,615**	**5,203,780**

*Includes Basic Salary, Bonus and Retiral Benefits on payment Basis
Remuneration is calculated on payment Basis (Pursuant to Section 92(1) of The Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.
**Includes Cash settled stock based awards of GSK Plc on payment basis.

(vi) PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES;

The Company has not received any material Show cause under the Act / SEBI Regulations. Notices received from other regulatory/statutory authorities are being suitably dealt with.

There are no significant legal /arbitral proceedings against the Company. All such matters are being brought to the notice of the Audit Committee / Board as the case may be.

Annexure IV to Directors Report for the year ended March 31, 2017

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **Outline of the CSR Policy**

   We at GlaxoSmithKline Consumer Healthcare Limited (GSK-CH) believe in delivering sustainable performance while creating shared value for our customers, employees and the communities whom we serve.

   At GSK-CH, we believe that through effective CSR outreach, we have the extraordinary opportunity to redefine the way in which a Company can help enable change in the world. Our CSR is inspired by our Global Corporate Responsibility philosophy and shall focus on the following – Health for All, Our People, Our Planet and Our Behaviour.

   Through our CSR, GSK-CH shall support programs and activities in the following areas:

   1. Health and Nutrition – towards eradicating malnutrition leading to good health for children and mothers and awareness about hygiene, safe food and water;
   2. Education – including special education, leading towards sustainable livelihood especially that for women;
   3. Improving employment through enhancing vocational skills.
   4. Additionally, we shall also focus on:
      - Disaster Support – to provide relief to disaster affected communities
      - Volunteering – to create a culture of shared value for our employees
      - Any other activities in line with Schedule VII of CSR Rules under Companies Act

Please follow the link below for a copy of our CSR Policy:
http://www.gsk-ch.in/downloads/GSK-CH_Corporate_Social_Responsibility_Policy.pdf

2. **Composition of the CSR Committee**
   - Ms. Sangeeta Talwar, Chairperson
   - Mr. Naresh Dayal
   - Mr. Mukesh H. Butani
   - Mr. Vivek Anand
   - Ms. Shanu Saksena, Secretary

3. **Average Net Profit for the last three years:** INR 98,959.26 Lacs

4. **Prescribed CSR Expenditure:** INR 1,979.19 Lacs

5. **Details of CSR activities / projects undertaken during the year**
   a. Total amount to be spent for the year : INR 1,979.19 Lacs
   b. Amount unspent, if any : Nil
   c. Manner in which the amount spent : Provided in Format A (as per the Companies Act 2013) below

All figures in Rs. Lacs

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects / Programmes 1. Local area/ others 2. State and district where project / programme was undertaken	Amount outlay (budget) project / programme wise	Amount spent on the project / programme Sub heads: 1. Direct expenditure on project or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct / through implementing agency*
1	Support for eradication of Lymphatic Filariasis	Healthcare {Schedule VII – (i)}	Pan-India	1318.49	Direct: 1318.49 Overheads: Nil	1318.49	Through Implementation partner: World Health Organisation (WHO)

2	Community Development Projects	Multiple ▪ Healthcare {Schedule VII – (i)}; ▪ Education {Schedule VII – (ii)}; ▪ Vocational training {Schedule VII – (ii)}; ▪ Income generation {Schedule VII – (ii)}; ▪ Child protection {Schedule VII – (iii)}; etc.	Multiple ▪ Andhra Pradesh; ▪ Haryana; ▪ Jharkhand; ▪ Kerala; ▪ Maharashtra; ▪ New Delhi; ▪ Tamil Nadu; ▪ Uttar Pradesh; etc.	64.00	Direct: 60.00 Overheads: 4.00	64.00	Through Implementation partner: Business and Community Foundation
3	Health project for North Bihar	Health and Nutrition {Schedule VII – (i)}	Bihar	8.65	Direct: 7.78 Overheads: 0.86	8.65	Through Implementation partner: Charities Aid Foundation
4	360° nutrition program	Health and Nutrition {Schedule VII – (i)}	Hubli, Karnataka	733.00	Direct: 403.15 Overheads: Nil	403.15	Through Implementation partner: The Akshaya Patra Foundation
5	Mass Outreach Through Schools	Health and Nutrition {Schedule VII – (i)}	▪ Karnataka; ▪ Madhya Pradesh; ▪ Uttar Pradesh; and ▪ Bihar	154.63	Direct: 85.05 Overheads: Nil	85.05	Through Implementation partner: SHARP
6	Improve awareness about malnutrition	Health and Nutrition {Schedule VII – (i)}	Haryana	14.54	Direct: 8.00 Overheads: Nil	8.00	Through Implementation partner: Sakshi
7	Administrative expenses	-	-	-	-	91.90	
	TOTAL	-	-	-	-	**1979.24**	-

6. Reasons for not spending

Not applicable

7. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Sangeeta Talwar
(DIN: 00062478)
Independent Director &
Chairperson CSR Committee

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Activity	Details
1.	Corporate Identity Number (CIN) of the Company	L24231PB1958PLC002257
2.	Name of the Company	GlaxoSmithKline Consumer Healthcare Limited
3.	Registered address	Patiala Road, Nabha – 147 201 (Punjab)
4.	Website	www.gsk-ch.in
5.	E-mail id	investor.2.co@gsk.com
6.	Financial Year reported	April 1, 2016 to March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Food Processing Sector *Product* / *ITC (HS) Code* / *NIC Code* Malt Based Foods / 19019090 / 219.1 Protein Rich Food / 19019090 / 219.6 Cereal Based Beverage / 19019090 / 218.0 Nutritional Food Powder / 21069099 / 218.0
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	a. Malt Based Food b. Protein Rich Food c. Cereal Based Beverage d. Nutritional Food Powder
9.	Total number of locations where business activity is undertaken by the Company: i. Number of International Locations: (Provide details of major 5) ii. Number of National Locations:	 - Gurugram, Chennai, Mumbai, Kolkata, Nabha, Rajahmundry, Sonepat
10.	Markets served by the Company– Local/State/ National/International	PAN India, Sri Lanka, Bangladesh, Nepal, Middle East, Myanmar, Pakistan, Kenya and Mauritius.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Activity	Details
Paid up Capital (INR)	42,05,55,380
Total Turnover (INR)	42,08,56,54,335
Total profit after taxes (INR)	6,56,67,78,017
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3% of PAT
List of activities in which expenditure in 4 above has been incurred	a) Support eradication of Lymphatic Filariasis. b) Sakshi – Awareness activities on importance of good nutrition with children, parents and teachers in Sakshi's non-formal education centers in Gurugram, Haryana. So far, the program has reached 250 children. c) The Akshay Patra Foundation – Provision of mid-day meal to school children in government schools reaching out to 50,000 children in Hubli, Karnataka. d) SHARP – Awareness building on need of micronutrients of school children in government schools. The program is aiming to reach 150,000 children across four states. e) CII Foundation – Capacity building of small and medium food based operators on safe handling and management of food and food products.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? – No
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) – Not Applicable
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%] – No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a) Details of the Director responsible for implementation of the BR policy/policies
      - DIN Number : 07602670
      - Name : Mr. Anup Dhingra
      - Designation : Director- Operations

b) Details of the BR head:

S.No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Ms. Shanu Saksena
3.	Designation	Company Secretary & Area Ethics and Compliance Officer, ISC
4.	Telephone number	+91 124 4336500
5.	e-mail id	investor.2.co@gsk.com

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

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for….	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online - www.gsk-ch.in/policies.aspx	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: NOT APPLICABLE

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**
  The Company has set up a cross functional team consisting members from Commercial, Legal, Human Resources, Finance, Environment Health & Safety, Quality, Regulatory, Communications and External Affairs to monitor and ensure compliance with the mandated BR Reporting.
  This internal cross functional team has met on September 20, 2016, November 15, 2016, and March 3, 2017 and has updated the Director responsible.
  This report is presented to the Board for their review and approval every year.
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
  Yes, the Company publishes the Business Responsibility Report annually and the same can be viewed at the Company's website i.e. http://gsk-ch.in/BusinessResRpt.aspx

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Yes, The Anti Bribery and Corruption Policy covers the Company and all its Third Party Vendors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   Twenty One stakeholder's complaints were received during the financial year relating to ethics, transparency and accountability and Fifteen of them have been resolved satisfactorily by the management and Six are in the process of being resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   a. Horlicks and its variants
   b. Boost and its variants

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   i. Water & Energy Consumption in 2016-17

S.No	Parameter	Unit	Total
1.	Water Consumption (absolute)	KL	9,94,455
2.	Carbon Emissions	Absolute CO2 (Kg)	6,39,44,345

   ii. Raw Material Consumption in 2016-17 (April 2016 to March 2017)

S.No	Description of Raw Material	Unit	Total
1.	Milk Powder	MT	10,866
2.	Liquid Milk	MT	30,595
3.	Malt and Malt Extract	MT	76,626
4.	Flour (Wheat)	MT	29,782

   iii. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
   In our endeavor towards supporting a clean & sustainable environment, various energy reduction initiatives have been progressed. These include increased usage of Agri-waste based bio-mass fuel (briquettes/pellets) for steam generation, solar rooftop PV panels to generate renewable energy, improvement in efficiency of backup power (higher efficiency UPS), energy efficient LED lights, electronically commuted (direct drive motors) for ventilation system and improvement in the plant reliability.

   Water conservation initiatives included recycling of waste water, steam condensate recovery improvement, process optimization in various process streams and improvement in CIP system. We have implemented projects with enhanced water recovery (97% recovery) from water treatment system as compared to conventional water treatment, further ground water recharge through rain water harvesting and natural percolation pits.

   iv. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Not applicable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes, the Company has been increasing sourcing and usage of bio fuel (waste bio mass) with replacement of coal over the years at all three sites. Also, we consume agro based commodities such as wheat, barley and milk used to manufacture Horlicks. Around 93% of the water used across our Horlicks India value chain goes in producing agro based commodities. We piloted the approach with few major direct aforesaid agro based commodities suppliers at a rural community level. We have identified projects to address water conservation, rainwater harvesting, groundwater recharge and rehabilitation of water bodies, and are implementing at one location as pilot which will support in sustainable sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   Yes, the Company sources significant share of our milk requirements in Punjab from farmers from nearby villages. Further, to improve their capability and productivity of dairy operations we provide active support in the area of animal health care, breed improvement and guidance on good animal husbandry practices & clean milk production.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes, all three sites has well defined system to recycle waste and recycling of products waste is more than 10%, details of the waste utilisation is as follows:
   Process:
   Husk (Barley) : Sold as cattle feed.
   Product waste : Bio composting used as manure
   Ash from ESP : Reused in manufacture of ash based bricks, mud based bricks and for road construction.

Principle 3: Businesses should promote the wellbeing of all employees

S.No.	Particulars	Details
1.	Please indicate the Total number of employees	3807
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1451
3.	Please indicate the Number of permanent women employees.	174
4.	Please indicate the Number of permanent employees with disabilities	2

S.No.	Particulars	Details
5.	Do you have an employee association that is recognised by management	Yes. Rajahmundry : 1 Nabha : 1
6.	What percentage of your permanent employees is members of this recognised employee association?	Nabha : 89%, Rajahmundry : 91%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed	No. of complaints closed	No. of complaints pending
1.	Child labour/forced labour/involuntary labour	0	0	0
2.	Sexual harassment	1	1	0
3.	Discriminatory Employment	0	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   - Permanent Employees : 82%
   - Permanent Women Employees : 59%
   - Casual/Temporary/Contractual Employees : 92%
   - Employees with Disabilities : 100%

Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders? Yes/No
   Yes, the Company has mapped its internal and external stakeholders. We have signed MoUs with partners with clear roles and responsibilities for project implementation as well as defined terms and conditions.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?
   Yes, the Company implements its CSR programme through its NGO partners viz. The Akshay Patra Foundation, SHARP, Sakshi and CII Foundation. These NGOs identified 150,000 children from disadvantaged vulnerable & marginalized stakeholders based on the need of the programme and accordingly provides services to these stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.
   Yes, the company has taken the following special initiatives:
   "Mission Health" is to fight micronutrient deficiencies/hidden hunger in India by focusing on 0-10 years of children's life. Our awareness building, nutrition supplementation and capacity building programmes are reaching out to children from socio-economically weaker section.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
   Yes, the policy of the Company on human rights covers the Company and all its Third Party Vendors.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   No complaints received.

Principle 6: Businesses should respect, promote, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
   Yes, it covers the company and extends to contract manufacturing sites.
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
   Yes, all the three primary manufacturing sites have Site Energy Policy which addresses global environmental issues such as climate change, global warming, etc. and site energy initiatives are being considered in line with that.
   CO_2 emissions are monitored by all the units and we have taken long term targets for reduction of the same. Key initiatives taken during the year are solar power generation & increase use of Agri waste bio-mass in the existing Steam generation system to reduce the carbon emissions thus contributing towards reducing the impact of global warming.
   At Rajahmundry site, construction of a biomass based combined heat and power plant has been initiated, which will reduce CO_2 emission substantially.
3. Does the Company identify and assess potential environmental risks? Y/N
   Yes, proactive approach is followed in identification of the potential environmental risk, 5x5 matrix is used for the identification of the potential environmental risks. Proper SOP's/controls are in place for the key environmental risks.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   No, the Company has not explored any project related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.
   Yes, all sites are implementing various initiatives as highlighted below:

   1. Steam
      - All the sites have increased usage of Agri-waste bio-mass (briquettes/pellets) for steam generation. This has offset 50,441 Tons of CO_2 by replacing coal with 72% of biomass thus significantly reducing carbon foot print by 44% which reinforces our resolve towards a clean & sustainable environment.

- Condensate recovery initiative for improved steam efficiency.
- Boiler efficiency enhancement project (automatic monitoring and control of combustion efficiency).

2. Electricity-
   - 441KW roof top solar PV plant for renewable energy at Sonepat.
   - Replacement with highly energy efficient battery backup system (UPS) at Sonepat.
   - Electronically commuted (EC) direct drive fans installation in Ventilation systems and Air Treatment units.
   - Replaced water-ring vacuum pump with dry vacuum pump to save water and energy.Solar based Sun pipes for FG warehouse illumination.
   - Insulation losses reduction through Hot & cold insulation improvement.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   Yes. Stack Emissions, Water Analysis, Ambient Air Quality Reports are well within the limits as defined by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as in end of the financial year.
   There is no show cause notice pending by the end of financial year.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   Yes. The Company is the member of the following trade and chamber associations:
   a. Federation of Indian Chambers of Commerce and Industry (FICCI), Delhi
   b. Confederation of Indian Industries (CII), Delhi
   c. Association of Food Scientists and Technologists, Karnataka
   d. Protein Foods and Nutrition Development Association of India (PFNDAI), Mumbai
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).
   Yes, in the areas of advocacy on issues related to food and FMCG industry, Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water and Food Security and Sustainable Business Principles.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
   Yes the company supports inclusive growth and equitable development through following
   A. Corporate Social Responsibility
      The company through its Mission Health programme is supporting sustainable community development projects for eradicating micronutrient deficiencies. These projects are primarily implemented in partnership with government schools students who come from socio-economically backward communities.
   B. Community development directly through the Company
      These programmes are aimed at improving awareness of the community about the malnutrition and improving their knowledge, aptitude, behavior and practice towards healthy living.
   C. Relief and Rehabilitation in times of natural calamity and emergencies
      Supply of nutritional products and OTC medicines particularly in times of need and calamities. Our products are also supplied to various schools and to pregnant mothers in localities in villages in and around our factories.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?
   The initiatives are taken through in-house team and external NGO:
   1. Majority of the activities are undertaken through implementation partner NGOs viz. World Health Organization (WHO), The Akshay Patra Foundation, Sakshi, School Health Annual Report Programme (SHARP), Business and Community Foundation (BCF) and Care India Solution for Sustainable Development and Charities Aid Foundation (CAF).
   2. Many initiatives are also taken directly by our employees and sites for community development, in and around the site locations like Nabha, Sonepat, Rajhamundry and Gurugram.
3. Have you done any impact assessment of your initiative?
   Yes. It is an ongoing process – Each project is selected on basis of its sustainable impact and is regularly monitored. In order to measure impact, each project has defined output, outcome and impact indicators. The projects are conceived for a longer duration, ideally for 3 years which is generally the period by which an impact of the project can be documented.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   The Company has contributed approximately Rs.19 Crores and 79 Lakhs towards various CSR projects.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?
   Community development initiatives are designed and developed after careful need assessment of the community. Community is involved in project development and projects implementation. This helps to have community ownership of the project and ensures that community not only participate but adopt our projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of 12 months period ended March 31, 2017?
   As on March 31, 2017, 99% of the complaints were closed. Rest of the complaints are under investigation.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)?
   Yes. Consumer is provided with instructions on serve sizes and the basic knowledge about the science working behind the various formulations and ingredients added in our product including general known functions of the nutrients. Storage Instructions and cautionary notes, if any, are also provided, if it is important to ensure the safety of consumer at the time of consumption.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words, or so.
   There have been 5 complaints received by the Company from Advertising Standards Council of India (ASCI) and the Company has complied with all changes. There is 1 consumer case filed alleging unfair trade practice which is pending adjudication.
4. Did your Company carry out any consumer survey/consumer satisfaction trends?
   Yes, the Company undertakes a number of surveys throughout the year with our consumers. These include surveys on consumer satisfaction with product formulation, packaging and advertising. We also carry out extensive usage & attitude surveys for the categories we operate in. Details for which are available on request.

Place: Gurugram
Dated: May 11, 2017

Anup Dhingra
(DIN: 07602670)
Director- Operations

Corporate Governance Report

Company's Philosophy on Corporate Governance

GlaxoSmithKline Consumer Healthcare Limited is committed to following best global corporate governance practices in all its pursuits. The guiding principle for the Company has always been to achieve shareholders' satisfaction and maximize shareholders' value by following best corporate governance norms in true letter and spirit. The Company aims at achieving this objective by ensuring transparency in its functioning by truthful and complete communication to all its stakeholders and by inculcating a culture of ethical business conduct in all its operations.

Board of Directors

Composition

The composition of the Board of Directors of the Company is in complete conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business. The positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals, where the Chairman of the Board is a Non-Executive Director. None of the Directors of the Company are related inter-se. The details of the Board of Directors, their attendance records and other relevant details during the financial year ended March 31, 2017 are as under:

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on August 5, 2016	No. of directorships in other Public Companies[A]	No. of Committee Position held in Other Public Companies[B]	
						Chairman	Member
Mr. Subodh Bhargava	00035672	NEC	5	Yes	3	-	1
Mr. Jonathan Box*	06572462	NED	1	N.A.	-	-	-
Mr. Manoj Kumar	07177262	MD	5	Yes	-	-	-
Mr. Kunal Kashyap	00231891	ID	4	No	-	-	-
Mr. Mukesh H. Butani	01452839	ID	5	Yes	-	-	-
Mr. Naresh Dayal	03059141	ID	5	Yes	1	-	-
Mr. P. Dwarkanath	00231713	ID	5	Yes	3	-	-
Ms. Sangeeta Talwar	00062478	ID	5	Yes	4	1	4
Mr. Joaquin B Mascaro**	07517805	NED	3	Yes	-	-	-
Mr. Jaiboy John Phillips***	01417171	WTD	2	Yes	-	-	-
Mr. Vivek Anand	06891864	WTD	5	Yes	-	-	-
Mr. Anup Dhingra****	07602670	WTD	3	N.A.	-	-	-

**Mr. Jonathan Box, consequent to withdrawal of his nomination by M/s. Horlicks Limited stepped down as the Non- Executive Director of the Company with effect from May 17, 2016.*
***Mr. Joaquin B Mascaro was appointed as Non-Executive Director of the Company with effect from May 18, 2016, pursuant to nomination received from Horlicks Ltd.*
****Mr.Jaiboy John Phillips was appointed as an Whole Time Director of the Company with effect from August 5,2016 as 'Director-Operations', however he resigned at the ensuing Board Meeting with effect from August 31, 2016.*
*****Mr. Anup Dhingra was appointed as Whole Time Director of the Company as 'Director - Operations' with effect from September 1, 2016 due to resignation of Mr. Jaiboy John Phillips.*
[A]Directorship in public companies registered under the Companies Act, 2013, excluding private limited companies, foreign companies, limited liability companies and companies under Section 8 of the Companies Act, 2013.
[B]Only covers Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.
NEC – Non Executive Chairman *MD – Managing Director*
WTD – Whole time Director *ID – Independent Director* *NED – Non Executive Director*

Details of Board Meetings during the year ended March 31, 2017

The Board of Directors of the Company met five times during the period from April 1, 2016 to March 31, 2017 on May 17, 2016; August 5, 2016; November 7, 2016; February 13, 2017 and March 22, 2017. The Independent Directors met on March 21, 2017.

Information to the Board

The Company holds at least four Board Meetings in a year with at least one meeting in each quarter to review the quarterly financial results. The maximum gap between two Board Meetings is not more than 120 days. Agenda papers are circulated to the Board members and other permanent invitees to the Board Meeting well in advance. In addition to the specific matters which are taken at the Board Meetings, the following information is also placed before the Board for its review as per Schedule II Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Annual Operating Plans and Capital budgets and any updates in connection therewith.
- Quarterly results of the Company.
- Minutes of the meetings of the Audit Committee and all other Committees of the Board.
- Terms of reference of the Committees of the Board.
- Statutory Compliance Certificate.
- Information on appointment and resignation of senior officers of the Company.
- Significant labor problems, if any, at any of the plant/locations of the Company.
- Significant development on the Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- Information on strikes, lockouts, retrenchment, fatal accidents, dangerous occurrences, any material effluent or pollution problems or any other materially important incident, if any.
- Show cause, demand, prosecution notices and penalty notices of material importance.
- Any material default in financial obligations to and by the Company, or substantial non recovery for sale of goods by the Company.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.
- Details of any joint venture or collaboration agreement.
- Sale of a material nature, of investments and/or assets, which are not in the normal course of business.
- Any issue involving possible public or product liability claims of a substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

The Familiarisation programme along with the details of the same imparted to the new Independent Directors during the year are available on the website of the Company i.e. www.gsk-ch.in

Committees of the Board

The Board of Directors decides the composition and terms of reference of the Board Committees. The composition, terms of reference and the dates of these Committee meetings is given below:

a) Audit Committee

The Audit Committee comprises of four members, most of who are Independent Directors and possess financial and/or accounting knowledge. The Committee comprised of Mr. Mukesh H. Butani as the Chairman and Mr. Kunal Kashyap, Ms. Sangeeta Talwar and Mr. Joaquin B Mascaro as the other three members. Ms. Sonali Khanna was Company Secretary till May 17, 2016 and acted as Secretary to the Committee till that date. Ms. Shanu Saksena was appointed as Company Secretary on August 5, 2016 and acts as Secretary to the Committee.

The Committee was reconstituted with effect from August 5, 2016 and Mr. Joaquin B Mascaro was appointed as the member of the Committee in place of Mr. Jonathan Box pursuant to withdrawal of his nomination by Horlicks Limited.

The Managing Director, Finance Director and Operations Director are permanent invitees to the Audit Committee meetings. The Head of Internal Audit, the concerned partner of Price Waterhouse, the Statutory Auditors and KPMG Representatives (co-sourced internal auditors) are also invited to the Audit Committee meetings.

The Company has an Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Head of the Internal Audit Department reports to the Audit Committee. The Chairman of the Audit Committee Mr. Mukesh H. Butani attended the last Annual General Meeting held on August 5, 2016 to answer shareholders queries.

Terms of reference:

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meetings and frequency of meetings have been devised keeping in view the requirements of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the remuneration and terms of appointment of auditors.
3. Review and monitor the auditor's independence and performance and effectiveness of audit process.
4. Approval of assignments and the payment thereof to statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Any subsequent modification of transactions of the Company with related parties.
   b) Scrutiny of inter-corporate loans and investments.
   c) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
   d) Changes, if any, in accounting policies and practices and reasons for the same.
   e) Major accounting entries involving estimates based on the exercise of judgment by management.
   f) Significant adjustments made in the financial statements arising out of audit findings.
   g) Compliance with listing and other legal requirements relating to financial statements.
   h) Disclosure of any related party transactions.
   i) Qualifications in the draft audit report.
6. Reviewing and examining, with the management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board for approval.

6A. Reviewing, 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal financial control systems and risk management systems.

8. Reviewing the adequacy of the 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.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations 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.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. 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.
13. Valuation of undertakings or assets of the Company, wherever it is necessary.
14. To review the functioning of the Whistle Blower mechanism/vigil mechanism, address genuine concerns and:
    (a) To ensure the action taken on the alleged complaints received under this mechanism.
    (b) To review the adequacy of the final outcome of such complaint and ensure that the reward/punishment is commensurate with the final outcome.
    (c) To get an independent expert opinion, if need be, on the alleged complaint.
15. To ensure that the vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and have direct access to the Chairperson of the Audit Committee in appropriate/exceptional cases.
16. Approval of 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 & background, etc. of the candidate.
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
18. The Audit Committee mandatorily reviews the following information:
    a) Management discussion and analysis of the financial conditions and results of operations;
    b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, and any modification of the transactions;
    c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
    d) Internal audit reports relating to internal control weaknesses;
    e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor/Internal Auditors;
    f) Monitoring the end use of funds raised through public offers and related matters;
    g) Inter-corporate loans and investments; and
    h) Any other matter the Board may request/authorise the Audit Committee to perform/review.

Five meetings of the Audit Committee were held during the year ended March 31, 2017. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. Mukesh H. Butani	5
Mr. Kunal Kashyap	5
Mr. Jonathan Box *	1
Mr. Joaquin B Mascaro**	3
Ms. Sangeeta Talwar	5

**Mr. Jonathan Box, consequent to withdrawal of his nomination by M/s. Horlicks Limited stepped down as the Non- Executive Director of the Company with effect from May 17, 2016.*

***Mr. Joaquin B Mascaro was appointed as Non-Executive Director of the Company with effect from May 18, 2016, pursuant to nomination received from Horlicks Ltd.*

b) Nomination & Remuneration Committee

The Company has a Remuneration Committee which comprises of three members. The Committee presently comprises of Mr. P. Dwarakanath as the Chairman and Mr. Subodh Bhargava and Mr. Mukesh H. Butani as the other two members. Ms. Sonali Khanna was Company Secretary till May 17, 2016 and acted as Secretary to the Committee till that date. Ms. Shanu Saksena was appointed as Company Secretary on August 5, 2016 and acts as Secretary to the Committee.

The Committee was reconstituted with effect from August 5, 2016, Mr. Kunal Kashyap ceased to be the Chairman and member of the Committee, Mr. P. Dwarakanath was appointed as the Chairman of the Committee and Mr. Subodh Bhargava was appointed as a member to the Committee.

Terms of reference:

The functioning and terms of reference of the Committee have been devised in line with the recommendations as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The terms of reference of the Committee are as follows:

1. To identify persons qualified to become directors and persons appointed in the senior management.
2. To recommend to the Board the criteria for appointment and removal of persons eligible for directorship/senior management.
3. To carry out the evaluation of every directors' performance.
4. To determine the Company's policy on all elements of remuneration packages of all the Directors including salary, benefits, bonuses, stock options, pension rights and compensation payment, etc.
5. Details of fixed component and performance linked incentives along with performance criteria.
6. Service contracts, notice period, severance fees, etc.
7. Stock option details, if any – and whether issued at a discount as well at the period over which accrued and over which exercisable.
8. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
9. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. The Committee shall ensure the following while formulating a policy and such Policy shall be disclosed in the Board's Report.
10. Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
11. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
12. 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.

13. All other aspects of benefits and compensation to employees.
14. To determine the remuneration of the Non Executive Directors, which shall, finally be decided by entire Board of Directors.
15. To review and advise the Company on the succession planning for the senior management and ensure the organisation's readiness for continuing leadership.
16. Any other matter the Board may request/authorise the Committee to perform/review.

Four meetings of the Committee were held during the year ended March 31, 2017. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. P. Dwarakanath*	4
Mr. Kunal Kashyap**	1
Mr. Subodh Bhargava***	2
Mr. Mukesh H. Butani	4

**Mr. P. Dwarakanath was appointed as the Chairman of the Committee w.e.f. August 5, 2016.*
***Mr. Kunal Kashyap ceased to be chairman & member of the Committee w.e.f. August 5, 2016.*
****Mr. Subodh Bhargava was appointed as member of the Committee w.e.f. August 5, 2016.*

Remuneration Policy

Payment of Commission and Sitting Fees to the Non Executive Directors and payment of Salary, Commission and Perquisites to the Whole-time Directors are as per the structure determined by the Nomination & Remuneration Committee and the Board, and subject to the overall ceilings imposed by the Companies Act, 2013 and other applicable statutes, if any. The basis is also determined by carrying out a periodic analysis of the industry trends by an independent and reputed HR Management Consultant firm, which is scrutinised and recommended by the Remuneration Committee. Performance linked incentives and bonus paid to the Whole-time Directors are determined on the basis of achievement of overall financial and other objectives set for the Company at the beginning of the year and the achievement of individual objectives.
The retirement age of the Whole-time Directors of the Company is 60 years while for Non Executive Directors it is 75 years. The Notice period for the Whole-time Directors is three months' notice on either side. The Service contracts are in the range of 3 to 5 years.
The retirement age of Non-Executive Chairman of the company has been extended for a period of one year from March 31, 2017 to March 31, 2018.

Criteria for making payment to the Non-Executive Directors

The Company has a separate Policy for Remuneration of Non- Executive Directors and Employees and the same is available on the Company's website i.e. www.gsk-ch.in.

Performance Evaluation Criteria for Independent Directors

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors' Report for details on the Performance Evaluation of the Board.

Remuneration of Key Managerial Personnel and Directors

Details of remuneration of the Key Managerial Personnel for the year ended March 31, 2017:

(Rs.)

S. No.	Name	Designation/Position	Salary#	Benefits@	Performance Incentive$	Grand Total
1.	Mr. Manoj Kumar	Managing Director	2,86,13,956	57,87,391	2,40,34,822	**5,84,36,168**
2.	Mr. Vivek Anand	Director – Finance & CFO	1,34,65,536	38,15,146	1,38,43,133	**3,11,23,815**
3.	Mr. Jaiboy John Phillips*	Director – Operations	66,69,978	25,12,181	1,08,53,334	**2,00,35,493**
4.	Mr. Anup Dhingra**	Director – Operations	93,33,311	27,97,637	1,73,40,944	**2,94,71,892**
5.	Ms. Sonali Khanna***	General Manager – Legal & Company Secretary	5,26,704	3,08,862	-	**8,35,566**
6.	Ms. Shanu Saksena****	Company Secretary & Area Ethics and Compliance Officer	35,01,517	13,23,458	9,43,257	**57,68,232**

#Salary includes Basic Salary and HRA.
@Benefits include allowances, perquisites, retiral benefits and recognition awards.
$Performance incentive includes bonus, cash settled stock based award of GSK plc and any sign-on payments.
**Ceased to be in the role with effect from August 31, 2016.*
***Remuneration paid from September 1, 2016 as appointed in the role w.e.f. September 1, 2016.*
****Remuneration paid till May 17, 2016 as ceased to be in the role w.e.f. May 17, 2016.*
*****Remuneration paid from August 5, 2016 as appointed in the role w.e.f. August 5, 2016.*

Details of remuneration of Non-Executive Directors and Independent Directors for the year ended March 31, 2017:

(Rs.)

S. No.	Name	Particulars	Sitting Fees	Commission	Total
1.	Mr. Subodh Bhargava	Non Executive Chairman	6,00,000	10,00,000	**16,00,000**
2.	Mr. Kunal Kashyap	Independent Director	8,75,000	7,00,000	**15,75,000**
3.	Mr. Mukesh H. Butani	Independent Director	10,75,000	7,00,000	**17,75,000**
4.	Mr. Naresh Dayal	Independent Director	7,00,000	7,00,000	**14,00,000**
5.	Mr. P. Dwarakanath	Independent Director`	7,50,000	7,00,000	**14,50,000**
6.	Ms. Sangeeta Talwar	Independent Director	9,50,000	7,00,000	**16,50,000**
7.	Mr. Jonathan Box*	Non Executive Director	-	-	**-**
8.	Mr. Joaquin B Mascaro**	Non Executive Director	-	-	-

**Ceased to be in the role with effect from May 17, 2016.*
***Appointed in the role with effect from May 18, 2016.*

Shareholding of Non Executive Directors:
Mr. P. Dwarakanath holds 15 shares of the Company. None of the other Directors of the Company are holding any shares in the Company as on March 31, 2017.

c) Investor Grievance & Stakeholders Relationship Committee

The Investor Grievance & Stakeholders Relationship Committee of the Company comprises of four members. The Committee comprised of Mr. Kunal Kashyap as the Chairman, Mr. P. Dwarakanath, Mr. Vivek Anand and Mr. Naresh Dayal as the other three members. Ms. Sonali Khanna was Company Secretary till May 17, 2016 and acted as Secretary to the Committee till that date. Ms. Shanu Saksena was appointed as Company Secretary on August 5, 2016 and acts as Secretary to the Committee and also as the Compliance Officer.
The Committee was reconstituted with effect from August 5, 2016, where Mr. Kunal Kashyap was appointed as the Chairman of the Committee replacing Mr. P. Dwarkanath. Mr. Subodh Bhargava ceased to be a member of the Committee.

Terms of reference:
The functioning and terms of reference of the Committee are in conformity with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

1. Redressing/Resolving of security holders complaints/grievances
   - Number of complaints received
   - Transfer of shares, any pending transfers etc.
   - Non-receipt of Balance Sheet
   - Non-receipt of dividends, bonus, rights etc.
   - Complaints with regards to dematerialisation
   - Number of pending complaints and reasons there for
   - Number of complaints not solved to the satisfaction of the security holder
   - Any other complaint
2. Any other matter the Board may request/authorise the Committee to review/perform.

Four meetings of the Committee were held during the year ended March 31, 2017. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. Kunal Kashyap*	2
Mr. P. Dwarakanath**	4
Mr. Naresh Dayal	4
Mr. Subodh Bhargava***	2
Mr. Vivek Anand	4

**Mr. Kunal Kashyap was appointed as the Chairman of the Committee w.e.f. August 5, 2016.*
***Mr. P. Dwarakanath ceased to be Chairman and continued to be a member of the Committee w.e.f. August 5, 2016.*
****Mr. Subodh Bhargava ceased to be member of the Committee w.e.f. August 5, 2016.*

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year ended March 31, 2017 under review were 109. The Company ensures that the investor's correspondence is attended expeditiously and endeavour is made to send a satisfactory reply within three days of receipt, except in cases that are constrained by disputes or legal impediments. There are no pending share transfer complaints as on March 31, 2017. The Company has advised Karvy Computershare Pvt. Ltd., its Registrar and Share transfer Agent to dispatch the shares after transfer within three days from their approval at the Share Transfer Committee.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR) of the Company comprises of four members. The Committee comprises of Ms. Sangeeta Talwar as the Chairperson and Mr. Mukesh H. Butani, Mr. Naresh Dayal and Mr. Vivek Anand as the other three members. Ms. Sonali Khanna was Company Secretary till May 17, 2016 and acted as Secretary to the Committee till that date. Ms. Shanu Saksena was appointed as Company Secretary on August 5, 2016 and acts as Secretary to the Committee.
The Committee was reconstituted on August 5, 2016, Ms. Sangeeta Talwar was appointed as the Chairperson of the Committee replacing Mr. P. Dwarakanath who ceased to be the Chairman and member of the Committee.

Terms of reference:
The role and terms of reference of the CSR Committee shall include the following:

1. Formulate, implement and monitor the CSR Policy of the Company from time to time.
2. Specify the projects and programmes that are to be undertaken.
3. Recommend the amount of expenditure to be incurred on the activities to be undertaken as per the CSR Policy.
4. Approve the list of CSR projects/programmes which the Company plans to undertake during the year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
5. Ensure that the CSR projects/programmes of the Company also focus on integrating business models with social and environmental priorities and processes in order to create shared value.
6. Ensure that the CSR Policy of the Company provides that surplus arising out of the CSR activity will not be part of business profits of the Company.
7. Ensure that the CSR Policy specifies that the corpus would include the following:
   a. at least 2% of the average net profits during the three immediately preceding financial years;
   b. any income arising therefrom;
   c. surplus arising out of CSR activities.
8. Monitor the implementation of the projects/programmes/activities proposed to be undertaken by the Company.
9. Ensure that the following broad activities will be undertaken under CSR:
   a. Generating awareness around hidden hunger/micronutrient deficiency and malnutrition.
   b. promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

c. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, Other Backward Classes, minorities and women;
d. rural development projects;
e. such other area as may be prescribed or any other area the Board may authorise the Committee to include.

Three meetings of the Committee were held during the year ended March 31, 2017. Attendance at meetings during the year:

Director	No. of meetings attended
Ms. Sangeeta Talwar*	2
Mr. Vivek Anand	3
Mr. Naresh Dayal	3
Mr. Mukesh H. Butani	3
Mr. P. Dwarakanath**	1

**Ms. Sangeeta Talwar was appointed as the Chairperson of the Committee w.e.f. August 5, 2016.*
***Mr. P. Dwarakanath ceased to be the Chairman and member of the Committee w.e.f. August 5, 2016.*

GENERAL BODY MEETINGS

Particulars of last three AGMs

Year	Date	Time	Venue	Special Resolution passed
2016	August 05, 2016	09.00 a.m.	Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha – 147 201 (Punjab)	Three Special resolutions for appointment of Directors.
2015	August 06, 2015	09.30 a.m.		No Special Resolution
2014	August 07, 2014	09.30 a.m.		No Special Resolution

Postal Ballot Resolution

No Postal ballot resolution was passed during the year ended March 31, 2017. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

MEANS OF COMMUNICATIONS

Quarterly Results

Wide publicity is accorded to the Quarterly Results by publishing them in widely circulated English daily (Financial Express) and a Punjabi daily (Punjabi Tribune) as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results are also uploaded to the Stock Exchanges where the Company is listed. The Company also has its own official press releases in various newspapers through its Public Relations agency. The Quarterly results of the Company are also displayed on the website of the Company at www.gsk-ch.in.

Half-yearly Report to each household of shareholders

Half-yearly reports are provided to shareholders on a request being made to the Company in this regard.

Presentations made to Institutional Investors or to Analysts

Regular meetings and teleconferences were held with the Financial Institutions, Foreign Institutional Investors and Analysts. Three (3) Analyst Telecoms were held during the year with different Financial Analysts. They are also provided with a copy of the quarterly results after the same have been e-mailed to the Stock Exchanges. A copy of the presentations made to Financial Analysts is also made available on the website of the Company at www.gsk-ch.in.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

Date: The Fifty Eighth Annual General Meeting is scheduled to be held on Wednesday, August 9, 2017
Time: 9.30 a.m.
Venue: Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha, 147 201 (Punjab)

Financial Year:

April 1, 2016 to March 31, 2017

Financial Calendar:

Particulars	Date of Board meeting	Particulars	Date of Board meeting
1. Quarter ending June 30, 2017	August, 2017	2. Quarter ending September 30, 2017	November, 2017
3. Quarter ending December 31, 2017	February, 2018, March 2018	4. Quarter ending March 31, 2018	May, 2018

Book closure:
The Register of Members will be closed from August 4, 2017 to August 9, 2017 (both days inclusive).

Dividend payment:
For the year ended March 31, 2017, the Directors have recommended a dividend at the rate of Rs.70/- per equity share, subject to approval of the Members at the ensuing Annual General Meeting. If approved, the dividend shall be paid on or before September 8, 2017 to all the Members.

Listing on Stock Exchanges and Stock Code:
The shares of the Company are listed at two Stock Exchanges in India, the addresses of which are given below:

Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Stock Exchange Towers, Dalal Street, Fort, Mumbai – 400 023	Demat 500676
National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	GSKCONS

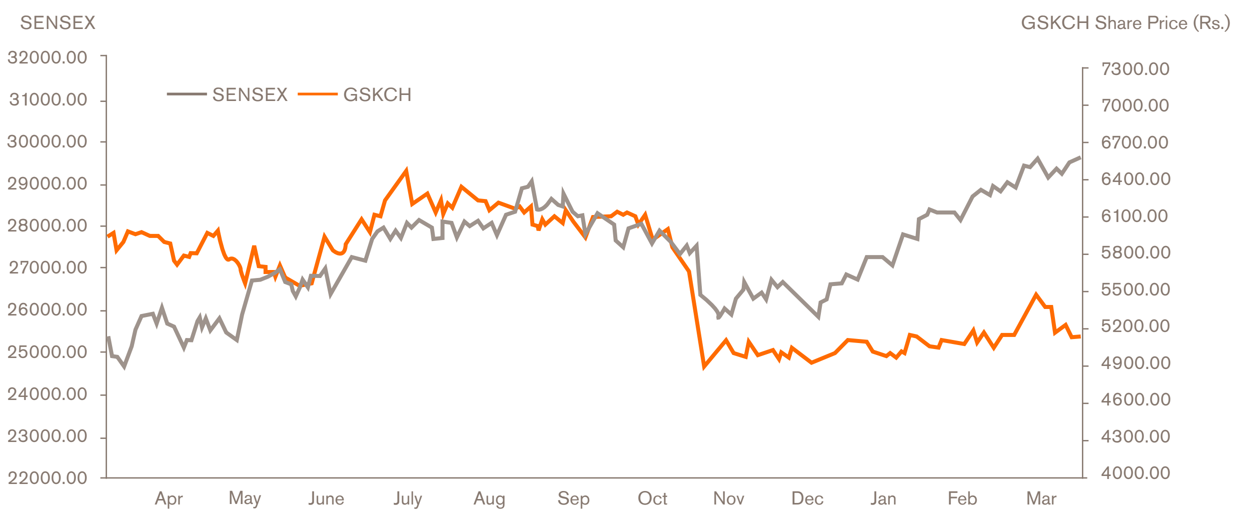
The Listing Fee for the year 2016-2017 has been paid to the Stock Exchanges where the shares of the Company are listed.

Stock Market Data:
High and Low during each month in last financial year from April, 2016 to March, 2017 on the Stock Exchanges where the shares of the Company are listed:

(Rs.)

	Share Price (Closed at)		Sensex (Closed at)	
Month	Highest	Lowest	Highest	Lowest
April 2016	6,064.95	5,885.15	26,064.12	24,673.84
May 2016	6,086.00	5,626.80	26,725.60	25,101.73
June 2016	6,010.35	5,587.55	27,020.66	26,395.71
July 2016	6,551.40	6,056.55	28,208.62	27,126.90
August 2016	6,452.35	6,180.80	28,452.17	27,697.51
September 2016	6,274.25	6,009.55	29,045.28	27,827.53
October 2016	6,220.00	5,968.40	28,334.55	27,529.97
November 2016	6,079.75	4,921.00	27,876.61	25,765.14
December 2016	5,141.55	4,956.70	26,747.18	25,807.10
January 2017	5,193.10	5,000.00	29,681.77	24,673.84
February 2017	5,227.75	5,061.30	28,892.97	28,141.64
March 2017	5,532.55	5,076.15	29,648.99	28,832.45

Performance in comparison:



Registrar and Transfer Agents:
Karvy Computershare Pvt. Limited,
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008;
E-mail:-einward.ris@karvy.com

Share Transfer System:
Share transfers, where transfer documents are found in order, are registered and returned in the normal course within a period of 15 days from the date of receipt of the documents. Any requests for dematerialisation/rematerialisation of shares are processed and confirmation is given to depositories i.e. National Securities Depositories Limited (NSDL) or Central Depositories Services (India) Limited (CDSL), as the case may be, within 15 days from the date of receipt.

Distribution of shareholding as on March 31, 2017:

S. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 250	37,362	89.14	14,24,640	3.39
2	251 - 500	2,901	6.92	9,85,336	2.34
3	501 - 1000	964	2.30	6,77,062	1.61
4	1001 - 2000	270	0.64	3,91,222	0.93
5	2001 - 3000	115	0.27	2,85,237	0.68
6	3001 - 4000	57	0.14	2,00,939	0.48
7	4001 - 5000	29	0.07	1,29,943	0.31
8	5001 - 10000	84	0.20	6,11,593	1.45
9	10001 AND ABOVE	134	0.32	3,73,49,566	88.81
	Total	**41,916**	**100.00**	**4,20,55,538**	**100.00**

Shareholding pattern as on March 31, 2017:

S.No.	Description	No. of Holders	No. of Shares held	% of Shares held
1	BANKS	20	5,899	0.01
2	CLEARING MEMBERS	51	7,549	0.02
3	EMPLOYEES	5	206	0.00
4	FOREIGN INSTITUTIONAL INVESTOR	17	3,06,723	0.73
5	FOREIGN PORTFOLIO INVESTORS	104	15,31,937	3.64
6	FOREIGN PROMOTERS	2	3,04,71,992	72.46
7	H U F	658	84,444	0.20
8	INDIAN FINANCIAL INSTITUTIONS	16	10,54,843	2.51
9	BODIES CORPORATES	896	6,41,890	1.53
10	BENEFICIAL HOLDINGS UNDER MGT-4	4	215	0.00
11	MUTUAL FUNDS	73	24,66,835	5.87
12	NBFC	8	46,130	0.11
13	NON RESIDENT INDIANS	1,029	72,762	0.17
14	NRI NON-REPATRIATION	284	85,758	0.20
15	NRI REPATRIATION	10	2,350	0.01
16	OVERSEAS CORPORATE BODIES	1	280	0.00
17	RESIDENT INDIVIDUALS	38,732	52,75,010	12.54
18	TRUSTS	6	715	0.00
	Total	**41,916**	**4,20,55,538**	**100.00**

Dematerialisation of shares and liquidity:
As on March 31, 2017, we have dematerialised 98.12% of our equity share capital, only 1.88% of our equity share capital is held in physical form.

Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:
We have no GDRs/ADRs or any commercial instrument.

Commodity price risk or foreign exchange risk and hedging activities
The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India and Global Markets. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

The Company does not hedge foreign exchange risk as the exposure is not material.

Plant locations:
Nabha Plant: GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha – 147 201 (Punjab)
Rajahmundry Plant: GlaxoSmithKline Consumer Healthcare Limited, Industrial Area, Dowleswaram – 533 124 (Andhra Pradesh)
Sonepat Plant: GlaxoSmithKline Consumer Healthcare Limited, 14 km Stone, Sonepat – Meerut Road, Village Khewra, P.O. Bahalgarh – 130 121, District Sonepat (Haryana)

Address for correspondence:
Registered Office:
GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha – 147 201 (Punjab)
CIN: L24231PB1958PLC002257

Head Office:
GlaxoSmithKline Consumer Healthcare Limited, 24th & 25th Floor, One Horizon Centre, DLF Phase 5, Golf Course Road, Gurugram – 122 002 (Haryana)

Registrars and Share Transfer Agents:
Karvy Computershare Pvt. Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008

Name, Address and Contact Numbers of the Compliance Officer and Company Secretary:
Ms. Shanu Saksena, Company Secretary & Area Ethics and Compliance Officer, 24th Floor, One Horizon Centre, DLF Phase 5, Golf Course Road, Gurugram – 122 002 (Haryana) Telephone: 0124-4336500; Facsimile: 0124-4336600; Email: investor.2.co@gsk.com

Email for Investors:
investor.2.co@gsk.com, einward.ris@karvy.com

Company's website address:
www.gsk-ch.in

DISCLOSURE

- Materially significant Related Party Transactions that may have potential conflict with the interests of Company at large – during the year ended March 31, 2017 the Company has Related Party Transactions as envisaged under the Corporate Governance Code which have been mentioned in Notes 28 to the Accounts.
- There have not been any non-compliances, penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

Whistle Blower Policy and Vigil Mechanism

The Company has formulated a Whistle Blower Policy and Vigil Mechanism, with an aim to deter and detect misconduct and to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place, are raised at an early stage in a responsible and confidential manner.

It is also affirmed that no member has been denied access to the Audit Committee and the Whistle Blower Committee.

The members of the Whistle Blower Committee for the year ended March 31, 2017 were Managing Director, Finance Director, Operations Director, Legal Head and HR Head. Apart from these members, the Company Secretary acts as the Co-ordinator of the Committee. The Audit Committee reviews the mechanism and all Whistle Blower complaints and investigations of the Whistle Blower Committee, at all its meetings.

The Whistle Blower Policy has also been posted at the website of the Company www.gsk-ch.in.

Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management members of the Company to whom the Code applies. The Code of Conduct has also been posted at the website of the Company www.gsk-ch.in. CEO's affirmation that the Code of Conduct has been complied with by the Board of Directors and Senior Management is given at the end of this report.

Discretionary Requirements

The Company is complying with the following discretionary requirements prescribed under Schedule II Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Separate posts of Chairman and CEO: The Company already has separate persons to the post of Chairman and Managing Director/CEO. Mr. Subodh Bhargava is the Non Executive Chairman and Mr. Manoj Kumar is the Managing Director.
2. Reporting of Internal Auditor: As per Audit Committee's terms of reference.

CEO & CFO Certification

The Certificate issued by the Managing Director (CEO) and Director – Finance (CFO) certifying the accuracy of the financial statements and adequacy of internal controls for financial reporting, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

The Company has complied with all the mandatory requirements as specified in Regulation 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding maintenance of functional website containing basic information about the Company and the necessary information as required to be uploaded on the Company's website.

Management Discussion and Analysis Report setting out Opportunities and Threats and also Risks and Concerns forms part of the Directors' Report and is reported in this Annual Report.

For and on behalf of the Board

Manoj Kumar
(DIN: 07177262)
Managing Director

Place : Gurugram
Dated : May 11, 2017

Declaration as required under Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Directors and Senior Management members of the Company have affirmed compliance with Code of Conduct for Directors and Senior Management of GlaxoSmithKline Consumer Healthcare Limited for the year ended March 31, 2017.

Manoj Kumar
(DIN: 07177262)
Managing Director

Dated: May 11, 2017
Place: Gurugram

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of GlaxoSmithKline Consumer Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by GlaxoSmithKline Consumer Healthcare Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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 Price Waterhouse
Firm Registration No.: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership No.: 099903

Place: Gurugram
Dated: May 11, 2017

Certification by Chief Executive Officer & Chief Financial Officer of the Company

To the Board of Directors
GlaxoSmithKline Consumer Healthcare Limited

We, Manoj Kumar, Managing Director and Vivek Anand, Director – Finance, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Profit and Loss Account of the Company for the financial year ended March 31, 2017 as well as the Statement of changes in equity & Cash Flow statement as on that date and that to the best of our knowledge and belief, we state that
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and necessary steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
   a) significant changes, if any, in internal control over financial reporting during the year;
   b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurugram
Dated: May 11, 2017

Vivek Anand
(DIN: 06891864)
Director

Manoj Kumar
(DIN: 07177262)
Managing Director

Auditors' Report

To the members of GlaxoSmithKline Consumer Healthcare Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **GlaxoSmithKline Consumer Healthcare Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 17, 2016 and May 8, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.

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

i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements -Refer Note 13 and Note 29;

ii The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts -Refer Note 12(c). The Company did not have any derivative contracts as at March 31, 2017;

iii During the year ended March 31, 2017 there has been a delay in transferring unclaimed equity final dividend for the financial year ended 2008 amounting to Rs. 8.87lacs required to be transferred to the Investor Education and Protection Fund by the Company. The due date of deposit was June 29, 2016 whereas the actual date of deposit was July 08, 2016.

iv The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Refer Note 32 to the IndAS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Place: Gurugram
Dated: May 11, 2017

Pramit Agrawal
Partner
Membership Number: 099903

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of GlaxoSmithKline Consumer Healthcare Limited on the financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of GlaxoSmithKline Consumer Healthcare Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

5. 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

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Place: Gurugram *Partner*
Dated: May 11, 2017 Membership Number: 099903

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of GlaxoSmithKline Consumer Healthcare Limited on the financial statements as of and for the year ended March 31, 2017

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, plant and equipment to the financial statements, are held in the name of the Company except for one building having original cost of Rs. 21.74 lacs and net book value of Rs. Nil and five freehold lands having original cost of Rs. 6.25 lacs and net book value of Rs. 6.25 lacs for which title deeds are not available with the Company and seven buildings having original cost of Rs. 123.95 lacs and net book value of Rs. 75.20 lacs, for which registration is pending in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In respect of inventory lying with third parties, to the extent, such inventories have not been physically verified by the Management, such inventories have been substantially confirmed by the third parties. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lacs)#	Period to which the amount relates	Forum where the dispute is pending
DUTY OF EXCISE				
The Central Excise Act 1944	Interest demand on excess refund	27.14	2001-2003	Supreme Court
The Central Excise Act 1944	Excise duty on clearance from excise exempt zone	51,14.79	2009	Himachal Pradesh High Court
The Central Excise Act 1944	Demand upon finalisation of provisional assessment, inadmissibility of credit on capital goods by the job worker and denial of refund on quality samples	2,30.54	Various years between 2013-2015	Customs, Excise & Service Tax Appellate Tribunal of Kolkata, Chandigarh and Chennai
The Central Excise Act 1944	Denial of credit on the ground that the seller received refund of the duty paid	38.00	1983-86	Customs, Excise & Service Tax Appellate Tribunal of Delhi
The Central Excise Act 1944	Dispute on CENVAT credit	13.78	1997-98	Assistant Commissioner of Central Excise of Ghaziabad
The Central Excise Act 1944	Denial of rebate claim	1.05	2015-16	Commissioner (Appeals) Central Excise, Bangalore
Subtotal(A)		**54,25.30**		
SERVICE TAX				
The Finance Act, 1994	Availment of credit of service tax on outward transportation	19.19	Various year between 2005-2007	Customs, Excise & Service Tax Appellate Tribunal of Allahabad
The Finance Act, 1994	Inadmissibility of service tax credit on outward transportation, cleaning, canteen and gardening service and demand of service tax under category of manpower supply service	1,12.04	Various year between 2006-2014	Commissioner (Appeals) of Central Excise of various states
The Finance Act, 1994	CENVAT credit on rent denied in respect of land lying outside factory Boundary	53.57	2009-2014	Customs, Excise & Service Tax Appellate Tribunal, Chandigarh
Subtotal(B)		**1.84.80**		
SALES TAX, ENTRY TAX AND VALUE ADDED TAX				
As per the statue applicable in the state of Himachal Pradesh	Entry Tax on bulk powder received for packing purposes only	6,45.84	2015-17	Himachal Pradesh High Court
As per the statue applicable in the state of Tamil Nadu	Additions on account of concessional rates of tax	27.04	2007-2016	Advance ruling Authority
As per the statute applicable in the state of Uttar Pradesh, Assam, Maharashtra, West Bengal, Bihar, Jharkhand,Madhya Pradesh, Orissa and Telangana	Various disallowances on account of alleged non- availability/submission of prescribed forms, alleged sale of freebies, denial of concessional rate of tax and other matters	1,46.69	Various year between 1998-2016	Sales Tax Appellate Tribunal/ Revenue Board
As per the statue applicable to Orissa, West Bengal, Maharashtra, Uttar Pradesh, Punjab, Haryana, Gujarat and Kerala	Various disallowances on account of non-availability of prescribed forms, demand of entry tax, denial of concessional rate of tax and other matters	2,39.39	Various year between 2002-2014	First Appellate Authorities at various levels
As per the statue applicable to Delhi, Rajasthan, Uttar Pradesh, Assam, Bihar and Jharkhand	Various disallowances on account of non-availability of forms, denial of concessional rate of tax and other matters	3,09.91	Various year between 2000-2015	Adjudication Level
Subtotal(C)		**13,68.87**		
INCOME TAX				
Income Tax Act, 1961	Income tax and Interest	8,64.80	AY1997-98	High Court of Punjab and Haryana
Income Tax Act, 1961	Income tax and Interest	1,00,07.19	AY2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and Interest	1,19,70.55	AY2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and Interest	2,64,25.48	AY2012-13	Income Tax Appellate Tribunal
Sub Total (D)		**4,92,68.02**		
Grand Total (A +B +C+D)		**5,62,46.99**		

The above details exclude appeals made by the department to higher appellate authorities as there is no stay on the order(s) passed by the lower authorities in favour of the Company and the amount is not ascertainable.
#Includes interest and penalty amounts as specified in the demand order and is net of amount paid under protest.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standard) Rules, 2015 (as amended)].

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership Number: 099903

Place: Gurugram
Dated: May 11, 2017

Balance sheet
as on March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,87,04.19	4,80,58.57	4,93,90.19
Capital work-in-progress	3	49,17.84	51,38.60	42,31.36
Intangible assets	4	38.57	69.22	1,69.44
Intangible assets under development	4	8,48.94	-	-
Financial assets				
i. Loans	5(d)	30,57.38	20,14.68	17,75.67
ii. Other financial assets	5(e)	21,71.34	20,78.86	17,24.70
Deferred tax assets (net)	6	1,27,80.18	1,13,13.39	1,03,12.46
Current tax assets (net)	7	81,70.12	41,37.78	28,06.16
Other non-current assets	8	8,66.71	9,60.42	11,39.93
Total non-current assets		8,15,55.27	7,37,71.52	7,15,49.91
Current assets				
Inventories	9	4,61,14.46	4,61,62.21	4,66,25.11
Financial assets				
i. Trade receivables	5(a)	3,21,00.16	3,54,16.17	3,13,36.08
ii. Cash and cash equivalents	5(b)	7,00,91.28	10,61,66.55	9,25,38.05
iii. Bank balances other than (ii) above	5(c)	23,86,46.26	16,50,60.13	13,71,14.00
iv. Loans	5(d)	11,68.07	14,01.77	11,60.07
v. Other financial assets	5(e)	1,54,24.32	1,46,01.66	1,47,68.53
Employee benefits	14	7,28.66	-	-
Other current assets	10	1,01,89.07	69,52.15	70,92.02
Total current assets		41,44,62.28	37,57,60.64	33,06,33.86
Total assets		49,60,17.55	44,95,32.16	40,21,83.77

Balance sheet (Contd.)
as on March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11(a)	**42,05.55**	42,05.55	42,05.55
Other equity	11(b)	**30,80,61.28**	27,56,64.95	23,51,67.14
Total equity		**31,22,66.83**	27,98,70.50	23,93,72.69
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	12(a)	**-**	2,06.74	6,68.35
Provisions	13	**1,71,62.03**	1,77,26.15	1,61,46.09
Employee benefit obligations	14	**64,77.19**	60,62.80	59,00.83
Total non-current liabilities		**2,36,39.22**	2,39,95.69	2,27,15.27
Current liabilities				
Financial liabilities				
i. Trade payables	12(b)			
Total outstanding dues of micro and small enterprises; and		**12,52.83**	13,26.61	18,43.06
Total outstanding dues of creditors other than micro and small enterprises		**8,47,87.98**	7,71,91.51	7,41,34.73
ii. Other financial liabilities	12(c)	**3,32,33.43**	2,72,40.52	2,50,26.44
Provisions	13	**2,64,16.38**	2,37,06.46	2,45,53.50
Employee benefit obligations	14	**40,62.78**	68,40.71	74,87.48
Other current liabilities	15	**1,03,58.10**	93,60.16	70,50.60
Total current liabilities		**16,01,11.50**	14,56,65.97	14,00,95.81
Total liabilities		**18,37,50.72**	16,96,61.66	16,28,11.08
Total equity and liabilities		**49,60,17.55**	44,95,32.16	40,21,83.77

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
(Membership No.: 099903)

Subodh Bhargava
(DIN: 00035672)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Shanu Saksena
Company Secretary
(Membership No. ACS-13405)

Mukesh H. Butani
(DIN: 01452839)
Director

Statement of Profit and Loss
For The Year Ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from operations	16	**44,21,08.89**	45,64,37.68
Other income	17	**2,43,87.86**	2,77,50.97
Total income		**46,64,96.75**	48,41,88.65
Expenses			
Cost of materials consumed	18(a)	**11,50,75.11**	12,21,76.09
Purchases of stock-in-trade		**1,53,85.09**	1,24,47.91
Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(b)	**(7,65.94)**	(2,69.84)
Excise duty		**4,34,62.97**	4,28,10.66
Employee benefits expense	19	**4,58,02.63**	5,04,97.80
Depreciation and amortization expense	20	**64,17.54**	57,43.87
Other expenses	21	**13,97,99.95**	14,49,58.97
Finance costs	22	2,77.82	2,27.99
Total Expenses		**36,54,55.17**	37,85,93.45
Profit before tax		**10,10,41.58**	10,55,95.20
Income tax expense :	23		
Current tax		**3,70,23.47**	3,76,85.34
Deferred tax		**(16,49.69)**	(8,18.10)
Total tax expense		**3,53,73.78**	3,68,67.24
Profit for the year		**6,56,67.80**	6,87,27.96
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
Remeasurements of post-employment benefit obligations		**33,03.87**	(5,97.58)
Income tax relating to these items		**(11,43.40)**	2,06.81
Other comprehensive income for the year, net of tax		**21,60.47**	(3,90.77)
Total comprehensive income for the year		**6,78,28.27**	6,83,37.19
Earnings per equity share	31		
Basic earnings per equity share (INR)		156.15	163.42
Diluted earnings per equity share (INR)		156.15	163.42

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the statement of profit and loss referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership No.: 099903

Subodh Bhargava
(DIN: 00035672)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Shanu Saksena
Company Secretary
(Membership No. ACS-13405)

Mukesh H. Butani
(DIN: 01452839)
Director

Statement of changes in equity

As on March 31, 2017

(A) Equity share capital (refer note 11(a))

(All amounts in INR lakhs, unless otherwise stated)

As at 1 April 2015	42,05.55
Changes in equity share capital	-
As at 31 March 2016	**42,05.55**
Changes in equity share capital	-
As at 31 March 2017	**42,05.55**

(B) Other equity (Refer note 11(b))

	Reserves and surplus			
	Capital redemption reserve	General reserve	Retained earnings	Total other equity
Balance at 1 April 2015	**3,32.51**	**9,73,79.23**	**13,74,55.40**	**23,51,67.14**
Profit for the year	-	-	6,87,27.96	6,87,27.96
Other comprehensive income	-	-	(3,90.77)	(3,90.77)
Total comprehensive income for the year	**-**	**-**	**6,83,37.19**	**6,83,37.19**
Transfer to general reserve	-	-	(68,69.15)	(68,69.15)
Transfer from retained earnings	-	68,69.15	-	68,69.15
Transactions with owners in their capacity as owners:				
Dividend Paid	-	-	(2,31,30.55)	(2,31,30.55)
Tax on Dividend	-	-	(47,08.83)	(47,08.83)
Balance as at 31 March 2016	**3,32.51**	**10,42,48.38**	**17,10,84.06**	**27,56,64.95**
Balance as at 1 April 2016	**3,32.51**	**10,42,48.38**	**17,10,84.06**	**27,56,64.95**
Profit for the year	-	-	6,56,67.80	6,56,67.80
Other comprehensive income	-	-	21,60.47	21,60.47
Total comprehensive income for the year	**-**	**-**	**6,78,28.27**	**6,78,28.27**
Transfer to general reserve	-	-	-	-
Transfer from retained earnings	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividend Paid	-	-	(2,94,38.88)	(2,94,38.88)
Tax on Dividend	-	-	(59,93.06)	(59,93.06)
Balance as at 31 March 2017	**3,32.51**	**10,42,48.38**	**20,34,80.39**	**30,80,61.28**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership No.: 099903

Subodh Bhargava
(DIN: 00035672)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Shanu Saksena
Company Secretary
(Membership No. ACS-13405)

Mukesh H. Butani
(DIN: 01452839)
Director

Cash Flow Statement
For The Year Ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	10,10,41.58	10,55,95.20
Depreciation and amortization expense	64,17.54	57,43.87
Provision for doubtful debts	1,02.71	99.69
Bad Debts	-	29.46
Provision for doubtful claims recoverable	19.27	37.39
Provision for stock obsolescence/stock written off	24,80.22	7,55.63
Interest expense	2,77.82	2,27.99
Amortization of prepaid lease expense on security deposit	1,05.15	1,00.09
Amortization of prepaid employee expenditure	2,94.63	1,55.77
Loss/(profit) on sale of property, plant & equipments (net)	2,23.90	(1,05.67)
Property, plant & equipments/Capital work in progress written off	82.95	(4,74.72)
Impairment of finance lease asset	(6,66.36)	3,85.44
Interest income	(2,12,24.65)	(1,92,14.55)
Unwinding of discount on security deposits paid	(1,03.44)	(97.60)
Unwinding of interest on loans to employees	(3,86.84)	(2,48.75)
Provision written back	(4,56.04)	(5,16.91)
Liabilities written back to the extent no longer required	-	(51,77.54)
Unrealised foreign exchange (gain) and loss (net)	(1,48.29)	(88.95)
Operating profit before working capital changes	8,80,60.15	8,72,05.84
Changes in Working Capital		
(Increase) / Decrease in long term loans	(9,14.54)	(2,92.27)
(Increase) / Decrease in other non current financial assets	(39.50)	(2,86.47)
(Increase) / Decrease in other non current assets	(20,19.14)	(32,83.64)
(Increase) / Decrease in inventories	(24,32.46)	(2,92.73)
(Increase) / Decrease in trade receivables	32,13.30	(42,09.23)
(Increase) / Decrease in short term loans	(1,13.03)	(2,41.82)
(Increase) / Decrease in other current financial assets	(13,66.96)	8,11.22
(Increase) / Decrease in employee benefit assets	(7,28.66)	-
(Increase) / Decrease in other current assets	(31,64.43)	2,03.89
Increase / (Decrease) in provisions	26,01.84	38,49.94
Increase / (Decrease) in employee benefit obligation	9,40.32	(10,82.37)
Increase / (Decrease) in trade payables	75,22.69	25,40.33
Increase / (Decrease) in other short term financial liabilities	58,71.05	53,13.67
Increase / (Decrease) in other current liabilities	9,97.94	23,09.55
Cash generated from operations	**9,84,28.57**	**9,25,45.91**
Taxes paid (net of refunds) [excludes tax deducted at source]	(3,61,80.01)	(3,52,00.00)
Net cash generated from operating activities	**6,22,48.56**	**5,73,45.91**

Cash Flow Statement (Contd.)
For The Year Ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant equipment and intangible assets (including capital work-in-progress)	**(68,29.29)**	(54,52.87)
	Sale proceeds of property, plant and equipment	**2,57.37**	2,39.97
	Interest received (net of tax deducted at source)	**1,79,66.76**	1,80,24.68
	Investments in fixed deposits	**(97,78,30.00)**	(35,55,74.00)
	Redemption of fixed deposits	**90,42,60.00**	32,76,04.00
	Net cash used in investing activities	**(6,21,75.16)**	(1,51,58.22)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(2,77.82)**	(2,27.99)
	Dividend paid	**(2,94,38.88)**	(2,31,30.55)
	Dividend distribution tax paid	**(59,93.06)**	(47,08.83)
	Payments made under finance leases	**(4,38.91)**	(4,91.82)
	Net cash used in financing activities	**(3,61,48.67)**	(2,85,59.19)
	Net (decrease) / increase in cash and cash equivalents (A+ B+C)	**(3,60,75.27)**	1,36,28.50
	*Cash and cash equivalents at the beginning of the year	**10,61,66.55**	9,25,38.05
	***Cash and cash equivalents at the end of the year**	**7,00,91.28**	10,61,66.55

**refer note 2(i) and 5(b)*

The above cash flow statement should be read in conjunction with the accompanying notes.
This is the cash flow statement referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership No.: 099903

Subodh Bhargava
(DIN: 00035672)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Shanu Saksena
Company Secretary
(Membership No: ACS-13405)

Mukesh H. Butani
(DIN: 01452839)
Director

Notes to the Financial Statements for the year ended March 31, 2017

Note 1 Corporate Information

GlaxoSmithKline Consumer Healthcare Limited (the 'Company') is a public company limited by shares, incorporated and domiciled in India. Its shares are listed on two recognised stock exchanges in India. The registered office the Company is located at Patiala Road, Nabha, Punjab. The Company is engaged in manufacturing and sale of healthcare consumer products.

Note 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standard) Rules, 2015(as amended)] and other relevant provisions of the act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value, defined benefit plans – plan assets measured at fair value and share based payments.

(iii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company has identified the Managing Director as the chief operating decision maker who assesses the financial performance and makes strategic decisions. Refer note 27 for segment information presented.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date 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 differences regarded as an adjustment to borrowing cost are presented in the Statement of Profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income / (expenses).

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates value added taxes and amount collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The amount of revenue recognised depends on whether the company act as an agent or as a principal in an arrangement with a customer. The company acts as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or rendering the services. Where the company acts as an agent, the revenue recorded is the net amount retained when the fee or commission is earned.

Sale of goods

Revenue from sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which usually coincides with delivery of goods and the Company neither retains continuing managerial involvement to the extent usually associated with ownership nor effective control over goods sold. Revenue from sales of goods is measured at the fair value of consideration received or receivable net off returns and allowances, trade discounts and volume rebates. Accumulated experience is used to estimate and provide for the discounts, rebates and returns.

Rendering of services

The Company charges business auxiliary service commission from certain Group Companies for rendering services towards selling and distribution of the latter's products. Revenue from business auxiliary services is recognised in the accounting period in which the services are rendered in accordance with the agreement between the parties.

Other income

Insurance and other claims are recognised on an accrual basis.

e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Exports incentives under various schemes have been recognised in accordance with the terms of the scheme on accrual basis.

f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

g) Leases

As a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

h) Impairment of assets

Intangible assets that have a definite useful life 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 costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows, which are largely independent of cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Inventories

Raw materials and stores, work in progress, by products, traded and finished goods

Raw materials and stores, work in progress, traded and finished goods are valued at lower of cost and net realisable value, except for ghee, a by-product, which is valued at net realisable value. Cost of raw materials and traded goods comprises cost of purchases. The cost of finished goods and work in progress comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for inventory obsolescence is made based on the best estimates of management.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and;
- those measured at amortised cost.

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

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.

The Company reclassifies debt instruments 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 profit or loss.

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 instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance 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 the assets' cash flows represent 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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). 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 instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

(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. Note 25 details how the Company determines 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 continues to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Financial Liabilities

(i) Classification and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

At initial recognition, the Company measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new liability is based on the modified term is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified term is recognised in profit or loss.

m) 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 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 profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

The Company follows Straight Line Method of charging depreciation, on all its tangible fixed assets, on a pro-rata basis. The Company has provided depreciation basis its useful life determined on technical evaluation which matches with the useful life as prescribed in Schedule II of Companies Act 2013, with certain exceptions as follows: -

Assets	Useful life
Factory admin building, godowns, etc.,	50 years
Boundary wall, temporary sheds and structure	12 years
Plant and Machinery (Triple Shift)	3/10 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leasehold improvements are charged to Statement of Profit and Loss over the primary period of lease or the useful life of assets whichever is lower.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included within other income/ (expenses) in Statement of Profit and Loss.

n) Intangible assets

(i) Patents and trade marks

Separately acquired patents and trademarks are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

(ii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iii) Research and Development

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iv) Amortisation method and periods

The Company amortises intangible assets having a finite useful life using the straight line method over the following periods:

Intangible asset	Useful life
Patents and trade marks	10 years
Computer software	5 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising from derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised.

(v) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss within other income/ (expenses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

r) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as financial liabilities in the balance sheet.

The Company's contributions to Employee's State Insurance Fund are charged to Statement of Profit and Loss on accrual basis.

(ii) Other long-term employee benefit obligations

Compensated absences

The Company provides for compensated absences for management, executive and staff (short-term defined benefit) during the year on an arithmetical basis. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the Balance Sheet date are treated as short term employee benefits.

Accumulated leave encashment/compensated absences for workers, which are expected to be availed or encashed within 12 months from the Balance Sheet date are treated as short term employee benefits and those which are expected to be availed or encashed beyond 12 months from the Balance Sheet date are treated as other long term employee benefits for measurement of employee benefit obligation. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. 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. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

a) defined benefit plans such as gratuity, post-employment medical plans, provident fund; and
b) defined contribution plans such as pension fund, superannuation fund and state plans

Defined benefit plans

Gratuity obligation

The Company provides for gratuity, a Defined Benefit Plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. The Gratuity Fund is recognised by the income tax authorities and is administered through trustees. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yield at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Post-employment medical obligation

The post-employment medical obligation scheme is an insured benefit plan wherein the Company annually pays insurance premium to NIC (National Insurance Company). This scheme is extended to certain employees of the Company for which the liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in other comprehensive income as income or expense.

Provident fund

Provident Fund: Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. The Provident Fund is recognised by the income tax authorities and is administered through trustees.

Defined contribution plans

Superannuation fund

The Company has a Defined Contribution Plan for post-employment benefit which is recognised by the income tax authorities. This fund is administered through trustees and the Company's contribution thereto is charged to Statement of Profit and Loss on accrual basis.

State plans

The Company's contributions to State plans namely Employee's Pension Scheme 1995, which are Defined Contribution Plans, are charged to Statement of Profit and Loss on accrual basis.

(iv) Share based payments

Certain employees of the Company receive remuneration in the form of cash settled Share based Schemes administrated by GlaxoSmithKline Plc. (Plc) whereby employees render services as consideration for Restricted Share Awards (RSAs) and Share appreciation rights (SARs).

For above mentioned cash settled share based payments, a liability is recognised for the services acquired and measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

s) 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.

t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w) Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2A Critical estimates and judgements

The preparation of 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. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

- Recognition of revenue – Refer note 16
- Estimation of provision for direct tax matters, indirect tax matters and other provisions –Refer note 13 and 29
- Estimation of defined benefit obligation - Note 19

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(All amounts in INR lakhs, unless otherwise stated)

Note 3 Property, plant and equipment and Capital work in progress*

	Land (Freehold) ***	Buildings ***	Plant & Equipment **## ^^	Information Technology Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Leasehold Improvements @	Total
Year ended 31 March 2016									
Gross carrying amount									
Deemed cost as at April 1, 2015 ^	14,83.35	2,29,16.12	2,48,76.03	11,49.31	6,19.53	5,47.94	5,25.32	-	5,21,17.60
Additions	-	2,07.62	38,66.95	2,79.70	35.85	1,13.51	3,83.48	-	48,87.11
Disposals / Adjustments	-	0.17	80.06	4.46	1.35	1.51	1,43.17	-	2,30.72
As at March 31, 2016	**14,83.35**	**2,31,23.57**	**2,86,62.92**	**14,24.55**	**6,54.03**	**6,59.94**	**7,65.63**	**-**	**5,67,73.99**
Accumulated Depreciation and impairment									
As at April 1, 2015 ^	-	-	27,27.41	-	-	-	-	-	27,27.41
Depreciation charge during the year	-	5,17.00	36,75.21	6,40.97	3,31.72	2,76.12	2,02.63	-	56,43.65
Impairment loss during the year	-	-	3,85.44	-	-	-	-	-	3,85.44
Disposals / Adjustments	-	0.01	2.91	2.45	1.06	1.51	33.14	-	41.08
As at March 31, 2016	**-**	**5,16.99**	**67,85.15**	**6,38.52**	**3,30.66**	**2,74.61**	**1,69.49**	**-**	**87,15.42**
Net carrying amount	**14,83.35**	**2,26,06.58**	**2,18,77.77**	**7,86.03**	**3,23.37**	**3,85.33**	**5,96.14**	**-**	**4,80,58.57**
Year ended 31 March 2017									
Gross carrying amount									
As at April 1, 2016	14,83.35	2,31,23.57	2,86,62.92	14,24.55	6,54.03	6,59.94	7,65.63	-	5,67,73.99
Additions	-	8,33.28	48,86.63	5,24.06	80.77	47.80	2,49.69	-	66,22.23
Disposals / Adjustments	-	0.17	1,68.85	31.58	4.63	3.18	1,96.74	-	4,05.15
As at March 31, 2017	**14,83.35**	**2,39,56.68**	**3,33,80.70**	**19,17.03**	**7,30.17**	**7,04.56**	**8,18.58**	**-**	**6,29,91.07**
Accumulated Depreciation and impairment									
As at April 1, 2016	-	5,16.99	67,85.15	6,38.52	3,30.66	2,74.61	1,69.49	-	87,15.42
Depreciation charge during the year	-	6,38.42	48,46.24	4,35.49	1,56.62	1,40.97	1,69.15	-	63,86.89
Impairment loss during the year	-	-	(6,66.36)	-	-	-	-	-	(6,66.36)
Disposals / Adjustments	-	0.01	46.67	25.31	0.71	1.16	75.21	-	1,49.07
As at March 31, 2017	**-**	**11,55.40**	**1,09,18.36**	**10,48.70**	**4,86.57**	**4,14.42**	**2,63.43**	**-**	**1,42,86.88**
Net carrying amount	**14,83.35**	**2,28,01.28**	**2,24,62.34**	**8,68.33**	**2,43.60**	**2,90.14**	**5,55.15**	**-**	**4,87,04.19**

	31-Mar-17	31-Mar-16	1-Apr-15
Capital work-in-progress**^**	**49,17.84**	51,38.60	42,31.36

*Refer note 2(m), 2(c), 2(h), 2(g)

^ The Company has availed the deemed cost exemption and used the previous GAAP net carrying amount of property, plant and equipment including capital work in progress as deemed cost.

**Includes original cost of INR 64.50 (March 31, 2016 INR 64.50; April 1, 2015 INR 64.50) paid to State Electricity Board for electrical installations not represented by physical assets owned by the Company and depreciated over a year of 5 years and accordingly the deemed cost is INR Nil as on transition date.

^^ As on April 1, 2015, the Company recognised certain finance lease assets (Gross block INR 31,12.85 and accumulated depreciation and impairment INR 27,27.41) under plant and equipment (refer note 30)

***Includes immovable properties having original cost of INR 27.99 (Net block of INR 6.25) whose title deeds are not available and immovable properties having original cost of INR 1,23.95 (Net block of INR 75.20) for which registration is pending.

****Net of Provision for Capital Work in Progress aggregating INR 3,08.14 (March 31, 2016 INR Nil; April 1, 2015 INR Nil). The previous year provisions are INR Nil as the provisions have been adjusted in the carrying amount as part of deemed cost exemption availed by the Company

@ The deemed cost of leasehold improvements as on April 1, 2015 is INR Nil.

(All amounts in INR lakhs, unless otherwise stated)

Leased assets

Plant & Equipment includes the following amounts where the Company is a lessee under a finance lease:

	31-Mar-17	31-Mar-16	1-Apr-15
Plant & Equipment			
Cost	31,12.85	31,12.85	31,12.85
Accumulated depreciation	18,89.81	15,56.49	15,56.49
Accumulated impairment loss	8,90.00	15,56.36	11,70.92
Net carrying amount	3,33.04	-	3,85.44

For details of finance lease refer note 30

Impairment loss

Impairment loss/reversal of impairment loss under finance lease

Impairment loss/reversal of loss based on expected usage of the plant and equipment over the lease term based on management's assessment of market conditions, business plans, etc. Impairment loss reversed during the year amounting to INR 6,66.36. (Previous year impairment loss charged amounting to INR 3,85.44) has been included in other general expenses in note 21 in the Statement of Profit and Loss.

Impairment loss/reversal of impairment loss other than finance lease.

Impairment loss reversed during the year amounting to INR 2,25.19 (Previous year impairment loss charged amounting to INR 55.34) on Plant and Equipment has been included in other general expenses in note 21 in the Statement of Profit and Loss.

Contractual obligations - Refer to note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital work-in-progress - Capital work-in-progress mainly comprises new manufacturing line and other plant and machinery under construction.

Note 4 Intangible assets*

	Patents and Trade Marks **	Software	Total
Year ended 31 March 2016			
Gross carrying amount			
Deemed cost as at April 1, 2015 ^	-	1,69.44	1,69.44
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2016	-	**1,69.44**	**1,69.44**
Accumulated Depreciation			
As at April 1, 2015 ^	-	-	-
Amortisation during the year	-	1,00.22	1,00.22
Disposals / Adjustments	-	-	-
As at March 31, 2016	-	**1,00.22**	**1,00.22**
Net carrying amount	-	**69.22**	**69.22**
Year ended 31 March 2017			
Gross carrying amount			
As at April 1, 2016	-	1,69.44	1,69.44
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2017	-	**1,69.44**	**1,69.44**
Accumulated Depreciation			
As at April 1, 2016	-	1,00.22	1,00.22
Amortisation during the year	-	30.65	30.65
Disposals / Adjustments	-	-	-
As at March 31, 2017	-	**1,30.87**	**1,30.87**
Net carrying amount	-	**38.57**	**38.57**

	31-Mar-17	31-Mar-16	1-Apr-15
Intangible assets under development	8,48.94	-	-

Intangible assets under development pertains to software being developed for internal use.

*refer note 2(n)

^ The Company has availed the deemed cost exemption and used the previous GAAP carrying amount of intangible assets as deemed cost.

**Patents and Trade Marks have an original cost of INR 66,41.72 (March 31,2016 INR 66,41.72;April 1, 2015 INR 66,41.72). Registration for 6 Trade Marks are awaited. The deemed cost of Patents and Trade Mark as on April 1, 2015 is INR Nil.

(All amounts in INR lakhs, unless otherwise stated)

Note 5 Financial assets

5(a) Trade receivables*

	31-Mar-17	31-Mar-16	1-Apr-15
Trade receivables	2,77,60.94	3,38,36.19	2,89,01.70
Receivables from related parties (refer note 28)	50,98.27	22,36.32	29,91.03
Less: Allowance for doubtful debts (refer note 25(b))	(7,59.05)	(6,56.34)	(5,56.65)
Total receivables	3,21,00.16	3,54,16.17	3,13,36.08
Current portion	3,21,00.16	3,54,16.17	3,13,36.08
Non-current portion	-	-	-
Break up of security details	31-Mar-17	31-Mar-16	1-Apr-15
Secured, considered good	1,15,45.39	1,23,70.04	76,66.20
Unsecured, considered good	2,05,54.77	2,30,46.13	2,36,69.88
Doubtful	7,59.05	6,56.34	5,56.65
	3,28,59.21	3,60,72.51	3,18,92.73
Allowance for doubtful debts (refer note 25(b))	(7,59.05)	(6,56.34)	(5,56.65)
Total trade receivables	3,21,00.16	3,54,16.17	3,13,36.08

*refer note 2(j), 2(l)

5(b) Cash and cash equivalents*

	31-Mar-17	31-Mar-16	1-Apr-15
Balances with banks on current accounts	29,41.28	13,06.55	31,39.98
Deposits with original maturity of less than three months	6,71,50.00	10,48,60.00	8,93,00.00
Remittances in Transit	-	-	98.07
Total cash and cash equivalents	7,00,91.28	10,61,66.55	9,25,38.05

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.
*refer note 2(i), 2(l)

5(c) Bank balances other than 5(b) above*

	31-Mar-17	31-Mar-16	1-Apr-15
Deposits (original maturity more than three months, remaining maturity less than twelve months)	23,83,00.00	16,47,30.00	13,67,60.00
Unpaid dividend accounts	3,46.26	3,30.13	3,54.00
Total other bank balances	23,86,46.26	16,50,60.13	13,71,14.00

*refer note 2(l)

5(d) Loans*

	31-Mar-17		31-Mar-16		1-Apr-15	
	Current	Non-current	Current	Non-current	Current	Non-current
Secured, considered good						
Loans to employees (Vehicle loans)	94.25	2,22.41	1,31.48	2,92.52	1,34.35	2,96.99
Unsecured, considered good						
Loans to employees	10,73.82	28,34.97	12,70.29	17,22.16	10,25.72	14,78.68
Total loans	11,68.07	30,57.38	14,01.77	20,14.68	11,60.07	17,75.67

*refer note 2(l)

5(e) Other financial assets*
(Unsecured, considered good unless otherwise stated)

	31-Mar-17		31-Mar-16		1-Apr-15	
	Current	Non-current	Current	Non-current	Current	Non-current
Security deposits	55.95	21,71.34	51.08	20,78.86	3,65.02	17,24.70
Consignment Debtors	76,87.39	-	75,35.92	-	72,24.66	-
Interest accrued on fixed deposits and loans	47,69.65	-	52,94.68	-	46,12.94	-
Receivables from related parties towards services rendered/expense reimbursement (Refer note 28)	27,62.17	-	16,39.11	-	25,18.55	-
Claims Recoverable						
Considered good	1,49.16	-	80.87	-	47.36	-
Considered doubtful	1,43.88	-	1,24.61	-	1,67.40	-
Less: Provision for doubtful Claims Recoverable	(1,43.88)	-	(1,24.61)	-	(1,67.40)	-
Total other financials assets	1,54,24.32	21,71.34	1,46,01.66	20,78.86	1,47,68.53	17,24.70

*refer note 2(l)

(All amounts in INR lakhs, unless otherwise stated)

Note 6 Deferred tax assets (net)*

The balance comprises temporary differences attributable to:

	31-Mar-17	31-Mar-16	1-Apr-15
Disallowances under section 43B of Income Tax Act, 1961	1,36,74.03	1,25,55.41	1,00,00.59
Allowance for doubtful debts – trade receivables	2,62.69	2,27.15	1,92.65
Others	14,44.69	-	9,84.58
Total deferred tax assets	1,53,81.41	1,27,82.56	1,11,77.82
Set-off of deferred tax liabilities pursuant to set-off provisions			
Property, Plant and Equipment and intangible assets	(26,01.23)	(9,52.41)	(8,65.36)
Others	-	(5,16.76)	-
Total deferred tax liabilities	(26,01.23)	(14,69.17)	(8,65.36)
Deferred tax assets (net)	1,27,80.18	1,13,13.39	1,03,12.46

Movement in deferred tax assets	Disallowances under section 43B	Allowance for doubtful debts – trade receivables	Others	Total
At 1 April 2015	1,00,00.59	1,92.65	9,84.58	1,11,77.82
(Charged)/credited:				
- to profit or loss	23,71.91	34.50	(9,84.58)	14,21.83
- to other comprehensive income	1,82.91	-	-	1,82.91
At 31 March 2016	**1,25,55.41**	**2,27.15**	-	**1,27,82.56**
(Charged)/credited:				
- to profit or loss	13,01.53	35.54	14,44.69	27,81.76
- to other comprehensive income	(1,82.91)	-	-	(1,82.91)
At 31 March 2017	**1,36,74.03**	**2,62.69**	**14,44.69**	**1,53,81.41**

Movement in deferred tax liabilities	Property, Plant and Equipment and intangible assets	Others	Total
At 1 April 2015	(8,65.36)	-	(8,65.36)
(Charged)/credited:			
- to profit or loss	(87.05)	(5,16.76)	(6,03.81)
- to other comprehensive income	-	-	-
At 31 March 2016	**(9,52.41)**	**(5,16.76)**	**(14,69.17)**
(Charged)/credited:			
- to profit or loss	(16,48.82)	5,16.76	(11,32.06)
- to other comprehensive income	-	-	-
At 31 March 2017	**(26,01.23)**	**-**	**(26,01.23)**

*refer note 2(f)

Note 7 Current tax assets (net)*

	31-Mar-17	31-Mar-16	1-Apr-15
Advance income tax (Net of Provisions INR 25,84,86.88 (March 31, 2016 INR 22,03,82.77; April 1, 2015 INR 18,27,34.33))	81,70.12	41,37.78	28,06.16
Total current tax assets (net)	81,70.12	41,37.78	28,06.16

*refer note 2(f)

Note 8 Other non-current assets

	31-Mar-17	31-Mar-16	1-Apr-15
Capital Advances	79.35	3,22.43	5,12.88
Advances other than Capital Advances			
Advances to suppliers	-	31.64	30.24
Prepaid expenses	0.79	3.49	6.09
Prepaid lease expense on security deposits paid	1,52.11	2,08.16	2,88.25
Prepaid employee expenditure	6,34.46	3,94.70	3,02.47
Total other non-current assets	8,66.71	9,60.42	11,39.93

(All amounts in INR lakhs, unless otherwise stated)

Note 9 Inventories*^

	31-Mar-17	31-Mar-16	1-Apr-15
Raw materials [Includes goods in transit INR 2,17.97 (March 31, 2016 INR 3,31.20, April 1, 2015 INR 4,08.66)]	1,14,88.06	1,22,01.19	1,32,06.35
Packing materials	11,68.77	13,75.26	12,15.65
Work-in-progress**	56,54.81	49,46.94	42,32.58
Stock-in-trade (in respect of goods acquired for trading)***	9,94.24	5,30.90	6,01.01
Finished goods (including bulk powder)	2,53,47.15	2,57,38.65	2,60,85.61
Stores and spares [Includes goods-in-transit INR 15.77 (March 31, 2016 Rs. 89.11, April 1, 2015 INR 80.11)]	14,38.93	13,32.99	12,20.18
By-products (at net realisable value)	22.50	36.28	63.73
Total inventories	4,61,14.46	4,61,62.21	4,66,25.11

*refer note 2(k), 33(c)

**Work-in-progress represents semi finished stocks of Malt based foods INR 56,20.59 (March 31,2016 INR 44,86.77; April 1, 2015 INR 42,32.58) and Cereal based beverages INR 34.22 (March 31,2016 INR 4,60.16; April 1, 2015 INR Nil)

***Stock-in-trade comprises of Packaged Foods

^Provision for inventory obsolescence and inventory written off amounted to INR 24,80.22 (March 31,2016 INR 7,55.63; April 1, 2015 INR 12,20.90) which was recognised in other general expenses in the Statement of Profit and Loss.

Details of Finished Goods and By-product Inventory	31-Mar-17	31-Mar-16	1-Apr-15
1. Malt based foods	2,17,37.91	2,27,11.60	2,32,95.34
2. Cereal based beverage	21,38.67	18,85.14	14,26.76
3. Protein rich foods	11,07.98	8,49.86	10,16.76
4. Nutritional food powder	14.88	14.58	45.97
5. Packaged foods	3,47.71	2,77.47	3,00.78
Total (1+2+3+4+5)	2,53,47.15	2,57,38.65	2,60,85.61
6. Ghee	22.50	36.28	63.73
Total	2,53,69.65	2,57,74.93	2,61,49.34

Note 10 Other current assets

	31-Mar-17	31-Mar-16	1-Apr-15
Advances to suppliers	14,15.69	11,21.14	15,32.27
Advances to employees	6,58.86	5,80.32	5,87.78
Prepaid expenses	14,28.00	13,56.67	11,97.61
Prepaid lease expense on security deposits paid	1,03.26	1,02.23	92.33
Prepaid employee expenditure	2,70.81	1,99.35	1,45.23
Balances with Statutory / Government Authorities			
With excise authorities	21.22	21.27	18.65
Others	62,91.23	35,71.17	35,18.15
Total other current assets	1,01,89.07	69,52.15	70,92.02

Note 11 Equity share capital and other equity

11(a) Equity share capital*

	Number of shares	Amount
Authorised share capital		
As at 1 April 2015	6,00,00,000	60,00.00
Changes during the year	-	-
As at 31 March 2016	6,00,00,000	60,00.00
Changes during the year	-	-
As at 31 March 2017	6,00,00,000	60,00.00

* refer note 2(s)

(i) Movements in equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid.

	Number of shares	Equity share capital (par value)
As at 1 April 2015	4,20,55,538	42,05.55
Changes during the year	-	-
As at 31 March 2016	4,20,55,538	42,05.55
Changes during the year	-	-
As at 31 March 2017	4,20,55,538	42,05.55

(All amounts in INR lakhs, unless otherwise stated)

(ii) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. 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 shareholding.

(iii) Shares held by the subsidiaries of ultimate holding company

	31-Mar-17	31-Mar-16	1-Apr-15
1,81,52,243 (March 31, 2016 - 1,81,52,243; April 1, 2015 - 1,81,52,243) Equity Shares are held by Horlicks Limited*	18,15.22	18,15.22	18,15.22
1,23,19,749 (March 31, 2016 - 1,23,19,749; April 1, 2015 - 1,23,19,749) Equity Shares are held by GlaxoSmithKline Pte Ltd.*	12,31.97	12,31.97	12,31.97
	30,47.19	30,47.19	30,47.19

**Subsidiaries of the ultimate holding company, GlaxoSmithKline Plc UK*

(iv) Details of shareholder holding more than 5% of the aggregate shares in the Company

Name of shareholder	31-Mar-17		31-Mar-16		1-Apr-15	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Horlicks Limited	1,81,52,243	43.16%	1,81,52,243	43.16%	1,81,52,243	43.16%
GlaxoSmithKline Pte Ltd	1,23,19,749	29.29%	1,23,19,749	29.29%	1,23,19,749	29.29%

11(b) Other equity

Reserves and surplus	31-Mar-17	31-Mar-16	1-Apr-15
Capital redemption reserve*	3,32.51	3,32.51	3,32.51
General reserve	10,42,48.38	10,42,48.38	9,73,79.23
Retained earnings	20,34,80.39	17,10,84.06	13,74,55.40
Total reserves and surplus	30,80,61.28	27,56,64.95	23,51,67.14

(i) Capital redemption reserve

	31-Mar-17	31-Mar-16
Opening balance	3,32.51	3,32.51
Add: Transferred during the year	-	-
Closing balance	3,32.51	3,32.51

(ii) General reserve

	31-Mar-17	31-Mar-16
Opening balance	10,42,48.38	9,73,79.23
Add: Transferred from retained earnings	-	68,69.15
Closing balance	10,42,48.38	10,42,48.38

(iii) Retained earnings

	31-Mar-17	31-Mar-16
Opening balance	17,10,84.06	13,74,55.40
Net profit for the period	6,56,67.80	6,87,27.96
Items of other comprehensive income recognised directly in retained earnings	21,60.47	(3,90.77)
-Remeasurements of post-employment benefit obligation, net of tax		
Dividend paid	(2,94,38.88)	(2,31,30.55)
Dividend distribution tax paid	(59,93.06)	(47,08.83)
Transfer to general reserve	-	(68,69.15)
Closing balance	20,34,80.39	17,10,84.06

*refer note 2(t)

Nature and purpose of capital redemption reserve - In the year 2005, the Company had bought back 3,325,083 equity shares of INR 10 each fully paid by capitalisation of reserve of INR 3,32.51 and pursuant to the requirement of Companies Act, 1956 had transferred the nominal value of the shares so purchased to the Capital Redemption Reserve. This reserve can only be utilised for issuing of fully paid bonus shares. No dividend can be distributed out of this reserve.

Nature and purpose of general reserve - General reserves are the free reserves of the company which are kept aside out of company's profits to meet future obligations. General reserves is a free reserve which can be utilised for any purpose after fulfilling certain conditions. No amount has been transferred to general reserve during the year ended March 31, 2017.

(All amounts in INR lakhs, unless otherwise stated)

Note 12 Financial liabilities

12(a) Borrowings*

	Maturity date	Terms of repayment	Interest rate	31-Mar-17	31-Mar-16	1-Apr-15
Secured						
Long-term maturities of finance lease obligations*						
Obligations under finance leases	30-Sep-2017	Fortnightly installment	11.36%	8,35.64	12,74.55	17,66.37
Total borrowings				**8,35.64**	**12,74.55**	**17,66.37**
Less: Current maturities of finance lease obligations (included in note 12(c))				(8,35.64)	(10,67.81)	(10,98.02)
Non-current borrowings (as per balance sheet)				-	2,06.74	6,68.35

*Refer note 2(g), 2(p), 3 and 30

12(b) Trade payables*

	31-Mar-17	31-Mar-16	1-Apr-15
Current			
Total outstanding dues of micro and small enterprises; and	**12,52.83**	13,26.61	18,43.06
Total outstanding dues of creditors other than micro and small enterprises	**8,47,87.98**	7,71,91.51	7,41,34.73
Total trade payables	**8,60,40.81**	7,85,18.12	7,59,77.79

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	31-Mar-17	31-Mar-16	1-Apr-15
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**12,41.06**	13,20.17	18,43.06
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**5.33**	6.44	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**8,77.26**	5,24.07	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**5.31**	5.29	-
Further interest remaining due and payable for earlier years	**6.44**	-	-

*Refer note 2(l) and 2(o)

12(c) Other financial liabilities*

	31-Mar-17	31-Mar-16	1-Apr-15
Current			
Trade security deposits	**96,05.58**	91,35.60	85,68.59
Unclaimed dividend	**3,46.26**	3,30.13	3,54.00
Salary, wages and bonus payable	**52,41.41**	38,72.31	28,25.68
Payables to related parties towards consignment sales/other reimbursements	**1,43,17.03**	1,02,30.65	93,78.42
Other contractual liabilities**	**4,87.97**	7,06.05	5,34.01
Unclaimed cheques/DD's	**1,03.52**	88.13	78.86
Current maturities of finance lease obligations (Refer note 12(a))	**8,35.64**	10,67.81	10,98.02
Capital creditors***	**22,96.02**	18,09.84	21,88.86
Total other current financial liabilities	**3,32,33.43**	2,72,40.52	2,50,26.44

*Refer note 2(l) and 2(r)
**Represents provision for foreseeable losses in respect of commercial obligations.
***Represents total outstanding dues of creditors other than micro and small enterprises

(All amounts in INR lakhs, unless otherwise stated)

Note 13 Provisions*

	31-Mar-17		31-Mar-16		1-Apr-15	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Provision for Indirect tax matters	**2,15,81.89**	**1,64,79.49**	1,84,19.11	1,44,25.79	1,77,84.24	1,05,38.07
Miscellaneous provisions	**48,34.49**	**6,82.54**	52,87.35	33,00.36	67,69.26	56,08.02
Total provisions	**2,64,16.38**	**1,71,62.03**	2,37,06.46	1,77,26.15	2,45,53.50	1,61,46.09

*refer note 2(q)

(i) Information about provisions and critical judgements

Indirect tax matters – Includes provisions made mainly for probable claims arising out of certain indirect tax matters under various statutes. These estimates take into account the specific circumstances of each matter and relevant external advice, are inherently judgmental and could change substantially over time as each matter progresses. The ultimate liability for claims may vary from the amounts provided and is dependent upon the outcome of the relevant proceedings, change in circumstances and there can be no assurance that the ultimate result will not differ from the provisions reported in the Company's financial statements by a material amount. The timing and probability of the outflow and expected reimbursements if any with regard to these matters, depends on the ultimate settlement / conclusion of these matters.

Miscellaneous provisions – Include provision for potential demands towards various market claims from the Company's distributors, retailers and vendors. These provisions are reviewed and adjusted regularly in the light of contractual and commercial obligations, historical trends, past experience, market conditions and internally generated information. The timing, probability and ultimate outflow and expected reimbursements, if any, with regard to these matters will depend on future events, information, trends and experience and this could result in a change in the reported provisions in the Company's financial statements by a material amount.

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

	31-Mar-17		31-Mar-16	
	Indirect tax matters	**Miscellaneous provisions**	Indirect tax matters	Miscellaneous provisions
Opening balance	**3,28,44.90**	**85,87.71**	2,83,22.31	1,23,77.28
Additions	**59,23.83**	**14,92.98**	75,74.89	19,15.02
Utilisations/reversals	**(7,07.35)**	**(45,63.66)**	(30,52.30)	(57,04.59)
Closing balances	**3,80,61.38**	**55,17.03**	3,28,44.90	85,87.71
Classified as non-current	**1,64,79.49**	**6,82.54**	1,44,25.79	33,00.36
Classified as current	**2,15,81.89**	**48,34.49**	1,84,19.11	52,87.35

Note 14 Employee benefit (assets) and obligations *

	31-Mar-17		31-Mar-16		1-Apr-15	
	Current	**Non-current**	Current	Non-current	Current	Non-current
Net defined benefit asset - Senior Staff Gratuity Fund	**(7,28.66)**	**-**	-	-	-	-
Total employee benefit assets	**(7,28.66)**	**-**	-	-	-	-
Net defined benefit liability						
Gratuity	**49.65**	**-**	21,41.63	-	28,71.54	-
Compensated absences**	**27,09.71**	**-**	24,63.23	-	18,48.30	-
Post retirement medical benefits	**17.60**	**57,27.90**	1,52.70	52,23.48	1,85.26	49,08.01
Share based payment obligations (Refer note 19)	**12,85.82**	**7,49.29**	20,83.15	8,39.32	25,82.38	9,92.82
Total employee benefit obligations	**40,62.78**	**64,77.19**	68,40.71	60,62.80	74,87.48	59,00.83

*refer note 2(r) and 19

**includes short term compensated absences for management, executive and staff of INR 5,35.00 (March 31, 2016: INR 6,18.02 and April 1, 2015: INR 5,77.06)

Note 15 Other current liabilities

	31-Mar-17	31-Mar-16	1-Apr-15
Advance from customers	**25,25.33**	13,00.76	7,47.95
Statutory obligations	**78,32.77**	80,59.40	63,02.75
Total other current liabilities	**1,03,58.10**	93,60.16	70,50.60

(All amounts in INR lakhs, unless otherwise stated)

Note 16 Revenue from operations*

	31-Mar-17	31-Mar-16
Sale of Products (including excise duty)		
Finished Goods	40,27,75.50	41,86,67.27
Traded Goods	1,80,81.06	1,75,58.20
	42,08,56.56	43,62,25.47
Other Operating Revenue		
Business auxiliary service commission	1,94,03.10	1,83,37.58
Miscellaneous income**	18,49.23	18,74.63
	2,12,52.33	2,02,12.21
Total revenue from operations	44,21,08.89	45,64,37.68

*refer note 2(d)
**Includes mark-up of INR 27.60 (Previous period INR 41.00) on sales of raw material (gross sales INR 1,96.96 (Previous period INR 1,74.54).

Critical judgements in calculating amounts

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information current and projected, historical experience and contractual and legal obligations. The level of accrual is reviewed and adjusted regularly in the light of past experience, projected market conditions etc. Because the amounts are estimated it may differ from the final outcome, which could affect the future results of the Company.

Earnings in Foreign Exchange :

	31-Mar-17	31-Mar-16
Export of finished goods on F.O.B. basis	1,85,11.93	2,21,06.23
Miscellaneous Income	74,01.24	60,52.70
Total	2,59,13.17	2,81,58.93

Note 17 Other income*

	31-Mar-17	31-Mar-16
Net gain on disposal of property, plant and equipment	-	1,05.67
Exchange fluctuations (net)	3,96.08	9,53.16
Rent received	12.05	16.28
Export incentives***	14,49.67	8,88.96
Interest received on financial assets - carried at amortised cost		
Deposits with bank and others	1,93,76.66	1,92,14.55
Security deposits paid	1,03.44	97.60
Loans to employees	3,86.84	2,48.75
Interest income on Income tax refunds	18,47.99	-
Liabilities written back to the extent no longer required**	-	51,77.54
Other miscellaneous income	8,15.13	10,48.46
Total other income	2,43,87.86	2,77,50.97

*Refer note 2(c), 2(d), 2(e), 2(g), 2(l) and 2(m),
**Represents provision amounting to INR 51,77.54 relating to earlier years no longer required and written back on account of favourable order dated October 5, 2015 from indirect tax authorities.
***Exports incentives (Government grant relating to income) under various schemes have been recognised in accordance with the terms of the scheme on accrual basis. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

Note 18(a) Cost of materials consumed

	31-Mar-17	31-Mar-16
Raw material consumed	9,07,35.08	9,44,55.53
Packing material consumed	2,43,40.03	2,77,20.56
Total cost of materials consumed	11,50,75.11	12,21,76.09

Raw Material consumed (Includes goods processed by third parties)

	31-Mar-17	31-Mar-16
Milk Powder	2,09,78.16	2,40,70.02
Liquid Milk	95,58.31	1,02,22.16
Malt and Malt Extract	2,18,47.53	2,17,87.72
Wheat Flour	68,32.04	67,03.22
Others	3,25,96.87	3,37,62.55
Total	9,18,12.91	9,65,45.67

Imported & Indigenous Raw Material*

	31-Mar-17		31-Mar-16	
	Percentage	Amount in lacs	Percentage	Amount in lacs
Raw material	3.32%	30,45.08	2.67%	25,73.24
Imported	96.68%	8,87,67.83	97.33%	9,39,72.43
Indigenous		9,18,12.91		9,65,45.67

*Raw Material consumed" and "Imported & Indigenous Raw Material" as shown above includes INR 10,62.69 (Previous year INR 20,78.52) being the cost of materials consumed on samples used for promotional purpose included under Advertisement and Promotion expenses and cost of stock breakages recoverable from the insurance company INR 15.14 (Previous year INR 11.62) included under other general expenses.

Note 18(b) Changes in inventories of work-in-progress, stock-in-trade and finished goods

	31-Mar-17	31-Mar-16
Opening stock		
Finished goods (including bulk powder)	2,57,38.65	2,60,85.61
Work-in-progress	49,46.94	42,32.58
Stock-in-trade (in respect of goods acquired for trading)	5,30.90	6,01.01
By-products	36.28	63.73
	3,12,52.77	3,09,82.93
Less: Closing stock		
Finished goods (including bulk powder)	2,53,47.16	2,57,38.65
Work-in-progress	56,54.81	49,46.94
Stock-in-trade (in respect of goods acquired for trading)	9,94.24	5,30.90
By-products	22.50	36.28
	3,20,18.71	3,12,52.77
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(7,65.94)	(2,69.84)

Note 19 Employee benefit expense*

	31-Mar-17	31-Mar-16
Salaries and wages	3,63,33.50	3,88,94.34
Contribution to Provident and Superannuation Fund	29,10.82	26,98.33
Contribution to employee state insurance	34.24	21.32
Gratuity	5,61.96	25,48.63
Compensated absences	3,68.48	5,95.41
Post-employment medical benefits	4,81.46	5,20.34
Employee share based payment expense	3,34.17	2,66.45
Staff welfare expenses	47,78.00	49,52.98
Total employee benefit expense	4,58,02.63	5,04,97.80

*refer note 2(r)

(a) The Company has classified the various benefits provided to employees as under:

	31-Mar-17	31-Mar-16
Defined Contribution Plan		
(i) Indian Senior Executive Superannuation Fund		
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss		
– Employers' Contribution to Indian Senior Executives Superannuation Fund*	2,78.48	3,26.42
(ii) State Plans		
1. Employers' Contribution to Employee's State Insurance		
2. Employers' Contribution to Employee's Pension Scheme 1995		
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss		
– Employers' Contribution to Employee's State Insurance*	34.24	21.32
– Employers' Contribution to Employee's Pension Scheme 1995*	6,77.55	6,07.95
*Included in Contribution to provident and other funds.		

(All amounts in INR lakhs, unless otherwise stated)

The Company's contributions to Indian Senior Executives Superannuation Fund and State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995, which are Defined Contribution Plans, are charged to Statement of Profit and Loss on accrual basis.

Provident Fund: Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. The Provident Fund is recognized by the income tax authorities and is administered through trustees.

Gratuity: The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Compensated Absences: The Company provides for compensated absences for management, executive and staff (short-term defined benefit) during the year on an arithmetical basis. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the Balance Sheet date are treated as short term employee benefits. Accumulated leave encashment/ compensated absences for workers, which are expected to be availed or encashed within 12 months from the Balance Sheet date are treated as short term employee benefits and those which are expected to be availed or encashed beyond 12 months from the Balance Sheet date are treated as other long term employee benefits for measurement of employee benefit obligation. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. The obligations are present as current in the balance sheet because the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period regardless of when the actual settlement is expected to occur

Post-employment medical assistance: The post-employment medical assistance scheme is an insured benefit plan wherein the Company annually pays insurance premium to NIC (National Insurance Company). The liability for future premiums in respect of the underlying benefits is determined on the basis of an actuarial valuation at the year end. This scheme is extended to certain employees of the Company for which the liability is determined on the basis of an actuarial valuation at the Balance Sheet date.

(All amounts in INR lakhs, unless otherwise stated)

The assumptions used for the actuarial valuation are as under:

	Employees Gratuity Fund			Senior Staff Gratuity Fund			Provident Fund			Post Retirement Medical Benefits		
	March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
Discount Rate (per annum)	**6.50%**	7.80%	7.60%	**6.50%**	7.80%	7.60%	**6.50%**	7.80%	7.60%	**6.50%**	7.80%	7.60%
Expected Average remaining working lives of employees (Years)	**15.54**	15.29	14.08	**20.66**	21.13	20.38	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.
Salary growth rate	**For Nabha & Rajahmundary Employees 13% for first three years,12% for next three years and 10% there after For EGF Employees 10% p.a. for the first three years and 8.50% p.a. thereafter.**	For Nabha and Rajahmundary Employees - 15% for first three years, 14% for next three years and 12% thereafter. For EGF - 10% p.a. for the first three years and 9.50% p.a. thereafter.	For Nabha and Rajahmundary Employees - 15% for first three years, 14% for next three years and 12% thereafter. For EGF Employees - 11.00%	**10% for first three years and 8.50% thereafter**	10% for first three years and 9.5% thereafter	11.00%	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.
Interest Rate guarantee (per annum)	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.	**8.65%**	8.80%	8.75%	**N.A.**	N.A.	N.A.
Premium inflation rate	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.	**7.50%**	8.50%	N.A.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(All amounts in INR lakhs, unless otherwise stated)

(i) Plan members are assumed to withdraw in accordance with the following table:

Age	March 31, 2017 Withdrawal Rate (%)		March 31, 2016 Withdrawal Rate (%)		April 1, 2015 Withdrawal Rate (%)	
	Employees	Workers	Employees	Workers	Employees	Workers
Up to 30 years	20	3	15	3	3	3
Up to 44 years	15	4	10	2	2	2
Above 44 years	10	5	5	1	1	1

(A) Present Value of Obligation as at Balance Sheet date

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present Value of Obligation as at the beginning	1,09,72.93	79,66.60	79,17.09	71,25.17	53,76.19	50,93.27
Interest expense or cost	8,23.61	6,06.75	5,93.51	5,42.67	4,08.59	3,88.18
Current Service Cost	3,73.78	10,29.33	2,07.04	13,00.61	72.87	1,32.16
Benefits Paid	(4,06.26)	(3,33.48)	(3,02.68)	(6,14.06)	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:						
- change in demographic assumption	(1,18.52)	(1,06.61)	(1,38.79)	(2,87.36)	(52.31)	-
- change in financial assumption	15.56	(5,23.43)	1,94.47	(8,17.08)	2,45.43	(92.88)
- experience variance (i.e. Actual experience vs assumptions)	(22,45.65)	23,33.76	(8,70.82)	6,67.14	(3,05.27)	(1,44.55)
Transfer In / (Out)	-	-	(1,61.18)	-	-	-
Present Value of Obligation as at the end	94,15.45	1,09,72.92	74,38.64	79,17.09	57,45.50	53,76.18

(B) Changes in the Fair value of Plan Assets

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Fair Value of Plan Assets as the beginning	88,48.17	59,95.72	79,00.22	62,24.72	-	-
Investment income	7,58.63	4,56.65	6,77.36	4,74.09	-	-
Return on plan assets, excluding amount recognised in net interest expense	(8.74)	2,36.40	36.71	1,95.02	-	-
Employer's contribution	1,74.00	24,92.88	16.87	16,20.44	-	-
Benefits Paid	(4,06.26)	(3,33.48)	(3,02.68)	(6,14.06)	-	-
Transfer In / (Out)	-	-	(1,61.18)	-	-	-
Fair value of plan assets at the end	93,65.80	88,48.17	81,67.30	79,00.21	-	-

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present Value of funded/ (unfunded) obligation as at Balance Sheet date	94,15.45	1,09,72.92	74,38.64	79,17.09	57,45.50	53,76.18
Fair Value of Plan Assets as at the end of the period	93,65.80	88,48.17	81,67.30	79,00.21	-	-
Funded Status	(49.65)	(21,24.75)	7,28.66	(16.88)	(57,45.50)	(53,76.18)
Present Value of unfunded obligation as at Balance Sheet date	-	-	-	-	-	-

(All amounts in INR lakhs, unless otherwise stated)

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Unrecognized Actuarial (gains) / losses	**-**	-	**-**	-	**-**	-
Unfunded Net Asset / (Liability) recognized in Balance Sheet	**(49.65)***	(21,24.75)*	**7,28.66**	(16.88)*	**(57,45.50)****	(53,76.18)**

*included in Short term employee benefit obligations (Refer Note 14)
**included under long term employee benefit obligations INR 57,27.90 (March 31, 2016 INR 52,23.48, April 1, 2015 INR 49,08.01) and short term employee benefit obligations INR 17.60 (March 31, 2016 INR 1,52.70, April 1, 2015 INR 1,85.26)

(D) Expense Recognized in the statement of profit and loss

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Current Service Cost	**3,73.78**	10,29.33	**2,07.04**	13,00.61	**72.87**	1,32.16
Past Service Cost	**-**	-	**-**	-	**-**	-
Interest cost	**-**	-	**-**	-	**-**	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	**64.98**	1,50.11	**(83.84)**	68.58	**4,08.59**	3,88.18
Curtailment Cost / (Credit)	**-**	-	**-**	-	**-**	-
Settlement Cost / (Credit)	**-**	-	**-**	-	**-**	-
Re-measurement (or Actuarial) (gain) / loss arising from:						
- change in demographic assumptions	**-**	-	**-**	-	**-**	-
- change in financial assumptions	**-**	-	**-**	-	**-**	-
- experience variance (i.e. actual experience vs assumptions)	**-**	-	**-**	-	**-**	-
Net actuarial (gain) / loss recognised in the period	**-**	-	**-**	-	**-**	-
Total expenses recognized in the statement of profit and loss	**4,38.76**	11,79.44	**1,23.20**	13,69.19	**4,81.46**	5,20.34

(E) Expense Recognized in other comprehensive income

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Re-measurement (or Actuarial) (gain) / loss arising from	**-**	-	**-**	-	**-**	-
change in demographic assumptions	**(1,18.52)**	(1,06.61)	**(1,38.79)**	(2,87.36)	**(52.31)**	-
change in financial assumptions	**15.55**	(5,23.41)	**1,94.48**	(8,17.08)	**2,45.43**	(92.88)
change in experience adjustments (i.e. Actual experience vs assumptions)	**(22,45.65)**	23,33.76	**(8,70.82)**	6,67.14	**(3,05.27)**	(1,44.55)
Return on plan assets, excluding amount recognised in net interest expense	**8.74**	(2,36.41)	**(36.71)**	(1,95.02)	**-**	-
Components of defined benefit costs recognised in other comprehensive income	**(23,39.88)**	14,67.33	**(8,51.84)**	(6,32.32)	**(1,12.15)**	(2,37.43)

(All amounts in INR lakhs, unless otherwise stated)

(F) Constitution of Plan Assets

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Equity Instruments	**1,87.31**	1,76.96	**1,63.35**	79.00	**N.A.**	N.A.
Debt Instruments	**80,54.59**	83,17.28	**79,22.28**	76,63.21	**N.A.**	N.A.
Property	**-**	-	**-**	-	**N.A.**	N.A.
Other Assets	**11,23.90**	3,53.93	**81.67**	1,58.00	**N.A.**	N.A.
Total of the Plan Assets	**93,65.80**	88,48.17	**81,67.30**	79,00.21	**N.A.**	N.A.

(G) Major categories of Plan Assets (as percentage of Total Plan Assets)

	Employees Gratuity Fund		Senior Staff Gratuity Fund	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016
Government of India securities	**2%**	2%	**7%**	7%
State Government securities	**48%**	52%	**47%**	46%
High quality corporate bonds	**36%**	40%	**43%**	43%
Equity shares of listed companies	**2%**	2%	**2%**	1%
Special Deposit Scheme	**4%**	5%	**1%**	2%
Funds managed by Insurer	**8%**	0%	**0%**	0%
Total	**100%**	100%	**100%**	100%

(H) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
Defined benefit obligation (base)	**94,15.45**		**74,38.64**		**57,45.5**	
As on 31 March 2017	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	1,00,47.29	88,52.65	77,00.96	72,07.84	68,06.87	48,68.97
(% change compared to base due to sensitivity)	6.70%	-6.00%	3.50%	-3.10%	18.50%	-15.30%
Salary Growth Rate (- / + 1%)	89,17.28	99,33.10	72,28.48	76,29.87	N.A.	N.A.
(% change compared to base due to sensitivity)	-5.30%	5.50%	-2.80%	2.60%	N.A.	N.A.
Attrition Rate (- / + 50%)	95,83.04	92,79.96	75,05.04	73,65.66	58,59.26	56,43.23
(% change compared to base due to sensitivity)	1.80%	-1.40%	0.90%	-1.00%	2.00%	-1.80%
Mortality Rate (- / + 10%)	94,23.31	94,07.62	74,39.24	74,38.04	58,00.66	56,89.48
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.00%	0.00%	1.00%	-1.00%
Premium Inflation Rate (- / + 1%)	N.A.	N.A.	N.A.	N.A.	48,54.95	67,05.00
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-15.50%	16.70%
Medical Cost (- / + 5%)	N.A.	N.A.	N.A.	N.A.	54,58.23	60,32.78
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-5.00%	5.00%

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
Defined benefit obligation (base)	**10,97.29**		**79,17.09**		**53,76.19**	
As on 31 March 2016	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	1,19,16.23	1,01,43.03	85,08.74	73,95.52	64,20.72	45,62.90
(% change compared to base due to sensitivity)	8.60%	-7.60%	7.50%	-6.60%	19.40%	-15.10%
Salary Growth Rate (- / + 1%)	1,02,37.75	1,17,83.01	73,60.67	85,36.13	N.A.	N.A.
(% change compared to base due to sensitivity)	-6.70%	7.40%	-7.00%	7.80%	N.A.	N.A.
Attrition Rate (- / + 50%)	1,11,85.68	1,07,90.42	82,34.80	76,88.11	54,76.41	52,77.80
(% change compared to base due to sensitivity)	1.90%	-1.70%	4.00%	-2.90%	1.90%	-1.80%
Mortality Rate (- / + 10%)	1,09,84.66	1,09,61.24	79,19.04	79,15.15	54,29.95	53,22.43
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.00%	0.00%	1.00%	-1.00%
Premium Inflation Rate (- / + 1%)	N.A.	N.A.	N.A.	N.A.	46,12.75	63,28.07
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-14.20%	17.70%
Medical Cost (- / + 5%)	N.A.	N.A.	N.A.	N.A.	51,07.38	(56,45.00)
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-5.00%	5.00%

(All amounts in INR lakhs, unless otherwise stated)

(I) Defined benefit liability and employer contributions

Expected contribution to post employment benefits for 31 March 2018 are INR 4,79.50

	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	Year Ended March 31, 2017	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016
Weighted average duration (based on discounted cashflows)	**6 years**	9 years	**3 years**	8 years	**18 years**	18 years
1 year	**4,63.57**	5,56.83	**6,20.25**	8,03.67	**17.60**	1,52.70
2 to 5 years	**24,71.15**	28,02.50	**16,70.72**	32,77.13	**8,29.24**	7,75.93
6 to 10 years	**50,78.24**	59,04.28	**24,20.64**	36,24.42	**15,98.97**	14,96.19
More than 10 years	**75,26.35**	1,43,40.02	**32,29.09**	80,60.51	**4,58,54.56**	4,29,07.08
Total	**1,55,39.31**	2,36,03.63	**79,40.70**	1,57,65.73	**4,83,00.37**	4,53,31.90

(J) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility - The plan liabilities are calculated on the basis of the market yields at the valuation date on government bonds for the expected term. If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk.

Changes in bond yields - A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond securities.

Life expectancy - The medical plan obligations are to provide benefits for the life of the member, so the assumptions are particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(b) The paragraph 29 of Ind AS 19 'Employee Benefits' states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 30(a) of Ind AS 19. Pursuant to the aforementioned, the Company has accounted for the liability in respect of the shortfall of interest earnings of Provident Fund aggregating Nil (Previous year Nil) determined on the basis of an actuarial valuation carried out as at Balance Sheet date. Contribution made by the Company during the year is INR 19,54.79 (Previous year INR 17,63.96). The net actuarial loss recognised in the year is INR 1,79.12 (Previous year gain INR (1,10.40)).

Particulars	**March 31, 2017**	March 31, 2016
Present value of obligation	**5,06,05.86**	4,26,09.64
Fair value of plan assets	**5,06,05.86**	4,26,09.64
Net Assets / (Liability)	**-**	-

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above

(c) The Company has during the year accounted for certain ex-gratia payments to its employees aggregating INR 8,73.01 (Previous year INR 4,50.14) included under Employee's Cost.

(d) Share based payments

Certain employees of the Company are entitled to receive cash settled stock based awards ('awards') and share appreciation rights pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc'). The cost related to these awards is accounted for in the books of the Company. The following types of awards are granted to the Indian employees:

(i) Share Appreciation Rights (SARs) – Under this plan, certain employees are granted cash settled SARs which entitle the holder to receive cash, equivalent to the difference between the Plc Company's ordinary stock price posted on the London Stock Exchange on the exercise date and the grant date stock price. These instruments vest over a period of three years from the grant date based on continued employment of the employee with the Company. Once vested, an employee can decide to exercise the vested SARs anytime during the next 7 years, thus these instruments have a total contractual life of 10 years. No new SAR's were issued after 2010.

(ii) Restricted Share Awards (RSAs) – Under this plan, certain employees are granted cash settled RSAs at no cost, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after two and a half to three year vesting period during which the employee has to remain in continuous employment with the Company. These RSA's do not give any voting rights or the right to accrue dividends. The fair value of these awards is determined based on the closing share price on the day of grant, after deducting the expected future dividend yield of 4.5% (2015 – 5.7%; 2014 – 5.2%) over the duration of the award.

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of RSAs and SARs

Particulars	RSAs	SARs
As at April 1, 2015	**3,44,588**	**54,994**
Granted	1,20,657	-
Exercised *	(1,64,041)	-
Lapsed	-	4,220
As at March 31, 2016	**3,01,204**	**50,774**
Granted	1,62,208	-
Exercised *	(1,05,063)	(26,255)
Lapsed	-	1,100
As at March 31, 2017	**3,58,349**	**23,419**

*The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2017 was GBP 15.88 (March 31, 2016 GBP 13.98)

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	31-Mar-17	31-Mar-16
Share appreciation rights (SARs) and restricted share awards (RSAs)	3,34.17	2,66.45
Total employee share-based payment expense	**3,34.17**	**2,66.45**

Carrying amount of liability

The fair value of the SARs and RSAs and the carrying value is as follows:

	31-Mar-17	31-Mar-16	1-Apr-15
Carrying amount of liability – included in employee benefit obligations (Note 14)	20,35.11	29,22.47	35,75.20

Note 20 Depreciation and amortisation expense*

	31-Mar-17	31-Mar-16
Depreciation on property, plant and equipment - (Note 3)	63,86.89	56,43.65
Amortization of intangible assets - (Note 4)	30.65	1,00.22
Total depreciation and amortisation expense	**64,17.54**	**57,43.87**

*refer note 2(m), 2(n)

Note 21 Other expenses

	31-Mar-17	31-Mar-16
Consumption of stores and spare parts (Refer note 21(a))	5,72.82	5,78.05
Repairs and Maintenance		
Buildings	2,62.35	5,91.11
Plant & Machinery	30,85.24	29,16.65
Others	14,18.19	8,36.04
Power and fuel	72,31.32	78,65.89
Rent (refer note 30(b))	1,76,80.64	1,90,16.78
Rates and taxes	51,77.44	84,72.15
Insurance	5,96.98	5,88.77
Carriage and freight	1,87,09.40	1,93,76.55
Payments to auditors (refer note 21(b) below)	1,38.07	1,22.83
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 21(c) below)	19,79.24	10,87.05
Advertising and promotion	5,14,66.90	5,44,09.17
Royalty	1,29,65.56	1,45,28.14
Other general expenses	1,85,15.80	1,45,69.79
Total other expenses	**13,97,99.95**	**14,49,58.97**

Note 21(a) Imported & Indigenous store and spare parts consumed

	Percentage	Amount	Percentage	Amount
Spare parts and stores*	0.00%	-	0.00%	-
Imported	100.00%	67,98.93	100.00%	65,03.34
Indigenous		**67,98.93**		**65,03.34**

*refer note 33(a)

(All amounts in INR lakhs, unless otherwise stated)

Note 21(b) Details of payment to auditors*

	31-Mar-17	31-Mar-16
As auditor:		
Audit fee	1,01.45	93.91
Tax audit fee	8.87	8.40
In other capacities		
Certification fees	2.68	2.03
Re-imbursement of expenses	25.07	18.49
Total	1,38.07	1,22.83

Excluding service tax

Note 21(c) Corporate social responsibility expenditure

	31-Mar-17	31-Mar-16
Contribution to disaster relief support to victims of Chennai floods	-	18.18
Support for eradication of lymphatic filariasis	13,18.49	8,20.84
Contribution to healthcare, education and other community development projects	6,60.75	2,48.03
Total	19,79.24	10,87.05
Amount required to be spent under Section 135 of the Act	19,79.19	17,11.37
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above *	19,79.24	10,87.05

*Includes donations INR 5,70.85 (Previous Year INR 1,96.57)

Note 22 Finance costs*

	31-Mar-17	31-Mar-16
Interest expense on trade deposits	1,29.02	79.19
Finance charges in respect of finance lease obligations	1,48.80	1,48.80
Total finance costs	2,77.82	2,27.99

*Refer note 2(g) and 2(p)

Note 23 Income tax expense*

This note provides an analysis of the company's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

	31-Mar-17	31-Mar-16
Current tax on profits for the year	3,71,44.24	3,76,85.34
Adjustments of current tax for prior periods	(1,20.77)	-
Total current tax expense	3,70,23.47	3,76,85.34
Deferred tax		
Decrease / (increase) in deferred tax assets	(27,81.75)	(14,21.91)
(Decrease) / increase in deferred tax liabilities	11,32.06	6,03.81
Total deferred tax expenses / (benefit)	(16,49.69)	(8,18.10)
Income tax expense	3,53,73.78	3,68,67.24

*refer note 2(f)

(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Accounting Profit before income taxes	10,10,41.58	10,55,95.20
Indian tax rate as applicable to the Company	34.608%	34.608%
Tax at the Indian tax rates as applicable to the Company	3,49,68.47	3,65,44.39
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	4,87.42	3,08.18
Interest on income tax	1.31	8.44
Other items	37.35	6.23
Tax Effect for earlier years	(1,20.77)	-
Tax expense as recognised in Statement of Profit and Loss	3,53,73.78	3,68,67.24

(All amounts in INR lakhs, unless otherwise stated)

Note 24 Fair value measurement

Financial instruments by category	31 March 2017			31 March 2016			1 April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Loans to employees	-	-	42,25.45	-	-	34,16.45	-	-	29,35.74
Trade receivables	-	-	3,21,00.16	-	-	3,54,16.17	-	-	3,13,36.08
Cash and cash equivalents	-	-	7,00,91.28	-	-	10,61,66.55	-	-	9,25,38.05
Other bank balances	-	-	23,86,46.26	-	-	16,50,60.13	-	-	13,71,14.00
Security deposits	-	-	22,27.29	-	-	21,29.94	-	-	20,89.72
Consignment Debtors	-	-	76,87.39	-	-	75,35.92	-	-	72,24.66
Interest accrued on fixed deposits and loans	-	-	47,69.65	-	-	52,94.68	-	-	46,12.94
Receivables from related parties	-	-	27,62.17	-	-	16,39.11	-	-	25,18.55
Claims Recoverable	-	-	1,49.16	-	-	80.87	-	-	47.36
Total financial assets	-	-	36,26,58.81	-	-	32,67,39.82	-	-	28,04,17.10
Financial liabilities									
Borrowings (Finance lease obligations)	-	-	8,35.64	-	-	12,74.55	-	-	17,66.37
Salary, wages and bonus payable	-	-	52,41.41	-	-	38,72.31	-	-	28,25.68
Trade security deposits	-	-	96,05.58	-	-	91,35.60	-	-	85,68.59
Unclaimed dividend	-	-	3,46.26	-	-	3,30.13	-	-	3,54.00
Payables to related parties	-	-	1,43,17.03	-	-	1,02,30.65	-	-	93,78.42
Other contractual liabilities	-	-	4,87.97	-	-	7,06.05	-	-	5,34.01
Unclaimed cheques/DD's	-	-	1,03.52	-	-	88.13	-	-	78.86
Capital creditors	-	-	22,96.02	-	-	18,09.84	-	-	21,88.86
Trade payables	-	-	8,60,40.81	-	-	7,85,18.12	-	-	7,59,77.79
Total financial liabilities	-	-	11,92,74.24	-	-	10,59,65.38	-	-	10,16,72.58

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements.
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 level prescribed under the accounting standard. An explanation each level follows underneath the table.

Assets and liabilities measured at amortised cost, for which fair value are disclosed

Financial assets		31 March 2017			31 March 2016			1 April 2015		
	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans to employees	5(d)	-	-	42,25.45	-	-	34,16.45	-	-	29,35.74
Security deposits	5(e)	-	-	22,27.29	-	-	21,29.94	-	-	20,89.72
		-	-	64,52.74	-	-	55,46.39	-	-	50,25.46
Financial liabilities										
Borrowings	12(a), (c)			8,35.64			12,74.55			17,66.37

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that 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: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(All amounts in INR lakhs, unless otherwise stated)

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

Financial assets	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Loans	**42,25.45**	**42,25.45**	34,16.45	34,16.45	29,35.74	29,35.74
Security deposits	**22,27.29**	**22,27.29**	21,29.94	21,29.94	20,89.72	20,89.72
Total financial assets	**64,52.74**	**64,52.74**	55,46.39	55,46.39	50,25.46	50,25.46
Financial liabilities						
Borrowings	**8,35.64**	**8,35.64**	12,74.55	12,74.55	17,66.37	17,66.37
Total financial liabilities	**8,35.64**	**8,35.64**	12,74.55	12,74.55	17,66.37	17,66.37

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, consignment debtors, interest accrued on fixed deposits and loans, receivables from related parties, claim recoverable, trade payables and other financial liabilities are considered to be the same as fair values, due to their short term nature.

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk.

Note 25 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how it manages those risks.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, robust trade credit controls including credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling Working Capital forecasts (including Cash)	Regular review of working capital resulting in effective and efficient working capital management. Availability of committed (Non-Funded) credit lines and borrowing facilities
Market risk-foreign exchange risk	Recognised financial assets and liabilities not denominated in INR.	Cash flow forecasting Sensitivity analysis	The Company has limited foreign currency exposure and hence currency risk is not hedged. The Company monitors exchange rate movements and resulting exchange fluctuation risk on an ongoing basis and in case of significant risk, mitigating steps are considered.

The Company has Risk Management Committee (RMC), comprising of the Managing Director, Finance Director, Operations Director, Executive Vice President, Legal and Executive Vice President, HR. Risk maps stating the significant business risk, potential consequences along with mitigation plans are prepared by each function and revised by RMC on a regular basis. RMC provides specific principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks and financial institutions.

(i) Credit risk management

Trade receivable related credit risk

The Company sells its products through wholesalers and retailers. The Company is exposed to credit risk in respect of these customers such that, if one or more of them encounters financial difficulty, it could affect the Company's financial results. The Company's credit risk monitoring activities relating to these customers include development of company's internal risk ratings, and establishment and periodic review of credit limits. Further, large customer base mitigates material concentration of credit risk. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

(All amounts in INR lakhs, unless otherwise stated)

a) Internal credit rating
b) External credit rating (as far as available)
c) Actual or expected significant adverse changes in business, financial or economic conditions that are actual
d) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the company and changes in the operating results of the customers.

Treasury related credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company places its funds in high quality financial institutions and banks. To avoid concentration risk, the Company also diversifies its treasury related credit risk by investing in bank deposits in different banks and also sets limits for maximum investment in a particular bank/financial institution.

(ii) Provision for expected credit losses

The group provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Loans to employees	Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended 31 March 2017

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees	42,25.45	0%	-	42,25.45
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	22,27.29	0%	-	22,27.29

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121- 180 days past due	More than 180 days past due	Total
Gross carrying amount	3,13,38.51	5,71.35	2,42.84	65.93	18.34	69.83	5,52.41	3,28,59.21
Expected loss rate	0.21%	5.06%	9.01%	24.80%	61.11%	89.31%	100.00%	
Expected credit losses (Loss allowance provision)	65.96	28.89	21.87	16.35	11.21	62.36	5,52.41	7,59.05
Carrying amount of trade receivables (net of impairment)	**3,12,72.55**	**5,42.46**	**2,20.97**	**49.58**	**7.13**	**7.47**	**-**	**3,21,00.16**

(All amounts in INR lakhs, unless otherwise stated)

Year ended 31 March 2016

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees	34,16.45	0%	-	34,16.45
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	21,29.94	0%	-	21,29.94

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	More than 180 days past due	Total
Gross carrying amount	3,39,47.85	14,30.28	26.97	37.67	92.16	1,04.79	4,32.79	3,60,72.51
Expected loss rate	0.10%	3.12%	9.22%	19.25%	47.19%	87.55%	100.00%	0.00%
Expected credit losses (Loss allowance provision)	33.95	44.63	2.49	7.25	43.49	91.74	4,32.79	6,56.34
Carrying amount of trade receivables (net of impairment)	**3,39,13.90**	**13,85.65**	**24.48**	**30.42**	**48.67**	**13.05**	**-**	**3,54,16.17**

As at 1 April 2015

(a) Expected credit loss for loans and security deposits

Particulars	Category	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Loans to employees	29,35.74	0%	-	29,35.74
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	20,89.72	0%	-	20,89.72

(All amounts in INR lakhs, unless otherwise stated)

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	More than 180 days past due	Total
Gross carrying amount	2,88,50.72	24,44.74	25.23	78.01	26.12	1,15.60	3,52.31	3,18,92.73
Expected loss rate	0.09%	3.10%	8.01%	13.02%	30.17%	71.40%	100.00%	
Expected credit losses (Loss allowance provision)	25.97	75.77	2.02	10.16	7.88	82.54	3,52.31	5,56.65
Carrying amount of trade receivables (net of impairment)	**2,88,24.75**	**23,68.97**	**23.21**	**67.85**	**18.24**	**33.06**	**-**	**3,13,36.08**

Reconciliation of loss allowance provision- Trade receivables

	Amount
Loss allowance on 1 April 2015	5,56.65
Changes in loss allowance	99.69
Loss allowance on 31 March 2016	**6,56.34**
Changes in loss allowance	1,02.71
Loss allowance on 31 March 2017	**7,59.05**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of cash & committed credit lines to meet obligations. Due to the dynamic nature of the underlying businesses, company's treasury maintains flexibility in funding by maintaining cash availability and committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with practice and limits set by the company. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these requirements.

(i) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Contractual maturities of financial liabilities as at 31 March 2017	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	9,09.64	-	-	-	-	9,09.64
Trade security deposits	96,05.58	-	-	-	-	96,05.58
Salary, wages and bonus payable	14,14.26	38,27.15	-	-	-	52,41.41
Trade payables	8,60,40.81	-	-	-	-	8,60,40.81
Unclaimed dividend	3,46.26	-	-	-	-	3,46.26
Payables to related parties towards consignment sales/other reimbursements	1,43,17.03	-	-	-	-	1,43,17.03
Other contractual liabilities	4,87.97	-	-	-	-	4,87.97
Unclaimed cheques/DD's	1,03.52	-	-	-	-	1,03.52
Capital creditors	22,64.03	31.99	-	-	-	22,96.02

Contractual maturities of financial liabilities as at 31 March 2016	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	2,96.00	2,96.00	9,05.75	-	-	14,97.75
Trade security deposits	91,35.60	-	-	-	-	91,35.60
Salary, wages and bonus payable	7,70.68	31,01.63	-	-	-	38,72.31
Trade payables	7,85,18.12	-	-	-	-	7,85,18.12
Unclaimed dividend	3,30.13	-	-	-	-	3,30.13
Payables to related parties towards consignment sales/other reimbursements	1,02,30.65	-	-	-	-	1,02,30.65

(All amounts in INR lakhs, unless otherwise stated)

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Other contractual liabilities	7,06.05	-	-	-	-	7,06.05
Unclaimed cheques/DD's	88.13	-	-	-	-	88.13
Capital creditors	13,75.23	4,34.61	-	-	-	18,09.84

Contractual maturities of financial liabilities as at 1 April 2015	**Less than 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
Borrowings	3,20.00	3,20.00	5,92.00	9,06.37	-	21,38.37
Trade security deposits	85,68.59	-	-	-	-	85,68.59
Salary, wages and bonus payable	7,01.70	21,23.98	-	-	-	28,25.68
Trade payables	7,59,77.79	-	-	-	-	7,59,77.79
Unclaimed dividend	3,54.00	-	-	-	-	3,54.00
Payables to related parties towards consignment sales/other reimbursements	93,78.42	-	-	-	-	93,78.42
Other contractual liabilities	5,34.01	-	-	-	-	5,34.01
Unclaimed cheques/DD's	78.86	-	-	-	-	78.86
Capital creditors	17,94.49	3,94.37	-	-	-	21,88.86

(C) Market risk

(i) Foreign currency risk

The Indian Rupee is the Company's functional and reporting currency. The Company has limited foreign currency exposure which are mainly on account of purchase and sale of goods and services in GBP and USD. Foreign currency transaction exposures arising on internal and external trade flows are not material and therefore not hedged.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31-Mar-17		31-Mar-16		1-Apr-15	
	USD	**GBP**	USD	GBP	USD	GBP
Financial assets						
Trade and other receivables	**49,80.57**	**18,80.76**	51,84.57	3,45.31	66,09.28	6,08.41
Net exposure to foreign currency risk (assets)	**49,80.57**	**18,80.76**	51,84.57	3,45.31	66,09.28	6,08.41
Financial liabilities						
Trade and other payables	**44.01**	**1,06.35**	7.54	1,67.04	1,74.67	6,02.37
Net exposure to foreign currency risk (liabilities)	**44.01**	**1,06.35**	7.54	1,67.04	1,74.67	6,02.37

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit after tax	
	31-Mar-17	31-Mar-16
USD sensitivity		
INR/USD - increase by 6% (March 31, 2016 - 6%)	**68.14**	3,10.62
INR/USD - decrease by 6% (March 31, 2016 - 6%)	**(68.14)**	(3,10.62)
GBP sensitivity		
INR/GBP - increase by 3% (March 31, 2016 - 3%)	**7.46**	5.35
INR/GBP - decrease by 3% (March 31, 2016 - 3%)	**(7.46)**	(5.35)

Note 26 Capital management

(a) Risk management

The Company's objective when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following gearing ratio:

Total debt divided by total equity (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio within 30%.

(All amounts in INR lakhs, unless otherwise stated)

Gearing ratios were as follows:-

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Total debt	8,35.64	12,74.55	17,66.37
Total equity	31,22,66.83	27,98,70.50	23,93,72.69
Gearing ratio	0.27%	0.46%	0.74%

(b) Dividend

	31-Mar-17	31-Mar-16
(i) Equity shares		
Final dividend for the year ended 31 March 2016 of INR 70 (31 March 2015 - INR 55) per fully paid share	2,94,38.88	2,31,30.55
(ii) 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 INR 70 per fully paid equity share (31 March 2016 INR 70). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	2,94,38.88	2,94,38.88

Note 27 Segment information*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the Managing Director as the chief operating decision maker. Basis management assessment, the Company has only one operating segment which is nutrition. Entity wide disclosures as applicable to the Company are mentioned below:-

Information about geographical areas

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below :-

Revenue from external customers	31-Mar-17	31-Mar-16
Within India	41,20,27.61	42,53,27.25
Outside India	3,00,81.28	3,11,10.43
	44,21,08.89	45,64,37.68

*refer note 2(b)

Revenue from Major Customers :

There is no customer having revenue amounting to 10% or more of Company's total revenue.

Note 28 Related party transaction

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them as identified by the management in the ordinary course of business and on arm's length basis are given below:

A. Promoter Companies

Horlicks Limited, UK (Subsidiary of GlaxoSmithKline Plc UK) holds 43.16% of equity shares of the Company. (Refer note 11(a))
GlaxoSmithKline Pte Ltd, Singapore (Subsidiary of GlaxoSmithKline Plc UK) holds 29.29% of equity shares of the Company. (Refer Note 11(a))

B. Other related parties in GlaxoSmithKline Group which are under Common Control and with whom transactions have taken place during the year-

(a) Glaxo Operations UK Limited
(b) GlaxoSmithKline Bangladesh Limited
(c) GlaxoSmithKline Export Ltd
(d) GlaxoSmithKline Asia Pvt Ltd.
(e) GlaxoSmithKline Consumer Healthcare Pte Ltd
(f) GlaxoSmithKline Consumer Healthcare SDN BHD
(g) GlaxoSmithKline Pharmaceuticals Limited
(h) GlaxoSmithKline Consumer Private Limited
(i) GlaxoSmithKline Services Unlimited
(j) GlaxoSmithKline Plc
(k) PT Sterling Products Indonesia
(l) SB Corp CB (USA)
(m) SB Corporate Centre

(All amounts in INR lakhs, unless otherwise stated)

(n) SmithKline Beecham (Pvt) Ltd, Sri Lanka
(o) SmithKline Beecham Corporation
(p) GlaxoSmithKline Consumer Healthcare Pakistan Limited.
(q) GlaxoSmithKline Pakistan Limited.
(r) GlaxoSmithKline Consumer Healthcare GmbH
(s) GSK Consumer Healthcare Netherland
(t) GlaxoSmithKline Brazil Ltd.
(u) GlaxoSmithKline Limited (Kenya)
(v) GSKCH (Ireland) Ltd.

C. Trusts under Control of the Board of the Trustees -

(a) GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund
(b) GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund
(c) GlaxoSmithKline Consumer Healthcare Ltd Provident Fund
(d) GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF

D. Key Management Personnel

(a) Manoj Kumar, Managing Director (Appointed in the role w.e.f. June 1, 2015)
(b) Vivek Anand, Director – Finance (Appointed in the role w.e.f. June 1, 2015)
(c) Jaiboy Phillips, (Ceased to be Director - Operation w.e.f. Aug 31,2016)
(d) Zubair Ahmed (Ceased to be Managing Director w.e.f. May 31,2015)
(e) R Subramanian (Ceased to be Director-Finance w.e.f. May 31,2015)
(f) Anup Dhingra, Director Operation (Appointed in the role w.e.f. Sep 1,2016)

E. Key management personnel compensation

	31-Mar-17	31-Mar-16
Short-term employee benefits	**10,94.46**	11,70.34
Post-employment benefits	**1,28.86**	1,12.73
Employee share-based payment	**1,95.81**	1,45.22

(All amounts in INR lakhs, unless otherwise stated)

F. Transaction with related parties

The following transactions occurred with related parties during the period:

Particulars	Period ended Mar 31, 2017					Year ended March 31, 2016				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total
Sale of goods (Exports)	-	1,27,99.49	-	-	1,27,99.49	-	1,38,52.98	-	-	1,38,52.98
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	40,85.60	-	-	40,85.60	-	46,97.37	-	-	46,97.37
GlaxoSmithkline Bangladesh Limited	-	69,42.21	-	-	69,42.21	-	73,68.96	-	-	73,68.96
GlaxoSmithKline Pakistan Limited	-	-	-	-	-	-	16,70.52	-	-	16,70.52
GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	16,73.06	-	-	16,73.06	-	-	-	-	-
Others	-	98.62	-	-	98.62	-	1,16.13	-	-	1,16.13
Sale of Raw Materials/ Packing Materials	-	1,96.96	-	-	1,96.96	-	1,74.53	-	-	1,74.53
GlaxoSmithkline Bangladesh Limited	-	1,96.96	-	-	1,96.96	-	1,74.53	-	-	1,74.53
Consignment Sales (Gross Value)	-	13,66,93.07	-	-	13,66,93.07	-	11,99,08.98	-	-	11,99,08.98
GlaxoSmithKline Asia Pvt Ltd.	-	10,28,84.23	-	-	10,28,84.23	-	9,65,88.00	-	-	9,65,88.00
GlaxoSmithKline Pharmaceuticals Limited	-	2,30,53.99	-	-	2,30,53.99	-	2,33,20.98	-	-	2,33,20.98
GlaxoSmithKline Consumer Private Limited	-	1,07,54.85	-	-	1,07,54.85	-	-	-	-	-
Sales through related party (on consignment basis)	-	-	-	-	-	-	5,19.80	-	-	5,19.80
GlaxoSmithKline Pharmaceuticals Limited	-	-	-	-	-	-	5,19.80	-	-	5,19.80
Services received (Paid / Payable)	-	3.97	-	-	3.97	-	31.35	-	-	31.35
GlaxoSmithKline Services Unlimited	-	-	-	-	-	-	28.72	-	-	28.72
GlaxoSmithKline Pharmaceuticals Limited	-	3.97	-	-	3.97	-	2.63	-	-	2.63
Service Revenue (Received / Receivable) **	74.86	8,93.05	-	-	9,67.91	10.98	7,87.64	-	-	7,98.62
GlaxoSmithKline Services Unlimited	-	1,17.81	-	-	1,17.81	-	2,02.78	-	-	2,02.78
Glaxo Operations UK Limited	-	75.71	-	-	75.71	-	94.47	-	-	94.47
GlaxoSmithKline Pte. Ltd.	74.86	-	-	-	74.86	10.98	-	-	-	10.98
GlaxoSmithKline Export Ltd	-	1,22.08	-	-	1,22.08	-	70.11	-	-	70.11
GlaxoSmithKline Consumer Healthcare Pte Ltd	-	2,72.24	-	-	2,72.24	-	1,16.62	-	-	1,16.62
GlaxoSmithKline Plc	-	1,56.21	-	-	1,56.21	-	1,48.28	-	-	1,48.28
Others	-	1,49.01	-	-	1,49.01	-	1,55.38	-	-	1,55.38
Payment on Behalf of Fellow Subsidiaries (Received / Receivable) ***	-	1,44,03.61	-	-	1,44,03.61	-	1,47,35.65	-	-	1,47,35.65
GlaxoSmithKline Asia Pvt Ltd.	-	79,41.14	-	-	79,41.14	-	1,16,35.03	-	-	1,16,35.03
GlaxoSmithKline Pharmaceuticals Limited	-	30,91.39	-	-	30,91.39	-	31,00.62	-	-	31,00.62
GlaxoSmithKline Consumer Private Limited	-	33,71.08	-	-	33,71.08	-	-	-	-	-
Reimbursements of Expenses (Paid / Payable) ***	-	13,49.69	-	-	13,49.69	-	12,45.38	-	-	12,45.38
GlaxoSmithKline Asia Pvt Ltd.	-	13,18.49	-	-	13,18.49	-	8,20.83	-	-	8,20.83
GlaxoSmithKline Pharmaceuticals Limited	-	31.20	-	-	31.20	-	4,24.55	-	-	4,24.55
Business Auxilliary Service Commission *	-	2,23,11.15	-	-	2,23,11.15	-	2,09,46.26	-	-	2,09,46.26
GlaxoSmithKline Asia Pvt Ltd.	-	1,78,64.56	-	-	1,78,64.56	-	1,83,15.09	-	-	1,83,15.09
GlaxoSmithKline Pharmaceuticals Limited	-	28,83.34	-	-	28,83.34	-	26,31.17	-	-	26,31.17
GlaxoSmithKline Consumer Private Limited	-	15,63.25	-	-	15,63.25	-	-	-	-	-
Business Auxilliary Service Commission(Paid / Payable)	-	-	-	-	-	-	55.00	-	-	55.00
GlaxoSmithKline Pharmaceuticals Limited	-	-	-	-	-	-	55.00	-	-	55.00
Rent paid *	-	2,21.66	-	-	2,21.66	-	2,19.77	-	-	2,19.77
GlaxoSmithKline Asia Pvt Ltd.	-	2,21.66	-	-	2,21.66	-	2,19.77	-	-	2,19.77
Rent received *	-	0.99	-	-	0.99	-	0.98	-	-	0.98
GlaxoSmithKline Asia Pvt Ltd.	-	0.99	-	-	0.99	-	0.98	-	-	0.98
Licence agreement (Royalty Paid / Payable) *	-	1,46,67.90	-	-	1,46,67.90	-	1,55,13.40	-	-	1,55,13.40
GlaxoSmithKline Asia Pvt Ltd.	-	1,46,67.90	-	-	1,46,67.90	-	1,55,13.40	-	-	1,55,13.40
Dividend Paid	2,13,30.39	-	-	-	2,13,30.39	1,67,59.59	-	-	-	1,67,59.59
Horlicks Limited	1,27,06.57	-	-	-	1,27,06.57	99,83.73	-	-	-	99,83.73
GlaxoSmithKline Pte. Ltd.	86,23.82	-	-	-	86,23.82	67,75.86	-	-	-	67,75.86

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Period ended Mar 31, 2017					Year ended March 31, 2016				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total
Remuneration paid	-	-	13,90.67	-	13,90.67	-	-	13,96.23	-	13,96.23
Manoj Kumar	-	-	5,84.36	-	5,84.36	-	-	5,76.62	-	5,76.62
Anup Dhingra	-	-	2,94.72	-	2,94.72	-	-	-	-	-
Vivek Anand	-	-	3,11.24	-	3,11.24	-	-	2,82.06	-	2,82.06
Zubair Ahmed	-	-	-	-	-	-	-	1,95.57	-	1,95.57
R Subramanian	-	-	-	-	-	-	-	55.05	-	55.05
Jaiboy Phillips	-	-	2,00.35	-	2,00.35	-	-	2,86.93	-	2,86.93
Annual Contributions made by the Company	-	-	-	83,16.45	83,16.45	-	-	-	1,09,31.77	1,09,31.77
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	78,90.27	78,90.27	-	-	-	71,21.22	71,21.22
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	16.87	16.87	-	-	-	7,36.87	7,36.87
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	-	-	-	-	-	26,46.76	26,46.76
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	4,09.31	4,09.31	-	-	-	4,26.92	4,26.92
Payments made by the Company to the employees on behalf of Trust towards their settlement	-	-	-	52,70.64	52,70.64	-	-	-	60,70.35	60,70.35
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	43,17.93	43,17.93	-	-	-	47,14.49	47,14.49
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	3,17.61	3,17.61	-	-	-	6,15.27	6,15.27
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	3,98.08	3,98.08	-	-	-	3,94.66	3,94.66
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	2,37.02	2,37.02	-	-	-	3,45.93	3,45.93
Recoveries made from Trusts on account of settlement and Investments	-	-	-	54,21.12	54,21.12	-	-	-	58,96.90	58,96.90
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	43,44.08	43,44.08	-	-	-	46,13.38	46,13.38
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	3,35.30	3,35.30	-	-	-	6,61.52	6,61.52
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	4,59.64	4,59.64	-	-	-	3,28.54	3,28.54
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	2,82.10	2,82.10	-	-	-	2,93.46	2,93.46

*Amount is inclusive of Service Tax

**In respect of service fees which is on net basis, the gross value is INR 7,195.10 (March 31, 2016 INR 5,906.90) as per details below :

Particulars	31-Mar-17	31-Mar-16
GlaxoSmithKline Services Unlimited	9,03.22	15,83.51
Glaxo Operations UK Limited	5,85.11	7,08.29
GlaxoSmithKline Pte. Ltd.	5,73.96	85.31
GlaxoSmithKline Export Ltd	9,35.92	5,38.99
GlaxoSmithKline Consumer Healthcare Pte Ltd	20,87.15	8,15.78
GlaxoSmithKline Plc	10,07.94	8,89.70
Others	11,01.80	12,85.32

***Includes recovery / reimbursement of expense on account of employee cost, Traveling expenses, Consultancy fees and other general expenses.

G. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	Year ended March 31, 2017					Year ended March 31, 2016					Year ended April 1, 2015				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trust under the control of Board of trustees	Total
Balances as at year end - Receivables (Net)	**64.79**	**77,75.61**	**-**	**7,50.25**	**85,90.65**	18.74	34,03.56	-	67.48	34,89.78	14.85	42,81.77	-	-	42,96.62
GlaxoSmithKline Asia Pvt Ltd.	-	15,68.20	-	-	15,68.20	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Pharmaceuticals Limited	-	8,33.70	-	-	8,33.70	-	-	-	-	-	-	-	-	-	-
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	8,99.02	-	-	8,99.02	-	3,50.50	-	-	3,50.50	-	9,05.11	-	-	9,05.11
GlaxoSmithKline Pte. Ltd.	64.79	-	-	-	64.79	18.74	-	-	-	18.74	14.85	-	-	-	14.85
GlaxoSmithkline Bangladesh Limited	-	19,08.70	-	-	19,08.70	-	15,45.14	-	-	15,45.14	-	16,73.20	-	-	16,73.20
GlaxoSmithKline Plc	-	13,44.25	-	-	13,44.25	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund^	-	-	-	7,42.86	7,42.86	-	-	-	15.01	15.01	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF^	-	-	-	7.39	7.39	-	-	-	52.47	52.47	-	-	-	-	-
Others	-	12,21.74	-	-	12,21.74	-	15,07.92	-	-	15,07.92	-	17,03.46	-	-	17,03.46
Balances as at year end - Payables (Net)	**-**	**1,42,96.99**	**-**	**4,54.06**	**1,47,51.05**	-	97,77.50	-	23,61.61	1,21,39.11	-	81,65.47	-	31,64.95	1,13,30.42
GlaxoSmithKline Asia Pvt Ltd.	-	1,09,59.00	-	-	1,09,59.00	-	72,65.40	-	-	72,65.40	-	60,17.31	-	-	60,17.31
GlaxoSmithKline Pharmaceuticals Limited	-	29,82.72	-	-	29,82.72	-	19,43.65	-	-	19,43.65	-	19,41.07	-	-	19,41.07
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	4,34.53	4,34.53	-	-	-	3,28.53	3,28.53	-	-	-	3,97.32	3,97.32
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	8,22.30	8,22.30
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	19.53	19.53	-	-	-	20,33.08	20,33.08	-	-	-	19,45.33	19,45.33
Others	-	3,55.27	-	-	3,55.27	-	5,68.45	-	-	5,68.45	-	2,07.09	-	-	2,07.09

^ These amounts are adjustable against future contribution.

(All amounts in INR lakhs, unless otherwise stated)

Note 29 Contingent liabilities and contingent assets*

(a) Contingent liabilities

Claims against the Company not acknowledged as debt

	31-Mar-17	31-Mar-16	1-Apr-15
Direct tax	**1,35,06.17**	1,29,78.74	6,05,36.28

Critical judgement

The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information taking into account the specific circumstances of each matter and relevant external advice. The timing and probability of the outflow and expected reimbursements, if any, with regard to these matters, depends on the receipt of Judgements/ decisions pending with various forums/authorities. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

(b) Contingent assets - Contingent assets of the company as on March 31, 2017 is INR Nil (March 31, 2016 - INR Nil and April 1, 2015 - INR Nil)

*refer note 2(q)

Note 30 Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(a) Capital commitments

	31-Mar-17	31-Mar-16	1-Apr-15
Property, plant and equipment (net of Capital Advance of INR 79.35 (March 31, 2016 INR 3,22.43 and April 1, 2015: INR 4,63.92) and not provided for)	**18,45.69**	28,55.46	26,24.12
Intangible assets (net of Capital Advance of INR Nil (March 31, 2016 INR Nil and April 1, 2015: INR Nil) and not provided for)	**2,69.84**	NIL	NIL

(b) Non-cancellable operating leases

The Company has entered into non-cancellable operating leases in respect of office premises, which range for a period between 1-5 years. The terms of the said leases include terms for renewal, increase in rents in future periods for premises and terms of cancellation. The Company has entered into sub lease arrangement which is cancellable and is for a period of 2 years with an option of renewal on mutually agreed terms.

The Company has identified and classified certain cancellable job work arrangements as operating lease as per Ind AS 17. Since it was impracticable to bifurcate total payments between conversion charges and rent, the whole amount has been shown under rent expenses.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	31-Mar-17	31-Mar-16	1-Apr-15
Within one year	**1,58.48**	33.15	2,13.82
Later than one year but not later than five years	**NIL**	NIL	31.26
Later than five years	**NIL**	NIL	NIL

With respect of all operating leases:-

	31-Mar-17	31-Mar-16
Lease payment recognised in the Statement of Profit and Loss	**1,76,80.64**	1,90,16.78
Sub lease payment received/receivable recognised in the Statement of Profit and Loss	**12.05**	16.28

(c) Finance lease commitments

The Company has classified one of its job work arrangement as finance lease. The lease is for a period of 5 years and can be extended by mutual agreement between the parties before expiration date. If no such agreement is entered the agreement shall automatically terminate after the expiry of the aforesaid period. The Company's obligations under finance lease is secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2017		31 March 2016		1 April 2015	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	9,09.64	8,35.64	5,92.00	4,43.00	6,40.00	4,92.00
Later than one year but not later than five years	-	-	9,05.75	8,31.55	14,98.37	12,74.37
Later than five years	-	-	-	-	-	-
Total minimum lease payments	9,09.64	8,35.64	14,97.75	12,74.55	21,38.37	17,66.37
Less amounts representing finance charges	(74.00)	-	(2,23.20)	-	(3,72.00)	-
Present value of minimum lease payments	8,35.64	8,35.64	12,74.55	12,74.55	17,66.37	17,66.37

Note 31 Earnings per share

	31-Mar-17	31-Mar-16
(a) Basic earnings per share		
Total basic earnings per share attributable to equity holders of the Company (INR)	1,56.15	1,63.42
(b) Diluted earnings per share		
Total diluted earnings per share attributable to equity holders of the Company*(INR)	1,56.15	1,63.42
(c) Reconciliation of earnings used in calculating earnings per share		
Profit attributable to the equity shareholders of the Company	6,56,67.80	6,87,27.96
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share*	42,05,55,38	42,05,55,38

*There are no dilutive potential equity shares

Note 32 Disclosure on specified bank notes

The company did not have any holdings or dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 and hence disclosure requirements as envisaged in notification G.S.R. 308(E) dated March 31, 2017 are not applicable to the Company.

Note 33(a) Expenditure indicated below allocated to other revenue account

	31-Mar-17	31-Mar-16
Consumption of Stores and Spare Parts*	62,26.12	59,25.29
Insurance expenses**	10,98.78	9,44.73
Scientific Research & Development***	3,97.20	2,07.45

*Classified under Power & fuel and Repairs & Maintenance
**Classified under Staff welfare expenses
***Classified under Raw material consumed

Note 33(b) Value of imports calculated on a CIF Basis

	31-Mar-17	31-Mar-16
Raw materials	21,07.57	16,12.43
Capital goods	1,71.26	64.78
	22,78.83	16,77.21

Note 33(c) Details of purchased finished goods

	Opening stock		Purchases		Sales		Closing stock*	
	As on April 1, 2016 (Value)	As on April 1, 2015 (Value)	Year ended March 31, 2017 (Value)	Year ended March 31, 2016 (Value)	Year ended March 31, 2017 (Value)	Year ended March 31, 2016 (Value)	As on March 31, 2017 (Value)	As on March 31, 2016 (Value)
Packaged Foods	5,30.90	6,01.01	1,53,85.09	1,24,47.91	1,49,21.75	1,25,18.02	9,94.24	5,30.90

*Closing stock is net of samples, internal consumption and other stock losses.

Note 33(d) Expenditure in foreign currency

	31-Mar-17	31-Mar-16
Travelling	33.81	21.69
Advertisement & promotions	5,77.51	6,73.76
Consultancy	73.31	1,00.23
Others	22.83	1,32.58
Total	7,07.46	9,28.26

Note 33(e) Amount remitted in foreign currency for dividend

	31-Mar-17	31-Mar-16
a) Number of non-resident shareholders	2	2
b) Number of shares held (Equity shares of INR 10 each)	3,04,71,992	3,04,71,992
c) Dividend (INR lacs)	2,13,30.40	1,67,59.60
d) Year to which the dividend relates to	April 2015 to March 2016	April 2014 to March 2015

Note 34 First time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of opening Ind AS balance sheet as at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. **Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. **Ind AS Optional exemptions**

a. **Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b. **Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

c. **Share based payment transactions**

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind AS. For all grants of equity instruments to which Ind AS 102 has not been applied (eg, equity instruments vested but not settled before date of transition to Ind ASs, a first time adopter shall nevertheless disclose the information required by paragraphs 44 and 45 of Ind AS 102. A first-time adopter is encouraged, but not required, to apply Ind AS 102 to liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

(All amounts in INR lakhs, unless otherwise stated)

For cash settled share based payments transactions, Company has not applied Ind AS 102 to liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

2. Ind AS mandatory exceptions

a. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

b. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been applied retrospectively except where the same is practicable.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1 April 2015)

Particulars	Previous GAAP*	Adjustments	Ind AS	Footnotes to first time adoption
ASSETS				
Non-current assets				
Property, plant and equipment	4,90,04.75	3,85.44	4,93,90.19	1
Capital work-in-progress	42,31.36	-	42,31.36	
Intangible assets	1,69.44	-	1,69.44	
Financial assets				
i. Loans	20,78.14	(3,02.47)	17,75.67	2
ii. Other financial assets	21,40.30	(4,15.60)	17,24.70	3
Deferred tax assets (net)	1,04,34.02	(1,21.56)	1,03,12.46	4
Non Current Tax Assets (net)	28,06.16	-	28,06.16	
Other non-current assets	5,49.21	5,90.72	11,39.93	2,3
Total Non-current assets	**7,14,13.38**	**1,36.53**	**7,15,49.91**	

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Previous GAAP*	Adjustments	Ind AS	Footnotes to first time adoption
Current assets				
Inventories	4,66,25.11	-	4,66,25.11	
Financial assets				
i. Trade receivables	3,13,36.08	-	3,13,36.08	
ii. Cash and cash equivalents	9,25,38.05	-	9,25,38.05	
iii. Bank balances other than (ii) above	13,71,14.00	-	13,71,14.00	
iv. Loans	13,05.30	(1,45.23)	11,60.07	2
v. Other financial assets	1,47,68.53	-	1,47,68.53	
Other current assets	68,54.47	2,37.55	70,92.02	2,3
Total current assets	**33,05,41.54**	**92.32**	**33,06,33.86**	
Total assets	**40,19,54.92**	**2,28.85**	**40,21,83.77**	
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	42,05.55	-	42,05.55	
Other equity	20,70,98.15	2,80,68.99	23,51,67.14	9
Equity attributable to the owners	**21,13,03.70**	**2,80,68.99**	**23,93,72.69**	
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	-	6,68.35	6,68.35	1
Provisions	1,61,46.09	-	1,61,46.09	
Employee benefit obligations	59,00.83	-	59,00.83	
Total non-current liabilities	**2,20,46.92**	**6,68.35**	**2,27,15.27**	
Current liabilities				
Financial liabilities				
i. Trade payables				
Total outstanding dues of micro and small enterprises; and	18,43.06	-	18,43.06	
Total outstanding dues of creditors other than micro and small enterprises	7,41,34.73	-	7,41,34.73	
ii. Other financial liabilities	2,56,95.55	(6,69.11)	2,50,26.44	1
Provisions	5,23,92.88	(2,78,39.38)	2,45,53.50	5
Employee benefit obligations	74,87.48	-	74,87.48	
Other current liabilities	70,50.60	-	70,50.60	
Total current liabilities	**16,86,04.30**	**(2,85,08.49)**	**14,00,95.81**	
Total liabilities	**19,06,51.22**	**(2,78,40.14)**	**16,28,11.08**	
Total equity and liabilities	**40,19,54.92**	**2,28.85**	**40,21,83.77**	

***The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

Reconciliation of equity as on 31 March 2016

Particulars	Previous GAAP*	Adjustments	Ind AS	Footnotes to first time adoption
ASSETS				
Non-current assets				
Property, plant and equipment	4,85,27.98	(4,69.41)	4,80,58.57	1,12
Capital work-in-progress	51,38.60	-	51,38.60	

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Previous GAAP*	Adjustments	Ind AS	Footnotes to first time adoption
Intangible assets	69.22	-	69.22	
Financial assets				
i. Loans	23,70.52	(3,55.84)	20,14.68	2
ii. Other financial assets	24,26.78	(3,47.92)	20,78.86	3
Deferred tax assets (net)	1,12,47.29	66.10	1,13,13.39	4
Current tax assets (net)	41,37.78	-	41,37.78	
Other non-current assets	3,57.56	6,02.86	9,60.42	2,3
Total Non-current assets	**7,42,75.73**	**(5,04.21)**	**7,37,71.52**	
Current assets				
Inventories	4,61,62.21	-	4,61,62.21	
Financial assets				
i. Trade receivables	3,54,16.17	-	3,54,16.17	
ii. Cash and cash equivalents	10,61,66.55	-	10,61,66.55	
iii. Bank balances other than (ii) above	16,50,60.13	-	16,50,60.13	
iv. Loans	15,47.00	(1,45.23)	14,01.77	2
v. Other financial assets	1,46,01.66	-	1,46,01.66	
Other current assets	66,50.57	3,01.58	69,52.15	2,3
Total current assets	**37,56,04.29**	**1,56.35**	**37,57,60.64**	
Total assets	**44,98,80.02**	**(3,47.86)**	**44,95,32.16**	
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	42,05.55	-	42,05.55	
Other equity	24,03,57.70	3,53,07.25	27,56,64.95	9
Equity attributable to the owners	**24,45,63.25**	**3,53,07.25**	**27,98,70.50**	
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	-	2,06.74	2,06.74	1
Provisions	1,77,26.15	-	1,77,26.15	
Employee benefit obligations	60,62.80	-	60,62.80	
Total non-current liabilities	**2,37,88.95**	**2,06.74**	**2,39,95.69**	
Current liabilities				
Financial liabilities				
Borrowings				
i. Trade payables				
Total outstanding dues of micro and small enterprises; and	13,26.61	-	13,26.61	
Total outstanding dues of creditors other than micro and small enterprises	7,71,91.51	-	7,71,91.51	
ii. Other financial liabilities	2,76,70.43	(4,29.91)	2,72,40.52	1
Provisions	5,91,38.40	(3,54,31.94)	2,37,06.46	5
Employee benefit obligations	68,40.71	-	68,40.71	
Other current liabilities	93,60.16	-	93,60.16	
Total current liabilities	**18,15,27.82**	**(3,58,61.85)**	**14,56,65.97**	
Total liabilities	**20,53,16.77**	**(3,56,55.11)**	**16,96,61.66**	
Total equity and liabilities	**44,98,80.02**	**(3,47.86)**	**44,95,32.16**	

***The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Previous GAAP*	Adjustments	Ind AS	Footnotes to first time adoption
Revenue from operations	43,08,72.75	2,55,64.93	45,64,37.68	6
Other income	2,78,74.46	(1,23.49)	2,77,50.97	2,3,12
Total income	**45,87,47.21**	**2,54,41.44**	**48,41,88.65**	
EXPENSES				
Cost of materials consumed	12,21,76.09	-	12,21,76.09	
Purchases of stock-in-trade	1,24,47.91	-	1,24,47.91	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,69.84)	-	(2,69.84)	
Excise Duty	-	4,28,10.66	4,28,10.66	6,7
Employee benefits expense	5,09,39.70	(4,41.90)	5,04,97.80	2,8
Depreciation and amortization expense	57,43.87	-	57,43.87	
Other expenses	16,20,90.63	(1,71,31.66)	14,49,58.97	1,3,6,7
Finance costs	79.19	1,48.80	2,27.99	1,7
Total Expenses	**35,32,07.55**	**2,53,85.90**	**37,85,93.45**	
Profit before tax and exceptional items	**10,55,39.66**	**55.54**	**10,55,95.20**	
Exceptional items	-	-	-	
Profit before tax	**10,55,39.66**	**55.54**	**10,55,95.20**	
Income Tax Expense				
Current Tax	3,76,61.44	23.90	3,76,85.34	8
Deferred tax credit	(8,13.27)	(4.83)	(8,18.10)	4,8
Net current tax expense	**3,68,48.17**	**19.07**	**3,68,67.24**	
Profit for the period	**6,86,91.49**	**36.47**	**6,87,27.96**	
Other comprehensive income	-	**(3,90.77)**	**(3,90.77)**	8
Total comprehensive income for the period	**6,86,91.49**	**(3,54.30)**	**6,83,37.19**	

***The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

Reconciliation of total equity as on 31 March 2016 and 1 April 2015

Particulars	Notes to first time adoption	31 March 2016	1 April 2015
Total equity (Shareholder's funds as per previous GAAP)		24,45,63.25	21,13,03.70
Proposed dividend (including dividend distribution tax)	5	3,54,31.94	2,78,39.38
Fair valuation of security deposits	3	(37.53)	(35.03)
Fair valuation of employee loans	2	92.92	-
Accounting for finance leases	1	2,23.23	3,86.20
Reversal of impairment on capital work in progress	1,12	(4,69.41)	-
Tax effect on above adjustments	4	66.10	(1,21.56)
Total adjustments		**3,53,07.25**	**2,80,68.99**
Total equity as per Ind AS		**27,98,70.50**	**23,93,72.69**

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first time adoption	31 March 2016
Profit after tax as per previous GAAP		6,86,91.49
Fair valuation of security deposits	3	(2.50)
Fair valuation of employee loans	2	92.92

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes to first time adoption	31 March 2016
Accounting for finance leases	1	(1,62.97)
Reversal of impairment on capital work in progress	12	(4,69.41)
Tax effect on above adjustments	4	1,87.66
Remeasurements of post-employment benefit obligations	8	3,90.77
Total adjustments		**36.47**
Profit after tax as per Ind AS		**6,87,27.96**
Other comprehensive income		**(3,90.77)**
Total comprehensive income as per Ind AS		**6,83,37.19**

C. Notes to first time adoption

1. Lease arrangements

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangements. Under Ind AS, any arrangements (even if not legally structured as lease) which conveys a right to use an assets in return for a payment or series of payments are identified as leases provided certain conditions are met. In case of such arrangements are determined to be in nature of leases, such arrangements are required to be classified into finance or operating leases as per requirements of Ind AS 17, Leases.

The Company has entered into certain job work arrangements which have been identified to be in the nature of lease and one of which have been classified as finance lease arrangement. As a result of finance lease, finance lease assets and finance lease obligation were recognised in the books of accounts. Accounting for finance lease have an impact over Property, plant & equipment, Borrowings and Job work charges.

The impact arising from the changes are summarised as follows:

	As on March 31, 2016	As on April 1, 2015
Balance Sheet		
Property, Plant and Equipment (Gross)	31,12.85	31,12.85
Less:- Accumulated Depreciation	(15,56.49)	(15,56.49)
Less:- Accumulated Impairment	(15,56.36)	(11,70.92)
Property, Plant and Equipment (Net)	-	**3,85.44**
Borrowings	12,74.55	17,66.37
Other contractual liabilities	(14,97.73)	(17,67.13)

	As on March 31, 2016
Statement of profit and Loss	
Depreciation expenses	-
Impairment loss	3,85.44
Finance costs	1,48.80
Rent	(3,71.27)

2 Loan to Employees

Under the previous GAAP, loans to employees were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these loans under Ind AS. Difference between the fair value and transaction value of the loans has been recognised as prepaid employee expenditure. Consequent to this change, the amount of loans decreased by INR 5,01.07 as at 31 March 2016 (1 April 2015 INR 4,47.70). The prepaid employee expenditure increased by INR 5,94.05 as at 31 March 2016 (1 April 2015 - INR 4,47.70). The profit for the year and total equity as at 31 March 2016 increased by INR 92.92 due to the notional interest income of INR 2,48.75 recognised on employee loans which is partially off-set by the amortisation of prepaid employee expenditure of INR 1,55.83.

3 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by INR 3,47.92 as at 31 March 2016 (1 April 2015 INR 4,15.60). The prepaid rent increased by INR 3,10.39 as at 31 March 2016 (1 April 2015 - INR 3,80.58). Total equity decreased by INR 35.03 as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by INR 2.50 due to amortisation of the prepaid rent of INR 1,00.10 which is partially off-set by the notional interest income of INR 97.60 recognised on security deposits.

4 Deferred tax asset

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred tax using the balance sheet approach, which focuses on temporary differences between the carrying amounts of an asset or liability in the balance sheet and its tax base. Deferred tax have been recognised on the adjustments made on transition to Ind AS.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transactions either in retained earnings or as a separate component of equity. This has resulted in an increase in deferred tax asset by INR 66.10 as at 31 March 2016 and a decrease in deferred tax assets by INR 1,21.56 as at 1 April 2015.

5 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of INR 3,54,31.94 as at 31 March 2016 (1 April 2015: INR 2,78,39.38) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

6 Revenue from operations

Under previous GAAP, certain trade marketing and promotional schemes to customers were disclosed as an expense in the statement of profit and loss. Under Ind AS, such expenses have been netted off from revenue. Further, as per requirements of Schedule III (Division-II), excise duty has been grossed up and shown as a separate line item under expenses on the face of profit and loss whereas under previous GAAP, the same was netted off from revenue. As a result revenue for the year ended 31 March 2016 is higher by INR 2,55,64.93, the other expense have decreased by INR 1,53,90.45 and excise duty expenses has increased by INR 4,09,55.38. There is no impact on total equity and profit.

7 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. Further, under the previous GAAP, excise duty paid on changes in inventory was classified under other expenses, whereas under Ind AS, such excise duty is presented on the face of the statement of profit and loss as part of expenses. As a result, the excise duty has increased by INR 4,28,10.66, revenue has increased by INR 4,09,55.38 and other expenses have decreased by INR 18,55.28 for the year ended 31 March 2016. There is no impact on total equity and profit.

8 Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 has increased and other comprehensive income has decreased by INR 3,90.77 (net of current tax amounting to INR 23.90 and deferred tax amounting to INR 1,82.91). There is no impact on the total equity as at 31 March 2016.

9 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

10 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as “other comprehensive income” includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

11 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

12 Property, plant and equipment

Under IGAAP, the Company was carrying a provision for capital work in progress as on transition date which was subsequently reversed and then capital work in progress capitalised to property, plant and equipment. Amount capitalised from capital work-in-progress to plant & machinery in IGAAP has been reversed under Ind AS since the company has availed deemed cost exemption for property, plant and equipment as at transition date. Hence property, plant and equipment has decreased by INR 4,69.41 as at 31 March 2016.

Note 35 Events occuring after the reporting period

(a) **Approval of financial statements -** The financial statements were authorised for issue by the Board of Directors on May 11, 2017.

(b) **Proposed dividend -** Refer note 26 for the final dividend recommended by the board of directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pramit Agrawal
Partner
Membership No.: 099903

Subodh Bhargava
(DIN: 00035672)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Place: Gurugram
Dated: May 11, 2017

Manoj Kumar
(DIN: 07177262)
Managing Director

Shanu Saksena
Company Secretary
(Membership No: ACS-13405)

Mukesh H. Butani
(DIN: 01452839)
Director