



GlaxoSmithKline Consumer Healthcare Limited

Registered Office: Patiala Road, Nabha 147201 (Punjab)

CIN: L24231PB1958PLC002257

Tel No.: 01765-306400; Fax No.: 01765-220642;

Email id: investor.2.co@gsk.com; Website: www.gsk-ch.in

NOTICE OF POSTAL BALLOT

To,

The Members of the Company

NOTICE IS HEREBY GIVEN THAT pursuant to Section 110 read with Section 108 of the Companies Act, 2013 (the “Act”) and the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations, to pass the following Resolutions by way of Postal Ballot and electronic voting (e-voting):-

1. Approval for Related Party Transactions

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

“RESOLVED that pursuant to the provisions of law, as applicable, including, Section 188 of the Companies Act, 2013 (“Act”) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), each as amended from time to time and all other applicable laws, if any, and the Company’s policy on related party transaction(s), approval of the shareholders be and is hereby accorded for transactions between the Company and GlaxoSmithKline Asia Private Limited (“GSK Asia”), a related party of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the LODR Regulations, in connection with:(a) the purchase of land admeasuring up to approximately 132 acres situated at Sonepat (Haryana) by the Company from GSK Asia for consideration not exceeding INR 24,000 lakhs (noting that an amount equal to the entire consideration paid by the Company to GSK Asia will be paid by GlaxoSmithKline plc and/or any of its affiliate company(ies)(also a related party of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the LODR Regulations) to the Company);(b) payments by GSK Asia to the Company of commission at the rate of 15%, along with service charges towards freight and marketing services rendered by the Company and other related expenses incurred by the Company, pursuant to the consignment sales arrangement between GSK Asia, consistent with past practice;(c) payment of lease rental by the Company to GSK Asia for the land situated in Sonepat (Haryana) owned by GSK Asia and used by the Company for its manufacturing operations; (d) receipt of lease rental for an office premises situated in Nabha (Punjab) owned by the Company to GSK Asia; and (e) payment by the Company to GSK Asia towards the purchase of Albendazole, in each case, on such terms and conditions as the Board of Directors may deem fit, in compliance with any requirements of applicable laws.

RESOLVED FURTHER THAT Mr. Navneet Saluja - Managing Director, Mr. Vivek Anand - Director Finance & CFO and Mr. Anup Dhingra - Director – Operations are hereby jointly and/or severally authorized to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution including without limitation execution of any and all documents, powers of attorney, letters of authority, applications, representations and to do all acts, deeds and things which are ancillary or incidental to any of the above and to delegate all or any of the powers conferred on them by or under this resolution.”

By order of the Board
For GlaxoSmithKline
Consumer Healthcare Limited

Shanu Saksena
Company Secretary &
Area Ethics and Compliance Officer, ISC
Membership No. FCS - 9733

Place: Gurugram
Date: August 01, 2019



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NOTES:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 in respect of the business specified above along with the material facts is annexed hereto.
2. The Board of Directors have appointed Mr. Sanjay Chugh, Company Secretary in Practice (Membership No. FCS 3754/CP No. 3073) as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / Beneficial Ownership statements maintained by the depositories as on the close of business hours on Friday, August 30, 2019.
4. Members who have registered their e-mail addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Postal Ballot Notice by e-mail and others are being sent through the permitted mode along with the Postal Ballot Form and postage pre-paid self-addressed business reply envelope in accordance with the provisions of Section 101 of the Companies Act, 2013 read with rule 18 and 22 of the Companies (Management and Administration) Rules, 2014. Members who have received Notice by e-mail and who wish to vote through Physical Postal Ballot Form may download the Postal Ballot Form from the link <https://evoting.karvy.com> or from the 'investor' section on the Company's website www.gsk-ch.in.
5. There will be one Postal Ballot Form / e-voting for every folio no. / client id no. irrespective of the number of joint holders. In case of joint holding, the Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
6. Voting rights in the Postal Ballot Form / e-voting cannot be exercised by a proxy. However, corporate and institutional Members shall be entitled to vote through their authorized representatives with proof of their authorization.
7. In Compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all the Members of the Company. The Company has entered into an agreement with Karvy Fintech Private Limited (Karvy) for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is an optional facility available to Members.
8. Members can opt for only one mode of voting either by Postal Ballot or through e-voting. If the Member decides to vote through Postal Ballot, they are advised not to vote through e-voting and vice versa. In case of voting by both the modes, e-voting of such Member will be considered and counted and the votes casted through Postal Ballot Form of such Member will be treated as invalid.
9. The period for voting through Physical Ballot Form and e-voting starts from Saturday, September 07, 2019 at 9:00 A.M. (IST) and ends on Sunday, October 06, 2019 at 5:00 P.M. (IST) and any Physical Ballot Form received after the said date shall not be considered. E-voting shall be disabled by Karvy at 5:00 P.M. on Sunday, October 06, 2019.
10. The Scrutinizer's decision on the validity of a Postal Ballot / e-voting will be final.
11. The said results along with the Scrutinizer's Report would be displayed at the Registered Office of the Company, hosted at the Company's website i.e. www.gsk-ch.in and on the website of Karvy i.e.



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<https://evoting.karvy.com>. The results will be intimated to the Stock Exchanges where the Company's shares are listed within prescribed timelines.

12. Resolutions passed by the Members through Postal Ballot / e-voting is deemed to have been passed as on the last day for receipt of Postal Ballot i.e., on Sunday, October 06, 2019.
13. All the documents referred to in accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company without any fee on all working days (Monday to Friday) between 11:00 A.M. (IST) to 1:00 P.M.(IST) from the date of dispatch of Notice upto the date of declaration of results of Postal Ballot / e-voting.

14. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT FORM

- (i) Members are requested to carefully read the instructions before casting their vote and return the form duly completed in all respect and signed, in the attached postage pre-paid self-addressed business reply envelope, so as to reach the Scrutinizer at Karvy Fintech Private Limited, Unit: GlaxoSmithKline Consumer Healthcare Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500032, Telangana not later than the closing hours on Sunday, October 06, 2019. However, envelopes containing Postal Ballot Form, if sent by courier or by registered post or by speed post at the expense of the registered Member will also be accepted. The Postal Ballot Form(s) may also be deposited personally. The Postal Ballot Forms received after this date will be treated as if no reply from the Member has been received.
- (ii) The votes should be casted either in favor or against the resolution by putting the tick (✓) mark in the column provided for Assent or Dissent. Postal Ballot Form bearing tick (✓) mark in both the column will render the form invalid.
- (iii) Please convey your assent / dissent in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- (iv) The Postal Ballot Form should be completed and signed by the sole / first named Member or his / her duly authorized attorney registered with the Company. In the absence of the first named Member in a joint holding, the Form may be completed and signed by the next named Member. (However, where the Form is sent separately by the first named Member and the joint holder(s), the vote of the first named Member would be treated as valid).
- (v) In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the board resolution / authority letter, with specimen signatures of authorized signatory(ies), duly attested.
- (vi) Incomplete, unsigned or incorrectly filled Postal Ballot Forms will be subject to rejection by the Scrutinizer.
- (vii) Members are requested to fill the Postal Ballot Form in indelible ink and not in any erasable writing mode.
- (viii) Members are requested not to send any other matter along with the Postal Ballot Form in the enclosed postage pre-paid self-addressed business reply envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.



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- (ix) A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified in Point No. 14(i) above.

15. PROCESS FOR MEMBERS OPTING FOR E-VOTING:

A. In case of Member receiving the Ballot Form by e-mail:

- (i) Launch internet browser by typing the URL: <http://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and password mentioned overleaf). Your Folio No. / DP ID No. / Client ID No. will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the e-Voting Event Number for GlaxoSmithKline Consumer Healthcare Limited.
- (vii) On the voting page enter the number of shares (which represents number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to resolution and "AGAINST" implies dissent to resolution.
- (viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting any appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- (xii) Corporate / Institutional Members (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF / JPG Format) of the board resolution / authority letter etc. together with attested specimen signature of the duly authorized representative(s), to the Scrutinizer at email: schughpcs@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in



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the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVENT No.<xxxxx>(please fill the EVENT no.)"

- (xiii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

B. In case of Member receiving the Postal Ballot Form by Post:

- (i) User ID and Initial password is provided at the bottom of the Postal Ballot Form.
- (ii) Please follow the steps from Sl. No. 15A(i) to 15A(xiii) above, to cast your vote.

C. In case of any query and / or grievance, pertaining to e-voting, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Prem Kumar Nair (Unit: GlaxoSmithKline Consumer Healthcare Limited) of Karvy Fintech Private Limited or at evoting@karvy.com or phone no. 040 – 671615252 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

D. The period for e-voting starts on September 07, 2019 at 9:00 A.M. (IST) and ends on October 06, 2019 at 5:00 P.M. (IST). E-voting shall be disabled by Karvy on 5:00 P.M. (IST) on Sunday, October 06, 2019.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

Your Company proposes to enter into a transaction with GlaxoSmithKline Asia Private Limited ("**GSK Asia**"), a related party within the meaning of Section 2(76) of the Companies Act, 2013 ("**Act**") and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), for purchase of land admeasuring up to approximately 132 acres situated at 14 km Stone, Sonapat – Meerut Road, Village Khewra, P.O. Bahalgarh – 130 121, District Sonapat (Haryana) (as may be adjusted due to legal actions including land acquisition proceedings) ("**Sonapat Land**"), which has been used by the Company for its manufacturing operations for over 19 years under lease arrangements with GSK Asia ("**Sonapat Land Transaction**"). The purchase of the Sonapat Land will be for a maximum consideration of INR 24,000 lakhs, which has been arrived at considering the prevalent land circle rates ("**Land Consideration**"). Further, GlaxoSmithKline plc ("**GSK plc**") and/or any of its affiliate company(ies) (also a related party of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the LODR Regulations), pursuant to the terms of a subvention agreement, has agreed to pay the Land Consideration to the Company without any recourse to the Company, i.e. the Company will purchase the land and get paid the money from GSK plc making this transaction cost neutral for the Company.

The shareholders are also informed that the aggregate of the Land Consideration for the Sonapat Land Transaction and other payments that the Company will receive from and make to GSK Asia, during the financial year 2019-2020 pursuant to the related party transactions between the Company and GSK Asia may be in excess of 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company, i.e. for the financial year 2018-19. The payments pursuant to such other related party transactions are in the ordinary course and are at arms length prices and comprise of: (a) payments by GSK Asia to the Company pursuant to the consignment sales arrangement existing between the Company and GSK Asia; (b) payment of lease rental by the Company to GSK Asia for lease of land at Sonapat (Haryana) used by the Company for its manufacturing operations, consistent with past practice; (c) payment of lease rental by GSK Asia to the Company for lease of premises located at Nabha (Punjab) as the registered office of GSK Asia, consistent with past practice; and (d) payment by the Company to GSK Asia towards the purchase of Albendazole, consistent with past practice.



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In terms of Regulation 2(1)(zb) and Regulation 23(4) of the LODR Regulations all 'material' related party transactions require the prior approval of shareholders through an ordinary resolution. A transaction with a related party is deemed material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Further, in terms of Regulation 23(7) of the LODR Regulations, all entities falling within the definition of related parties under the LODR Regulations shall not vote to approve the relevant transactions irrespective of whether such entities are a party to the particular transaction or not. Accordingly, for this resolution(s), related parties of the Company (as defined under Regulation 2(1)(zb) of the LODR Regulations) shall not vote to approve the aforesaid resolution(s).

Furthermore, Section 188 of the Act and the applicable rules framed there under provide that any related party transaction which is not in the ordinary course or on arms-length terms, will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts exceeds the thresholds prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"). Though your Company believes that the said transactions between GSK Asia and the Company are in the Company's ordinary course of business and on arm's length basis, your Company is nonetheless seeking your approval even for purposes of the Act and the relevant rules framed there under.

Pursuant to Explanation (3) to Rule 15(3) of the Rules, particulars of the transactions with GSK Asia are provided below:

Particulars	Remarks
Name of the related party	GlaxoSmithKline Asia Private Limited
Name of the Director or Key Managerial Personnel who is related, if any	None
Nature of relationship	GSK Asia is a company within the GlaxoSmithKline group and is under common control of the ultimate holding company of the Company, GSK plc
Nature, material terms, monetary value and particulars of the contract or arrangement	<p>(i) Purchase of the Sonapat Land by the Company from GSK Asia for a maximum consideration of INR 24,000 lakhs. Pursuant to the terms of a subvention agreement, GSK plc and/or any of its affiliates has agreed to pay this Land Consideration to the Company without any recourse to the Company.</p> <p>(ii) Payments by GSK Asia to the Company of commission at the rate of 15%, along with service charges towards freight and marketing services rendered by the Company and other related expenses incurred by the Company, pursuant to the consignment sales arrangement between GSK Asia and the Company, consistent with past practice.</p> <p>(iii) Payment of annual lease rent of INR 2,27,61,096 inclusive of GST by the Company to GSK Asia for lease of land at Sonapat (Haryana) used by the Company for manufacturing operations, consistent with past practice.</p> <p>(iv) Payment of annual lease rent of INR 1,20,303 by GSK Asia to the Company for lease of premises located at Nabha (Punjab)</p>



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	<p>as the registered office of GSK Asia, consistent with past practice.</p> <p>(v) Payment by the Company to GSK Asia towards the purchase of Albendazole for an amount of upto INR 1,000 lakhs, consistent with past practice.</p>
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The Audit Committee and the Board of Directors of the Company have approved the transactions with GSK Asia and GSK plc. and/or any of its affiliate company(ies) (also a related party of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the LODR Regulations) to the Company.

The Board of Directors recommend passing of the resolutions as set out in the Notice as an Ordinary Resolution.

By order of the Board
For GlaxoSmithKline
Consumer Healthcare Limited

Shanu Saksena
Company Secretary &
Area Ethics and Compliance Officer, ISC
Membership No. FCS - 9733

Place: Gurugram
Date: August 01, 2019