

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; as amended and in the opinion of the Board, the Independent Directors fulfill the conditions as specified in abovesaid regulations and are independent of the management. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in the varied fields such as business acumen, financial, accounting, manufacturing/operational expertise 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. None of the Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2019. The details of the Board of Directors, their attendance records and other relevant details during the financial year ended March 31, 2019 are as under:

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on August 8, 2018	No. of directorships in other Public Companies ^A	No. of Committee Position held in Other Public Companies ^B		Name of other Listed Entities and Category of Directorship	
						Chair person	Member	Name of the Company	Category
Mr. Zubair Ahmed*	00182990	NEC	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. P. Dwarakanath**	00231713	NEC	7	Yes	1	-	1	-	-
Mr. Navneet Saluja	02183350	MD	7	Yes	-	-	-	-	-
Mr. Kunal Kashyap	00231891	ID	7	Yes	-	-	-	-	-
Mr. Naresh Dayal	03059141	ID	7	Yes	1	-	-	Balrampur Chini Mills Ltd	NED
Ms. Sangeeta Talwar	00062478	ID	7	Yes	6	2	5	HCL Infosystems Ltd	ID
								TCNS Clothing Company Ltd	ID
								Sembcorp Energy India Ltd	ID
								Castrol India Ltd	ID
Mr. S. Madhavan***	06451889	ID	4	N.A.	4	2	1	HCL Technologies Ltd	ID
								UFO Movies India Ltd	ID
								Transport Corporation of India Ltd	ID
								ICICI Bank Limited (w.e.f April 14, 2019)	ID
Mr. Joaquin B. Mascaro****	07517805	NED	NIL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Vivek Anand	06891864	WTD	7	Yes	-	-	-	-	-
Mr. Anup Dhingra	07602670	WTD	7	Yes	-	-	-	-	-



* Mr. Zubair Ahmed ceased to be Non-Executive Chairman of the Company with effect from June 30, 2018.

** Mr. P. Dwarakanath ceased to be the Independent Director of the Company with effect from June 30, 2018 and was appointed as the Non Executive Chairman of the Company with effect from July 01, 2018.

*** Mr. S. Madhavan appointed as Independent Director of the Company with effect from September 25, 2018.

**** Mr. Joaquin B. Mascaro ceased to be the Director of the Company with effect from June 25, 2018.

^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, 2019

The Board of Directors of the Company met seven times during the period from April 1, 2018 to March 31, 2019 on May 11, 2018; June 30, 2018; August 7, 2018; November 1, 2018; December 3, 2018; February 14, 2019 and March 27, 2019. The Independent Directors met on March 26, 2019.

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; as amended:

- 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 labour 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 judgement 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 decide 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 three Members, all of them are Independent Directors and possess financial and/or accounting knowledge. The Committee comprised of Mr. Kunal Kashyap as the Chairman and Ms. Sangeeta Talwar and Mr. S. Madhavan as the other two Members. Ms. Shanu Saksena is the Company Secretary of the Company and acts as Secretary to the Committee.

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 Deloitte Haskins & Sells LLP, 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. Kunal Kashyap attended the last Annual General Meeting held on August 8, 2018 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; as amended.

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 judgement 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.

Six Meetings of the Audit Committee were held during the year ended March 31, 2019. Attendance at Meetings during the year:

Director	No. of Meetings attended
Mr. Kunal Kashyap	6
Mr. Zubair Ahmed*	1
Mr. Joaquin B. Mascaro**	NIL
Ms. Sangeeta Talwar	6
Mr. P. Dwarakanath***	3
Mr. S. Madhavan****	3

*Mr. Zubair Ahmed ceased to be a member of the Audit Committee & Director of the Company with effect from June 30, 2018.

**Mr. Joaquin B. Mascaro ceased to be a member of the Audit Committee & Director of the Company with effect from June 25, 2018.

***Mr. P. Dwarakanath ceased to be a member of the Audit Committee of the Company with effect from November 02, 2018.

****Mr. S. Madhavan was appointed as a member of the Audit Committee of the Company with effect from November 02, 2018.



b) Nomination & Remuneration Committee

The Company has a Nomination and Remuneration Committee which comprises of three Members. The Committee presently comprises of Ms. Sangeeta Talwar as the Chairperson and Mr. P. Dwarakanath and Mr. Naresh Dayal as the other two Members. Ms. Shanu Saksena is the Company Secretary of the Company and acts as Secretary 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 review and advise the Company on the succession planning for the Senior Management and ensure the organization's readiness for continuing leadership.
5. To formulate a policy on diversity of Board of Directors.
6. 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 including details of fixed component and performance linked incentives along with performance criteria, service contracts, notice period, severance fees, stock option details, if any – and whether issued at a discount as well at the period over which accrued and over which exercisable.
7. To determine the remuneration of the Non-Executive Directors, which shall, finally be decided by entire Board of Directors.
8. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
9. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
10. 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.
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 recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
15. Any other matter the Board may request/authorize the Committee to perform/review.

Six meetings of the Committee were held during the year ended March 31, 2019. Attendance at Meetings during the year:

Director	No. of Meetings attended
Mr. P. Dwarakanath*	3
Ms. Sangeeta Talwar	6
Mr. Naresh Dayal	6
Mr. Kunal Kashyap**	3

*Mr. P. Dwarakanath ceased to be the Chairman of the Nomination & Remuneration Committee of the Company with effect from July 01, 2018 and was appointed as a member of the Committee with effect from November 02, 2018.

** Mr. Kunal Kashyap ceased to be a member of the Nomination & Remuneration Committee of the Company with effect from November 02, 2018.

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 scrutinized 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.

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, 2019:

(Rs.)

S. No.	Name	Designation/Position	Salary*	Benefits®	Performance Incentive\$	Grand Total
1.	Mr. Navneet Saluja	Managing Director	3,51,27,120	1,94,16,677	5,67,62,036	11,13,05,833
2.	Mr. Vivek Anand	Director – Finance & CFO	1,64,92,560	1,07,57,530	1,40,52,495	4,13,02,586
3.	Mr. Anup Dhingra	Director – Operations	1,98,00,480	1,38,82,398	3,11,01,191	6,47,84,069
4.	Ms. Shanu Saxena	Company Secretary	66,12,480	51,86,234	37,53,160	1,55,51,874

*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.

Details of remuneration of Non-Executive Directors and Independent Directors for the year ended March 31, 2019:

(Rs.)

S. No.	Name	Particulars	Sitting Fees	Commission	Total#
1.	Mr. Zubair Ahmed*	Non-Executive Chairman	1,75,000	-	1,75,000
2.	Mr. P. Dwarakanath**	Non-Executive Chairman	12,25,000	10,00,000	22,25,000
3.	Mr. Joaquin B Mascaro***	Non-Executive Director	-	-	-
4.	Mr. Kunal Kashyap	Independent Director	14,25,000	10,00,000	24,25,000
5.	Mr. Naresh Dayal	Independent Director	11,25,000	10,00,000	21,25,000
6.	Mr. S. Madhavan****	Independent Director	5,50,000	-	5,50,000
7.	Ms. Sangeeta Talwar	Independent Director	15,00,000	10,00,000	25,00,000
8.	Mr. Subodh Bhargava*****	Non-Executive Chairman	1,25,000	13,00,000	14,25,000
9.	Mr. Mukesh H. Butani*****	Independent Director	1,50,000	10,00,000	11,50,000

#Amounts have been disclosed on payment basis

* Mr. Zubair Ahmed ceased to be the Non-Executive Chairman & Director of the Company with effect from June 30, 2018.

**Mr. P. Dwarakanath ceased as the Independent Director of the Company with effect from June 30, 2018 and was appointed as the Nominee Director and Non-executive Chairman of the Company with effect from July 01, 2018.

***Mr. Joaquin B Mascaro ceased to be the Director of the Company with effect from June 25, 2018.

****Mr. S. Madhavan appointed as Independent Director of the Company with effect from September 25, 2018.

*****Mr. Subodh Bhargava and Mr. Mukesh H. Bhutani ceased to be Directors of the Company effective March 31, 2018

c) Investor Grievance & Stakeholders Relationship Committee

The Investor Grievance & Stakeholders Relationship Committee of the Company comprises of three Members. The Committee comprised of Mr. Kunal Kashyap as the Chairman, Mr. Vivek Anand and Mr. Naresh Dayal as the other two Members. Ms. Shanu Saxena is the Company Secretary of the Company and acts as Secretary to 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.

- 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
- 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, 2019. Attendance at Meetings during the year:

Director	No. of meetings attended
Mr. Kunal Kashyap	4
Mr. P. Dwarakanath*	3
Mr. Naresh Dayal	4
Mr. Vivek Anand	4

*Mr. P. Dwarakanath ceased to be a member of the Investor Grievance & Stakeholders' Relationship Committee of the Company with effect from November 02, 2018.



The total numbers of complaints received and replied to the satisfaction of the shareholders during the year ended March 31, 2019 under review and resolved were 62. The Company ensures that the investor's correspondence is attended expeditiously, and endeavor is made to send a satisfactory reply within three working 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, 2019. The Company has advised Karvy Fintech Private Limited, its Registrar and Share transfer Agent to dispatch the shares after transfer within three working 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 five Members. The Committee comprises of Ms. Sangeeta Talwar as the Chairperson and Mr. P. Dwarakanath, Mr. Naresh Dayal, Mr. S. Madhavan and Mr. Vivek Anand as the other four Members. Ms. Shanu Saxena is the Company Secretary of the Company and acts as Secretary to 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) eradicating hunger poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
 - 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) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
 - e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
 - f) measures for the benefit of armed forces veterans, war widows and their dependents;
 - g) training to promote rural sports, nationally recognised sports, Para Olympic sports and Olympic sports;
 - h) 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, Scheduled Tribes, Other Backward Classes, minorities and women;
 - i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - j) rural development projects;
 - k) such other area as may be prescribed or any other area the Board may authorise the Committee to include.

Two Meetings of the Committee were held during the year ended March 31, 2019. Attendance at Meetings during the year:

Director	No. of Meetings attended
Ms. Sangeeta Talwar	2
Mr. Vivek Anand	2
Mr. Naresh Dayal	2
Mr. P. Dwarakanath	2
Mr. S. Madhavan*	1

*Mr. S. Madhavan was appointed as a member of the Corporate Social Responsibility Committee of the Company with effect from November 02, 2018.

e) Risk Management Committee

The Risk Management Committee (RMC) of the Company comprises of three Executive Directors as Members and Senior Management. The Committee comprises of Mr. Navneet Saluja as the Chairperson and Mr. Anup Dhingra and Mr. Vivek Anand as the other two Members. Ms. Shanu Saxena is the Company Secretary of the Company and acts as Secretary to the Committee.

The role of RMC is to ensure comprehensive risk management framework is in place and review the risk/ mitigation on an ongoing basis.

Four Meetings of the Committee were held during the year ended March 31, 2019. Attendance at Meetings during the year:

Director	No. of Meetings attended
Mr. Navneet Saluja	4
Mr. Vivek Anand	4
Mr. Anup Dhingra	2



GENERAL BODY MEETINGS

Particulars of last three AGMs

Year	Date	Time	Venue	Special Resolution Passed
2018	August 08, 2018	09.30 a.m.	Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha – 147 201 (Punjab)	One Special Resolution for alteration of Articles of Association
2017	August 09, 2017	09.30 a.m.		No Special Resolution
2016	August 05, 2016	09.00 a.m.		Three Special resolutions for appointment of Directors.

Postal Ballot

During the year, Company has conducted following two postal ballots:

1. Postal Ballot dated November 1, 2018:

The Board of Directors in its meeting held on November 01, 2018 approved the Postal Ballot Notice which was dispatched on Tuesday, November 20, 2018. The voting remained open from Wednesday, November 21, 2018 at 09:00 A.M. (IST) to Thursday, December 20, 2018 at 05:00 P.M. (IST) and the result of the Postal Ballot was declared on December 21, 2018. Ms. Shanu Saksena, Company Secretary was authorised for the entire postal ballot / e-voting process. Mr. Sanjay Chugh, Practicing Company Secretary, (Membership No.: FCS 3754/CP No.: 3073) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

The Company engaged the services of Karyv Fintech Private Limited (Karyv) for providing e-voting facility to its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

The Postal Ballot comprised of ordinary resolutions for revision in the terms of remuneration of the Executive Directors of the Company i.e. Mr. Navneet Saluja, Managing Director, Mr. Anup Dhingra, Director – Operations and Mr. Vivek Anand, Director – Finance and CFO which were passed with requisite majority.

2. Postal Ballot Notice dated February 14, 2019:

The Board of Directors in its meeting held on February 14, 2019 approved the Postal Ballot Notice which was dispatched on Tuesday, March 12, 2019. The voting remained open from Wednesday, March 13, 2019 at 09:00 A.M. (IST) and ended on Thursday, April 11, 2019 at 05:00 P.M. (IST) and the result of the Postal Ballot was declared on April 12, 2019. Ms. Shanu Saksena, Company Secretary was authorised for the entire postal ballot / e-voting process. Mr. Sanjay Chugh, Practicing Company Secretary, (Membership No.: FCS 3754/CP No.: 3073) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

The Company engaged the services of Karyv Fintech Private Limited (Karyv) for providing e-voting facility to its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

The Postal Ballot comprised of ordinary resolutions for revision in the terms of remuneration of the Executive Directors of the Company i.e. Mr. Navneet Saluja, Managing Director, Mr. Anup Dhingra, Director – Operations and Mr. Vivek Anand, Director – Finance and CFO which were passed with requisite majority.

During the year, there was no special resolution through postal ballot and also there is no immediate proposal for passing any other special resolution through Postal Ballot on or before 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. Four (4) Analyst Telecons 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 Sixtieth Annual General Meeting is scheduled to be held on Friday, August 2, 2019

Time: 9.30 a.m.

Venue: Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha, 147 201 (Punjab)



Financial Year:

April 1, 2018 to March 31, 2019

Financial Calendar:

Particulars	Date of Board Meeting	Particulars	Date of Board Meeting
1. Quarter ending June 30, 2019	August 2019	2. Quarter ending September 30, 2019	November 2019
3. Quarter ending December 31, 2019	February 2020, March 2020	4. Quarter ending March 31, 2020	May 2020

Book closure:

The Register of Members will be closed from July 27, 2019 (Saturday) to August 2, 2019 (Friday) (both days inclusive).

Dividend payment:

For the year ended March 31, 2019, the Directors have recommended a dividend at the rate of Rs. 105 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 1, 2019 to all the Members as on record date.

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

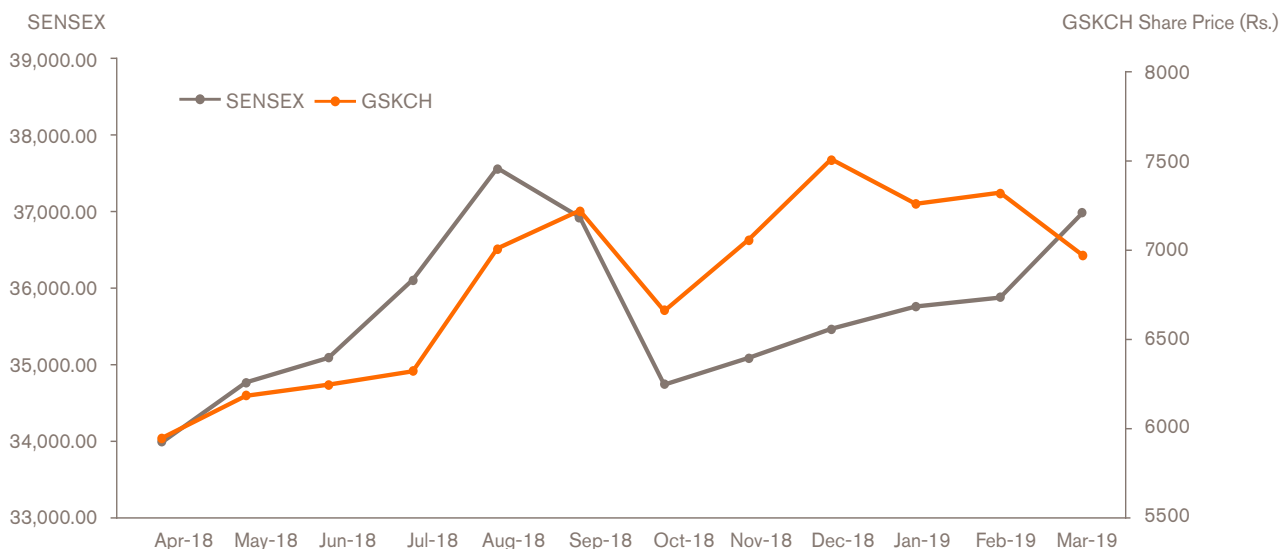
The Listing Fee for the year 2018-2019 has been paid to the Stock Exchanges where the shares of the Company are listed.

Stock Market Data: -

High and Low during each month in last financial year from April 2018 to March 2019 on the Stock Exchanges where the shares of the Company are listed:

Month	Share Price (Closed at Rs.)		Sensex (Closed at Rs.)	
	High	Low	High	Low
April 2018	6,135.55	5,831.65	35,160.36	33,019.07
May 2018	6,594.65	5,871.75	35,556.71	34,344.91
June 2018	6,572.10	6,021.15	35,739.16	34,903.21
July 2018	6,533.10	6,226.40	37,606.58	35,264.41
August 2018	7,691.55	6,526.95	38,896.63	37,165.16
September 2018	7,640.90	7,043.10	38,389.82	36,227.14
October 2018	7,060.15	6,408.90	36,526.14	33,349.31
November 2018	7,269.95	7,071.05	36,194.30	34,431.97
December 2018	7,819.35	7,469.40	36,484.33	34,959.72
January 2019	7,561.05	7,200.30	36,578.96	35,513.71
February 2019	7,686.05	7,205.10	36,975.23	35,352.61
March 2019	7,229.05	6,925.20	38,672.91	36,063.81

Performance in comparison:



Registrar and Transfer Agents:

Kary Fintech Private Limited,
Kary Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008;
E-mail:-einward.ris@kary.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 30 days from the date of receipt.

Distribution of shareholding as on March 31, 2019:

S. No.	Category (Shares)	No. of Holders*	% To Holders	No. of Shares	% To Equity
1	1 - 250	50565	92.16	1413541	3.36
2	251 - 500	2744	5.00	932540	2.22
3	501 - 1000	893	1.63	623044	1.48
4	1001 - 2000	274	0.50	387152	0.92
5	2001 - 3000	118	0.22	292523	0.70
6	3001 - 4000	54	0.10	187088	0.44
7	4001 - 5000	27	0.05	124011	0.29
8	5001 - 10000	173	0.32	3274496	7.79
9	10001 & Above	19	0.03	34821143	82.80
	TOTAL:	54867	100.00	42055538	100.00

Shareholding pattern as on March 31, 2019:

S. No.	Description	Shareholders*	Equity Shares	% of Equity
1	ALTERNATIVE INVESTMENT FUND	7	48767	0.12
2	BANKS	17	6609	0.02
3	CLEARING MEMBERS	95	66300	0.16
4	EMPLOYEES	3	106	0.00
5	FOREIGN INSTITUTIONAL INVESTORS	1	274	0.00
6	FOREIGN PORTFOLIO - CORP	125	1797392	4.27
7	FOREIGN PROMOTERS	2	30471992	72.46
8	H U F	740	78668	0.19
9	I E P F	1	18323	0.04
10	INDIAN FINANCIAL INSTITUTIONS	6	1217563	2.90
11	BODIES CORPORATES	1050	1173593	2.79
12	BENEFICIAL HOLDINGS UNDER MGT-4	5	2157	0.01
13	MUTUAL FUNDS	24	1809692	4.30
14	NBFC	5	1852	0.00
15	NON RESIDENT INDIANS	1348	64066	0.15
16	NON RESIDENT INDIAN NON REPATRIABLE	785	101817	0.24
17	NON RESIDENT INDIAN REPATRIABLE	9	2300	0.01
18	OVERSEAS CORPORATE BODIES	1	280	0.00
19	RESIDENT INDIVIDUALS	50628	5166633	12.29
20	TRUSTS	15	27154	0.06
	Total:	54867	42055538	100.00

*The above data is as per PAN and actual number of folios as on March 31, 2019 were 56785.

Dematerialisation of shares and liquidity:

As on March 31, 2019, we have dematerialized 98.63% of our equity share capital, only 1.37% 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:

The Company has 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 Fintech Private 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, 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, 2019 the Company has Related Party Transactions as envisaged under the Corporate Governance Code which have been mentioned in Note 28 to the Accounts. The policy on dealing with related party transactions is available on www.gsk-ch.in under investor relations section.
- There have not been any non-compliances, penalties or structures 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.
- There are no subsidiaries to the Company, thus no policy for determining material subsidiaries was required.
- For disclosure related to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, please refer Business Responsibility Report.

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, 2019 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; as amended:

1. Separate posts of Chairman and CEO: The Company already has separate persons to the post of Chairman and Managing Director/CEO. Mr. P. Dwarakanath is the Non-Executive Chairman and Mr. Navneet Saluja is the Managing Director of the Company.
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; as amended, 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; as amended 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

Place : Gurugram
Dated : May 10, 2019

Navneet Saluja
(DIN: 02183350)
Managing Director

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 the Code of Conduct for Directors and Senior Management of Glaxosmithkline Consumer Healthcare Limited for the year ended March 31, 2019.

Place : Gurugram
Dated : May 10, 2019

Navneet Saluja
(DIN: 02183350)
Managing Director

Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated April 30, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GlaxoSmithKline Consumer Healthcare Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Gurugram
Date: May 10, 2019

Manjula Banerji
Partner
(Membership No. 086423)