Notes to the Financial Statements for the year ended March 31, 2019

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 of 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

a) Basis of preparation and presentation

(i) Statement of Compliance

The financial statements have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

(ii) Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, defined benefit plans-plan assets measured at fair value and share based payments. Also, refer Note 34 to the financial statements which describes the status of Scheme of amalgamation and basis of preparation of these financial statements on a going concern basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit.

c) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

d) Revenue from contracts with customers

Sale of goods

The Company has applied Ind AS 115 'Revenue from contracts with customers' with effect from April 1, 2018, using the modified retrospective method of adoption. Under this method, the Company is required to adjust the cumulative effect of initially applying Ind AS 115 in the opening balance of retained earnings as at April 1, 2018. The Company earns revenue primarily from sale of goods. Revenue is recognized upon transfer of control of promised goods to the customers. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer. The management has assessed that there is no significant impact in the revenue recognition on adoption of Ind AS 115.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices. Where the standalone selling prices are not directly observable, these are estimated based on expected cost plus margin or residual method to allocate the total transaction price.

Revenue includes both fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and incentives given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends and past experience. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Critical judgements

Transaction Price: The transaction price could either be a fixed amount of customer consideration or variable consideration with elements such as discounts and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

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 act as a principal if the Company controls a promised goods or service before the Company transfers the goods or service to a customer and act as an agent if the Company's performance obligation is to arrange for the provision of goods or service by another party.

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.

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.

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 Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within Other Income.

f) **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the income taxes are 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 borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and 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 are charged to the Statement of Profit and 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 tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash- generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

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) **Inventories**

Inventories are valued at lower of cost and net realisable value, except for ghee, a by-product, which is valued at net realisable value. Cost is determined based on the monthly weighted average method. The cost of finished goods and work in progress comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. 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.

k) **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

l) **Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method as per the estimated useful lives which generally coincides with Schedule II to the Companies Act, 2013 other than the following assets: -

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.

Management reviews the useful lives of depreciable assets at the end of each reporting. Management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

m) **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.

(v) Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

n) 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 the Statement of Profit and 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 the Statement of Profit and 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.

o) 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

p) **Employee benefits**

(i) **Short term employment 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 employment 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. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented under 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.

Re-measurement 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 the Statement of Profit and 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.

Defined contribution plans

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.

Superannuation fund
The Company has a Defined Contribution Plan for post-employment benefit. Superannuation fund contributions are made to trust administered by the Company which is recognised by the income tax authorities. Contribution made by the Company 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 the statement of profit and loss for the year.

q) Dividends
Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

r) Earnings per share
Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

s) Recent accounting pronouncements
Ind AS 116 Leases :
Ind AS 116 – 'Leases' was notified on March 30, 2019, which is applicable for the accounting period beginning from April 1, 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by Ind AS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement. Lessor Accounting under Ind AS 116 will not be having any transitional impact on initial recognition. Under Ind AS 17, the company was charging lease rental in statement of Profit and loss, which would be charged as depreciation and finance cost under Ind AS 116, having a favourable impact on EBITDA.

A lessor shall recognise lease payments from leases as income on either straight-line or another systematic basis. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:
- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this

amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is not expecting to have significant impact in the financial statements on adoption of Ind AS 12 Appendix C.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is not expecting to have significant impact in the financial statements on account of this amendment.

Note 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 2(d)
- Estimation of provision for direct tax matters, indirect tax matters and other provisions –Refer Note 13 and 29
- Estimation of defined benefit obligation - Refer 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 rseasonable under the circumstances.

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	Land (Freehold) *	Buildings *	Plant and equipment #	Information Technology equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost								
As at March 31, 2017	14,83.35	2,39,56.68	3,31,55.51	19,17.03	7,30.17	7,04.56	8,18.60	6,27,65.90
Additions	-	7,54.37	39,51.96	5,19.34	23.52	9.64	3,33.28	55,92.11
Disposals	-	0.34	31,96.48	38.11	5.20	27.31	1,74.52	34,41.96
As at March 31, 2018	**14,83.35**	**2,47,10.71**	**3,39,10.99**	**23,98.26**	**7,48.49**	**6,86.89**	**9,77.36**	**6,49,16.05**
Accumulated depreciation and impairment								
As at March 31, 2017	-	11,55.40	1,06,93.17	10,48.70	4,86.57	4,14.42	2,63.43	1,40,61.69
Depreciation charge during the year	-	6,72.61	47,99.57	4,60.45	1,54.64	1,52.70	1,73.87	64,13.84
Impairment loss during the year	-	-	1,84.17	-	-	-	-	1,84.17
Disposals	-	0.10	31,38.10	30.63	5.20	22.68	85.38	32,82.09
As at March 31, 2018	**-**	**18,27.91**	**1,25,38.81**	**14,78.52**	**6,36.01**	**5,44.44**	**3,51.92**	**1,73,77.61**
Net carrying amount	**14,83.35**	**2,28,82.80**	**2,13,72.18**	**9,19.74**	**1,12.48**	**1,42.45**	**6,25.44**	**4,75,38.44**
Cost								
As at March 31, 2018	14,83.35	2,47,10.71	3,39,10.99	23,98.26	7,48.49	6,86.89	9,77.36	6,49,16.05
Additions	-	3,93.10	38,28.54	3,93.03	20.75	37.41	1,70.61	48,43.44
Disposals	-	0.37	50.40	44.35	0.11	5.49	1,52.26	2,52.98
As at March 31, 2019	**14,83.35**	**2,51,03.44**	**3,76,89.13**	**27,46.94**	**7,69.13**	**7,18.81**	**9,95.71**	**6,95,06.51**
Accumulated depreciation and impairment								
As at March 31, 2018	-	18,27.91	1,25,38.81	14,78.52	6,36.01	5,44.44	3,51.92	1,73,77.61
Depreciation charge during the year	-	6,97.41	43,89.34	4,89.24	1,27.26	1,43.34	1,88.88	60,35.47
Impairment loss during the year	-	-	54.08	-	-	-	-	54.08
Disposals	-	0.05	38.14	41.03	0.08	4.83	83.52	1,67.65
As at March 31, 2019	**-**	**25,25.27**	**1,69,44.09**	**19,26.73**	**7,63.19**	**6,82.95**	**4,57.28**	**2,32,99.51**
Net carrying amount	**14,83.35**	**2,25,78.17**	**2,07,45.04**	**8,20.21**	**5.94**	**35.86**	**5,38.43**	**4,62,07.00**

	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	**12,59.05**	35,71.35

* Includes immovable properties having original cost of INR 21.74 lakhs [March 31, 2018 INR 27.80 lakhs (Net block of INR Nil (March 31, 2018 INR 6.06 lakhs))] whose title deeds are not available and immovable properties having original cost of INR 1,23.95 lakhs [March 31, 2018 INR 1,23.95 lakhs (Net Block of INR 70.55 lakhs (March 31, 2018 INR 73.12 lakhs))] for which registration is pending.

 # Impairment loss

Impairment loss/reversal of impairment loss

Net impairment loss during the year is INR 54.08 lakhs (March 31, 2018 INR 1,84.17 lakhs) on Plant and Equipment has been included in other general expenses in note 22 in the Statement of Profit and Loss.

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

(All amounts in INR lakhs, unless otherwise stated)

Note 4 Intangible assets and Intangible assets under development

Particulars	Patents and Trade Marks	Software	Total
Cost			
As at March 31, 2017	-	1,69.44	1,69.44
Additions	-	-	-
Disposals		-	-
As at March 31, 2018		**1,69.44**	**1,69.44**
Accumulated amortisation			
As at March 31, 2017	-	1,30.87	1,30.87
Amortisation during the year	-	23.55	23.55
Disposals		-	-
As at March 31, 2018		**1,54.42**	**1,54.42**
Net carrying amount		**15.02**	**15.02**
Cost			
As at March 31, 2018	-	1,69.44	1,69.44
Additions	-	-	-
Disposals		-	-
As at March 31, 2019		**1,69.44**	**1,69.44**
Accumulated amortisation			
As at March 31, 2018	-	1,54.42	1,54.42
Amortisation during the year	-	15.02	15.02
Disposals		-	-
As at March 31, 2019		**1,69.44**	**1,69.44**
Net carrying amount		**-**	**-**

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets under development	5,13.96	2,53.40

Note 5 Financial assets

5(a) Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	3,58,93.54	2,41,70.40
Receivables from related parties (refer note 28)	35,85.59	44,23.65
Less: Impairment of trade receivables (refer note 25(b))	(9,11.33)	(7,21.87)
Total Trade receivables	3,85,67.80	2,78,72.18

Break up of security details	As at March 31, 2019	As at March 31, 2018
Secured, considered good	1,31,99.65	1,19,02.18
Unsecured, considered good	2,59,10.39	1,64,38.37
Significant increase in credit risk	3,69.09	2,53.50
	3,94,79.13	2,85,94.05
Impairment of trade receivables (refer note 25(b))	(9,11.33)	(7,21.87)
Total trade receivables	3,85,67.80	2,78,72.18

(All amounts in INR lakhs, unless otherwise stated)

5(b) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	1,10.94	26,38.30
Remittances in transit	-	3,92.12
Deposits with original maturity of less than three months	5,72,21.00	5,83,80.00
Total cash and cash equivalents	**5,73,31.94**	6,14,10.42

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits (original maturity more than three months, remaining maturity less than twelve months)	35,15,02.00	29,66,33.00
Unpaid dividend accounts	8,99.85	4,76.39
Total other bank balances	**35,24,01.85**	29,71,09.39

5(d) Loans

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Secured, considered good				
Loans to employees (Vehicle loans)	91.32	1,20.86	1,17.72	1,56.82
Unsecured, considered good				
Loans to employees	16,65.78	20,24.09	13,61.82	14,70.73
Total loans	17,57.10	21,44.95	14,79.54	16,27.55

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Security deposits	1,11.30	21,51.92	1,46.69	21,70.92
Consignment debtors	1,11,99.36	-	71,53.51	-
Interest accrued on fixed deposits and loans	81,43.25	-	63,58.20	-
Receivables from related parties towards services rendered/expense reimbursement (Refer note 28)	11,32.27	-	41,07.17	-
Claims Recoverable				
Considered good	63.27	-	-	-
Considered doubtful	44.25	-	1,36.15	-
Less: Impairment of claims recoverable	(44.25)	-	(1,36.15)	-
Total other financials assets	**2,06,49.45**	**21,51.92**	1,77,65.57	21,70.92

Note 6 Deferred tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets on		
Disallowances under section 43B of Income-tax Act, 1961	1,33,35.88	1,23,43.71
Impairment of trade receivables	3,18.46	2,52.25
Others	6,04.66	16,12.49
Total deferred tax assets	**1,42,59.00**	1,42,08.45
Less: - Deferred tax liabilities on		
Property, plant and equipment and intangible assets	(28,69.76)	(26,63.45)
Total deferred tax liabilities	**(28,69.76)**	(26,63.45)
Deferred tax assets (net)	**1,13,89.24**	1,15,45.00

Movement in deferred tax assets	Disallowances under section 43B	Impairment of trade receivables	Others	Total
As at March 31, 2017	1,36,74.03	2,62.69	14,44.69	1,53,81.41
(Charged)/credited:				
- to profit or loss	(13,30.32)	(10.44)	1,67.80	(11,72.96)
As at March 31, 2018	**1,23,43.71**	**2,52.25**	**16,12.49**	**1,42,08.45**
(Charged)/credited:				
- to profit or loss	9,92.17	66.21	(10,07.83)	50.55
As at March 31, 2019	**1,33,35.88**	**3,18.46**	**6,04.66**	**1,42,59.00**

Movement in deferred tax liabilities	Property, plant and equipment and intangible assets	Total
As at March 31, 2017	(26,01.23)	(26,01.23)
(Charged)/credited:		
- to profit or loss	(62.22)	(62.22)
As at March 31, 2018	**(26,63.45)**	**(26,63.45)**
(Charged)/credited:		
- to profit or loss	(2,06.31)	(2,06.31)
As at March 31, 2019	**(28,69.76)**	**(28,69.76)**

Note 7 Income tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets (net)		
Advance income tax (Net of provision for income tax INR 27,80,37.60 lakhs (March 31, 2018 INR 27,95,47.75 lakhs)	1,55,81.04	1,77,91.18
	1,55,81.04	1,77,91.18
Income tax liabilities (net)		
Provision for income tax (Net of advance income tax INR 5,36,71.61 lakhs (March 31, 2018 INR Nil)	10,09.72	-
	10,09.72	-

Note 8 Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	1,57.17	10.26
Advances other than Capital Advances		
Prepaid lease expense on security deposits paid	1,06.76	97.85
Prepaid employee expenditure	5,55.88	4,44.83
Total other non-current assets	8,19.81	5,52.94

Note 9 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials [Include goods in transit INR 82.50 lakhs (March 31, 2018 INR 1,63.80 lakhs)]	99,17.28	1,03,58.39
Packing materials	14,24.51	13,44.43
Work-in-progress	52,95.28	32,03.66
Stock-in-trade (in respect of goods acquired for trading)	6,17.12	6,86.89
Finished goods (including bulk powder)	2,78,77.18	2,40,07.67
Stores and spares [Include goods-in-transit INR 31.85 lakhs (March 31, 2018 INR 26.90 lakhs)]	13,87.56	13,18.42
By-products (at net realisable value)	27.62	22.26
Total inventories	**4,65,46.55**	4,09,41.72

-The cost of inventories recognised as an expense during the year was INR 20,10,90.79 lakhs (For the year ended March 31, 2018 INR 19,65,87.76 lakhs).
-The cost of inventories recognized as an expense (net) includes INR 5,58.34 lakhs in respect of reversal of write downs (For the year ended March 31, 2018 INR 5,79.69 lakhs in respect of write-downs).
-There are no inventories which are expected to be recovered or settled after more than 12 months.
-The mode of valuation of inventories has been stated in note 2(j)

Note 10 Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to suppliers	15,66.10	13,53.15
Advances to employees	2,64.79	4,76.80
Prepaid expenses	11,80.65	12,43.61
Prepaid lease expense on security deposits paid	71.73	99.31
Prepaid employee expenditure	2,34.26	2,47.18
Balances with Statutory / Government Authorities	47,79.72	46,18.30
Total other current assets	**80,97.25**	80,38.35

Note 11 Equity share capital and other equity

11(a) Equity share capital

	Number of shares	Amount
Authorised share capital		
As at March 31, 2017	60,000,000	60,00.00
Changes during the year	-	-
As at March 31, 2018	**60,000,000**	**60,00.00**
Changes during the year	-	-
As at March 31, 2019	**60,000,000**	**60,00.00**

(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 March 31, 2017	42,055,538	42,05.55
Changes during the year	-	-
As at March 31, 2018	**42,055,538**	**42,05.55**
Changes during the year	-	-
As at March 31, 2019	**42,055,538**	**42,05.55**

(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. 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 Capital held by the subsidiaries of ultimate holding company

	As at March 31, 2019	As at March 31, 2018
1,81,52,243 (March 31, 2018 - 1,81,52,243) Equity Shares are held by Horlicks Limited*	18,15.22	18,15.22
1,23,19,749 (March 31, 2018 - 1,23,19,749) Equity Shares are held by GlaxoSmithKline Pte Ltd*	12,31.97	12,31.97
	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	As at March 31, 2019		As at March 31, 2018	
	Name of shareholder	% of holding	Number of shares	% of holding
Horlicks Limited	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%

11(b) Other equity

Reserves and surplus	As at March 31, 2019	As at March 31, 2018
Capital redemption reserve	3,32.51	3,32.51
General reserve	10,42,48.38	10,42,48.38
Retained earnings	30,06,84.96	23,97,25.45
Total reserves and surplus	40,52,65.85	34,43,06.34

(i) Capital redemption reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	3,32.51	3,32.51
Add: Transferred during the year	-	-
Closing balance	3,32.51	3,32.51

(ii) General reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	10,42,48.38	10,42,48.38
Closing balance	10,42,48.38	10,42,48.38

(iii) Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	23,97,25.45	20,34,80.39
Net profit for the year	9,82,80.40	7,00,10.22
Items of other comprehensive income recognised directly in retained earningss		
-Remeasurements of post-employment benefit obligations, net of tax	7,04.24	16,66.78
Dividend paid	(3,15,41.65)	(2,94,38.88)
Dividend distribution tax paid	(64,83.48)	(59,93.06)
Closing balance	30,06,84.96	23,97,25.45

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 lakhs 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.

Note 12 Financial liabilities

12(a) Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Total outstanding dues of micro and small enterprises; and	41,49.23	8,80.33
Total outstanding dues of creditors other than micro and small enterprises	9,11,12.10	9,97,35.59
Total trade payables	9,52,61.33	10,06,15.92

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:

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	40,58.73	8,04.51
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.18	1.22
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,45,91.84	91,31.58
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	13.50	57.53
Further interest remaining due and payable for earlier years	75.82	17.07

12(b) Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Trade security deposits	1,06,72.13	1,04,37.32
Unclaimed dividend	8,99.86	4,76.40
Salary, wages and bonus payable	1,27,50.52	73,85.75
Payables to related parties towards consignment sales/other reimbursements	1,85,78.80	1,38,91.57
Unclaimed cheques/Demand Drafts	72.51	1,59.11
Capital creditors*	11,34.01	16,16.08
Total other current financial liabilities	4,41,07.83	3,39,66.23

*Represents total outstanding dues of creditors other than Micro and Small Enterprises

Note 13 Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Provision for Indirect tax matters	2,22,84.40	96,37.10	2,16,50.18	1,23,66.23
Miscellaneous provisions	52,76.08	5,50.59	61,09.17	1,74.35
Total provisions	2,75,60.48	1,01,87.69	2,77,59.35	1,25,40.58

(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 judgemental 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.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Movements in provisions

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Indirect tax matters	Miscellaneous provisions	Indirect tax matters	Miscellaneous provisions
Opening balance	3,40,16.41	62,83.52	3,80,61.38	55,17.03
Additions	41,83.20	16,28.60	54,02.36	26,83.37
Utilisations/reversals	(62,78.11)	(20,85.45)	(94,47.33)	(19,16.88)
Closing balances	3,19,21.50	58,26.67	3,40,16.41	62,83.52
Classified as non-current	96,37.10	5,50.59	1,23,66.23	1,74.35
Classified as current	2,22,84.40	52,76.08	2,16,50.18	61,09.17

Note 14 Employee benefit (assets) and obligations*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Net defined benefit asset - Gratuity Fund	(13,90.02)	-	(15,82.78)	-
Total employee benefit assets	(13,90.02)	-	(15,82.78)	-
Net defined benefit liability				
Compensated absences	30,66.09	-	25,32.59	-
Post retirement medical benefits	43.04	54,20.01	36.88	54,08.27
Share based payment obligations	15,49.56	3,31.33	11,08.95	5,46.05
Total employee benefit obligations	46,58.69	57,51.34	36,78.42	59,54.32

** Refer note 19*

Note 15 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	9,91.05	8,80.00
Statutory obligations	78,09.40	73,59.04
Total other current liabilities	88,00.45	82,39.04

Note 16 Revenue from operations

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Sale of Products (refer note 37)		
Finished Goods	43,58,42.15	39,84,10.79
Traded Goods	1,56,61.22	1,73,43.89
	45,15,03.37	41,57,54.68
Other Operating Revenue		
Business auxiliary service commission	2,41,32.29	2,01,76.90
Export incentives	17,55.25	9,54.09
Miscellaneous income	8,09.62	8,19.67
	2,66,97.16	2,19,50.66
Total revenue from operations	47,82,00.53	43,77,05.34

Reconciliation of revenue recognised with contract price:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Contract Price (Gross)	50,23,62.83	46,92,22.92
Adjustments for:-		
Discounts, rebates, incentives and sales return	2,41,62.30	3,15,17.58
Total revenue from operations	47,82,00.53	43,77,05.34

(All amounts in INR lakhs, unless otherwise stated)

Note 17 Other income

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net gain on disposal of property, plant and equipment	**44.65**	38.66
Exchange fluctuations (net)	**7,89.93**	6,87.86
Rent received	**4.20**	4.85
Interest received on financial assets - carried at amortised cost		
Deposits with bank and others	**2,64,14.37**	2,02,17.90
Security deposits paid	**1,93.34**	1,29.03
Loans to employees	**1,59.40**	3,72.17
Interest income on Income tax refunds	**13.68**	4,35.49
Provision/liabilities written back to the extent no longer required	**1,38,02.96**	22,93.81
Other miscellaneous income	**18,37.95**	15,60.97
Total other income	**4,32,60.48**	2,57,40.74

Note 18(a) Cost of materials consumed

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Raw material consumed	**10,93,01.61**	9,97,28.40
Packing material consumed	**2,87,28.19**	2,54,67.72
Total cost of materials consumed	**13,80,29.80**	12,51,96.12

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

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Opening stock		
Finished goods (including bulk powder)	**2,40,07.67**	2,53,47.16
Work-in-progress	**32,03.66**	56,54.81
Stock-in-trade (in respect of goods acquired for trading)	**6,86.89**	9,94.24
By-products	**22.26**	22.50
	2,79,20.48	3,20,18.71
Less: Closing stock		
Finished goods (including bulk powder)	**2,78,72.79**	2,40,07.67
Work-in-progress	**52,95.28**	32,03.66
Stock-in-trade (in respect of goods acquired for trading)	**6,17.12**	6,86.89
By-products	**27.62**	22.26
	3,38,12.81	2,79,20.48
Changes in inventories of work-in-progress, stock-in-trade and finished goods	**(58,92.33)**	40,98.23

Note 19 Employee benefits expense

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries and wages	**5,16,26.42**	4,44,54.42
Contribution to provident and superannuation fund	**39,78.71**	30,06.39
Contribution to employee state insurance	**29.87**	34.62
Gratuity	**7,35.67**	8,69.39
Compensated absences	**5,86.49**	(2,30.84)
Post-employment medical benefits	**5,57.49**	4,75.40
Employee share based payment expense	**19,42.87**	(60.85)
Staff welfare expenses	**50,04.63**	42,23.98
Total employee benefits expense	**6,44,62.15**	5,27,72.51

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
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*#	2,26.34	1,77.65
(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	29.87	34.62
– Employers' Contribution to Employee's Pension Scheme 1995*#	6,69.22	6,06.41

* Included in Contribution to provident and superannuation funds.

Including amount recovered/recoverable from group Companies

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 presented 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:

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Provident Fund		Post Retirement Medical Benefits	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Discount Rate (per annum)	**7.25%**	7.25%	**7.25%**	7.25%	**7.25%**	7.25%	**7.25%**	7.25%
Expected Average remaining working lives of employees (Years)	**15.18**	15.15	**19.81**	20.33	**N.A.**	N.A.	**N.A.**	N.A.
Salary growth rate	**For Nabha and Rajahmundry Employees** **10% for all remaining years** **For EGF employees 10% p.a. for the first two years and 9.50% p.a. thereafter.**	For Nabha and Rajahmundry Employees 13% for first three years, 12% for next three years and 10% thereafter For EGF employees 10% p.a. for the first three years and 9.50% p.a. thereafter.	**10% for first three years and 9.50% thereafter**	10% for first three years and 9.50% thereafter	**N.A.**	N.A.	**N.A.**	N.A.
Interest Rate guarantee (per annum)	**N.A.**	N.A.	**N.A.**	N.A.	**8.65%**	8.55%	**N.A.**	N.A.
Premium inflation rate	**N.A.**	N.A.	**N.A.**	N.A.	**N.A.**	N.A.	**7.50%**	7.50%

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	As at March 31, 2019 Withdrawal Rate (%)		As at March 31, 2018 Withdrawal Rate (%)	
	Employees	Workers	Employees	Workers
Up to 30 years	32	1	21	1
Up to 44 years	18	1	14	1
Above 44 years	6	4	17	5

(A) Present value of obligation as at Balance Sheet date

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the beginning	89,83.89	94,15.45	71,76.28	74,38.64	54,45.15	57,45.50
Interest expense or cost	6,50.87	6,05.27	5,19.91	4,76.26	3,94.77	3,73.46
Current service cost	6,19.63	3,78.18	2,30.71	2,21.97	1,62.72	1,01.94
Benefits paid	(4,76.81)	(4,40.01)	(6,35.95)	(8,44.82)	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-	-	-	-	-
- change in demographic assumption	20.07	(79.01)	(13.88)	(7.53)	33.87	(33.32)
- change in financial assumption	(3,82.15)	(33.35)	-	(88.86)	-	(3,24.21)
- experience variance (i.e. actual experience vs assumptions)	1,69.30	(9,08.27)	(98.37)	(3,00.31)	(5,73.46)	(4,18.22)
Past service cost	-	45.63	-	2,80.93	-	-
Transfer In / (Out)	-	-	-	-	-	-
Present Value of Obligation as at the end	95,84.80	89,83.89	71,78.70	71,76.28	54,63.05	54,45.15

(B) Changes in the Fair value of Plan Assets

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets as the beginning	97,02.59	93,65.80	80,40.36	81,67.30
Investment income	7,02.94	6,08.35	5,82.51	5,30.50
Return on plan assets, excluding amount recognised in net interest expense	1,11.45	1,68.45	1,26.43	1,87.38
Employer's contribution	-	-	-	-
Benefits paid	(4,76.81)	(4,40.01)	(6,35.95)	(8,44.82)
Transfer In / (Out)	-	-	-	-
Fair value of plan assets at the end	1,00,40.17	97,02.59	81,13.35	80,40.36

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

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Present Value of funded/ (unfunded) obligation as at Balance Sheet date	**95,84.80**	89,83.89	**71,78.70**	71,76.28	**54,63.05**	54,45.15
Fair Value of Plan Assets as at the end of the year	**1,00,40.17**	97,02.59	**81,13.35**	80,40.36	**-**	-
Funded Status	**4,55.37**	7,18.70	**9,34.65**	8,64.08	**(54,63.05)**	(54,45.15)
Present Value of unfunded obligation as at Balance Sheet date	**-**	-	**-**	-	**-**	-
Unrecognized Actuarial (gains) / losses	**-**	-	**-**	-	**-**	-
Net Asset / (Liability) recognized in Balance Sheet	**4,55.37**	7,18.70	**9,34.65**	8,64.08	**(54,63.05)***	(54,45.15)*

* included under non-current employee benefit obligations INR 54,20.01 lakhs (March 31, 2018 INR 54,08.27 lakhs) and current employee benefit obligations INR 43.04 lakhs (March 31, 2018 INR 36.88 lakhs)

(D) Expense Recognized in the Statement of Profit and Loss

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	Year Ended March 31, 2019	Year Ended March 31, 2018	**Year Ended March 31, 2019**	Year Ended March 31, 2018	**Year Ended March 31, 2019**	Year Ended March 31, 2018
Current Service Cost	**6,19.63**	3,78.18	**2,30.71**	2,21.97	**1,62.72**	1,01.94
Past Service Cost	**-**	45.63	**-**	2,80.93	**-**	-
Interest cost	**-**	-	**-**	-	**-**	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	**(52.07)**	(3.07)	**(62.60)**	(54.25)	**3,94.77**	3,73.46
Curtailment Cost / (Credit)	**-**	-	**-**	-	**-**	-
Settlement Cost / (Credit)	**-**	-	**-**	-	**-**	-
Total expenses recognized in the Statement of Profit and Loss	**5,67.56**	4,20.74	**1,68.11**	4,48.65	**5,57.49**	4,75.40

(E) Expense Recognized in Other Comprehensive Income

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	Year Ended March 31, 2019	Year Ended March 31, 2018	**Year Ended March 31, 2019**	Year Ended March 31, 2018	**Year Ended March 31, 2019**	Year Ended March 31, 2018
Re-measurement (or Actuarial) (gain) / loss arising from	-	-	-	-	-	-
change in demographic assumptions	**20.07**	(79.01)	**(13.88)**	(7.53)	**33.87**	(33.32)
change in financial assumptions	**(3,82.15)**	(33.35)	**-**	(88.86)	**-**	(3,24.21)
change in experience adjustments (i.e. Actual experience vs assumptions)	**1,69.30**	(9,08.27)	**(98.37)**	(3,00.31)	**(5,73.46)**	(4,18.22)
Return on plan assets, excluding amount recognised in net interest expense	**(1,11.45)**	(1,68.45)	**(1,26.43)**	(1,87.38)	**-**	-
Components of defined benefit costs recognised in Other Comprehensive Income	**(3,04.23)**	(11,89.08)	**(2,38.68)**	(5,84.08)	**(5,39.59)**	(7,75.75)

(All amounts in INR lakhs, unless otherwise stated)

(F) Constitution of Plan Assets

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Equity Instruments	3,01.21	1,94.05	2,43.40	1,60.81
Debt Instruments	91,36.55	87,32.33	74,64.30	77,99.15
Property	-	-	-	-
Other Assets	6,02.41	7,76.21	4,05.67	80.40
Total of the Plan Assets	1,00,40.17	97,02.59	81,13.37	80,40.36

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

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Government of India securities	0%	0%	1%	7%
State Government securities	53%	50%	52%	47%
High quality corporate bonds	38%	40%	39%	43%
Equity shares of listed companies	3%	2%	3%	2%
Special Deposit Scheme	4%	4%	2%	1%
Funds managed by Insurer	0%	4%	3%	0%
Bank Balance	2%	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:

Defined benefit obligation (base)	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
As on March 31, 2019	95,84.80		71,78.70		54,63.05	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	94,22.60	82,25.61	76,39.11	67,63.13	63,50.25	47,44.11
(% change compared to base due to sensitivity)	-1.70%	-14.20%	6.40%	-5.80%	16.20%	-13.20%
Salary Growth Rate (- / + 1%)	82,45.84	93,72.08	68,47.03	75,23.77	N.A.	N.A.
(% change compared to base due to sensitivity)	-14.00%	-2.20%	-4.60%	4.80%	N.A.	N.A.
Attrition Rate (- / + 50%)	89,72.49	86,60.53	72,89.36	70,59.88	55,27.51	53,93.12
(% change compared to base due to sensitivity)	-6.40%	-9.60%	1.50%	-1.70%	1.20%	-1.30%
Mortality Rate (- / + 10%)	87,93.33	87,87.60	71,78.80	71,78.61	55,15.50	54,09.78
(% change compared to base due to sensitivity)	-8.30%	-8.30%	0.00%	0.00%	1.00%	-1.00%
Premium Inflation Rate (- / + 1%)	N.A.	N.A.	N.A.	N.A.	46,90.57	62,96.71
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-14.10%	15.30%
Medical Cost (- / + 5%)	N.A.	N.A.	N.A.	N.A.	51,89.90	57,36.20
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-5.00%	5.00%

Defined benefit obligation (base)	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
As on March 31, 2018	89,83.89		71,76.28		54,45.15	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	95,45.90	84,79.22	74,99.32	68,80.64	64,56.53	46,03.65
(% change compared to base due to sensitivity)	6.30%	-5.60%	4.50%	-4.10%	18.60%	-15.50%
Salary Growth Rate (- / + 1%)	84,55.86	95,50.03	68,93.87	7,468.96	N.A.	N.A.
(% change compared to base due to sensitivity)	-5.90%	6.30%	-3.90%	4.10%	N.A.	N.A.
Attrition Rate (- / + 50%)	92,32.76	88,05.59	73,62.20	7,008.32	55,52.96	53,48.22
(% change compared to base due to sensitivity)	2.80%	-2.00%	2.60%	-2.30%	2.00%	-1.80%
Mortality Rate (- / + 10%)	89,86.69	89,81.09	71,76.48	7,176.09	54,97.42	53,92.06
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%	1.00%	-1.00%
Premium Inflation Rate (- / + 1%)	N.A.	N.A.	N.A.	N.A.	46,06.59	63,49.04
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-15.40%	16.60%
Medical Cost (- / + 5%)	N.A.	N.A.	N.A.	N.A.	51,72.89	57,17.40
(% change compared to base due to sensitivity)	N.A.	N.A.	N.A.	N.A.	-5.00%	5.00%

(I) Defined benefit liability and employer contributions

Particulars	Employees Gratuity Fund		Senior Staff Gratuity Fund		Post Retirement Medical Benefits	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Weighted average duration (based on discounted cashflows)	**6 years**	5 years	**4 years**	3 years	**11 years**	19 years
1 year	**8,21.26**	8,26.28	**6,07.88**	8,24.21	**43.04**	36.87
2 to 5 years	**38,47.66**	30,26.05	**25,05.65**	26,61.21	**7,55.81**	7,13.95
6 to 10 years	**54,12.43**	40,15.15	**25,38.50**	21,11.42	**14,57.39**	13,76.68
More than 10 years	**58,05.01**	41,81.53	**26,67.37**	14,12.74	**4,17,94.32**	3,94,79.65
Total	**1,58,86.36**	1,20,49.01	**83,19.40**	70,09.58	**4,40,50.56**	4,16,07.15

(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 (March 31, 2018 Nil) determined on the basis of an actuarial valuation carried out as at Balance Sheet date. Contribution made by the Company during the year (including amount recovered/recoverable from group Companies) is INR 31,35.41 lakhs (March 31, 2018 INR 22,67.08 lakhs). The net actuarial Gain/(loss) recognised in the year is INR (2,83.78) lakhs (March 31, 2018 INR 3,98.29 lakhs).

Particulars	**As at March 31, 2019**	As at March 31, 2018
Present value of obligation	**5,66,21.43**	5,48,83.73
Fair value of plan assets	**6,04,23.09**	5,49,06.19
Net Assets / (Liability)	**38,01.66**	22.46

(c) 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 account of the Company. The following types of awards are granted to the Indian employees:

(All amounts in INR lakhs, unless otherwise stated)

(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 4.8% (March 31, 2018 4.8%) over the duration of the award.

Reconciliation of RSAs and SARs

Particulars	RSAs	SARs
Balance as at March 31, 2017	**3,58,349**	**99,284**
Granted	2,42,536	-
Exercised/Lapsed *	(2,41,161)	-
Balance as at March 31, 2018	**3,59,724**	99,284
Granted	2,73,345	-
Exercised/Lapsed *	(2,09,966)	(88,633)
Balance as at March 31, 2019	**4,23,103**	**10,651**

* The weighted average share price at the date of exercise of the awards exercised during the year ended March 31, 2019 was GBP 15.15 (March 31, 2018 GBP 13.21)

Note 20 Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Depreciation on property, plant and equipment - (Refer Note 3)	60,35.47	64,13.84
Amortisation of intangible assets - (Refer Note 4)	15.02	23.55
Total depreciation and amortisation expense	**60,50.49**	64,37.39

Note 21 Finance costs

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest expense on trade deposits and others	77.87	1,28.62
Finance charges in respect of finance lease obligations	-	74.40
Total finance costs	**77.87**	2,03.02

Note 22 Other expenses

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Consumption of stores and spare parts	6,41.17	5,21.20
Repairs and Maintenance		
Buildings	3,70.82	3,45.65
Plant and equipment	32,09.56	29,42.95
Others	11,56.94	13,56.93
Power and fuel	76,79.34	73,43.47
Rent (refer note 30(b))	2,17,81.49	2,13,63.83
Rates and taxes	49,78.61	31,34.23
Insurance	6,67.29	6,59.92
Carriage and freight	2,22,60.59	2,00,29.24
Payments to auditors (refer note 22(a) below)	1,26.00	1,07.57
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 22(b) below)	21,21.98	19,83.76
Advertising and promotion	6,02,24.71	5,46,72.68
Royalty	1,38,15.60	1,28,04.80
Other general expenses	1,69,88.55	2,00,19.05
Total other expenses	**15,60,22.65**	14,72,85.28

Note 22(a) Details of payment to auditors*#

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
As auditor:		
Audit fees (including limited reviews)	1,05.60	79.00
Tax audit fees	8.40	8.00
In other capacities		
Certification fees	4.00	1.30
Re-imbursement of expenses	8.00	6.00
Total	1,26.00	94.30

**Excluding taxes*

#Excluding audit fees of erstwhile auditors for the year ended March 31, 2019 INR Nil (For the year ended March 31, 2018 : INR 13.27 lakhs)

Note 22(b) Corporate social responsibility expenditure

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Contribution to disaster relief support to victims of floods	7.80	50.00
Support for eradication of lymphatic filariasis	9,70.15	10,48.61
Contribution to healthcare, education and other community development projects	11,44.03	8,85.15
Total	21,21.98	19,83.76
Amount required to be spent under Section 135 of the Act	21,05.09	19,81.15
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above *	21,21.98	19,83.76

*Includes donations INR 11,51.83 lakhs (For the year ended March 31, 2018 INR 9,35.15 lakhs)

Note 23 Income tax expense

(a) Income tax expense

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Current tax on profits for the year	5,43,03.06	3,65,57.16
Adjustments of current tax of earlier years	(15,10.15)	(3,66.58)
	5,27,92.91	3,61,90.58
Deferred tax		
Decrease / (increase) in deferred tax assets	(50.55)	11,72.97
(Decrease) / increase in deferred tax liabilities	2,06.31	62.22
	1,55.76	12,35.19
Income tax expense	5,29,48.67	3,74,25.77

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

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Accounting Profit before income taxes	15,12,29.07	10,74,35.99
Indian tax rate as applicable to the Company	34.944%	34.608%
Income Tax calculated at the Indian income tax rates as applicable to the Company	5,28,45.48	3,71,81.45
Effect of expenses that are not deductible in determining taxable profit	11,88.85	5,24.70
Tax effect for earlier years	(15,10.15)	(3,66.58)
Others	4,24.49	86.20
Income tax expense as recognised in Statement of Profit and Loss	5,29,48.67	3,74,25.77

(All amounts in INR lakhs, unless otherwise stated)

Note 24 Fair value measurements

(i) Categories of Financial instruments

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Loans to employees	-	-	39,02.05	-	-	31,07.09
Trade receivables	-	-	3,85,67.80	-	-	2,78,72.18
Cash and cash equivalents	-	-	5,73,31.94	-	-	6,14,10.42
Other bank balances	-	-	35,24,01.85	-	-	29,71,09.39
Security deposits	-	-	22,63.22	-	-	23,17.61
Consignment Debtors	-	-	1,11,99.36	-	-	71,53.51
Interest accrued on fixed deposits and loans	-	-	81,43.25	-	-	63,58.20
Receivables from related parties	-	-	11,32.27	-	-	41,07.17
Claims Recoverable	-	-	63.27	-	-	-
Total financial assets	-	-	47,50,05.01	-	-	40,94,35.57
Financial liabilities						
Salary, wages and bonus payable	-	-	1,27,50.52	-	-	73,85.75
Trade security deposits	-	-	1,06,72.13	-	-	1,04,37.32
Unclaimed dividend	-	-	8,99.86	-	-	4,76.40
Payables to related parties	-	-	1,85,78.80	-	-	1,38,91.57
Unclaimed cheques/Demand Drafts	-	-	72.51	-	-	1,59.11
Capital creditors	-	-	11,34.01	-	-	16,16.08
Trade payables	-	-	9,52,61.33	-	-	10,06,15.92
Total financial liabilities	-	-	13,93,69.16	-	-	13,45,82.15

(ii) 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. The following methods and assumptions were used to estimate the fair values:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities recongnised in the financial statements approximate their fair values.

Notes:

- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, consignment debtors, 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 objectives and policies

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 year. 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:

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 behavior 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.

(All amounts in INR lakhs, unless otherwise stated)

(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-months expected credit loss	12-months 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			

For the year ended March 31, 2019

(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 months 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	39,02.05	0%	-	39,02.05
Loss allowance measured at 12 months 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	22,63.22	0%	-	22,63.22

(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	91-180 days past due	181-360 days past due	361-720 Days Overdue	Above 720 Days Overdue	Total
Gross carrying amount	2,23,20.89	55,14.74	33,59.70	21,01.80	14,49.44	4,47.16	3,46.09	3,53.72	3,58,93.54
Expected loss rate	0.02%	0.08%	0.69%	2.26%	9.23%	26.41%	65.45%	100.00%	
Expected credit losses (Loss allowance provision)	4.12	4.52	23.04	47.58	1,33.75	1,18.08	2,26.52	3,53.72	9,11.33
Carrying amount of trade receivables (net of impairment)	**2,23,16.77**	**55,10.22**	**33,36.66**	**20,54.22**	**13,15.69**	**3,29.08**	**1,19.57**	**-**	**3,49,82.21**

(All amounts in INR lakhs, unless otherwise stated)

For the year ended March 31, 2018

(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 months 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	31,07.09	0%	-	31,07.09
Loss allowance measured at 12 months 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	23,17.61	0%	-	23,17.61

(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	91-180 days past due	181-360 days past due	361-720 Days Overdue	Above 720 Days Overdue	Total
Gross carrying amount	1,49,14.79	34,02.68	20,89.63	11,19.39	17,11.94	3,27.06	5,10.91	94.00	2,41,70.40
Expected loss rate	0.03%	0.10%	2.09%	3.30%	6.02%	16.28%	75.12%	100.00%	
Expected credit losses (Loss allowance provision)	3.79	3.35	43.63	36.92	1,03.14	53.26	3,83.78	94.00	7,21.87
Carrying amount of trade receivables (net of impairment)	**1,49,11.00**	**33,99.33**	**20,46.00**	**10,82.47**	**16,08.80**	**2,73.80**	**1,27.13**	**-**	**2,34,48.53**

Reconciliation of impairment loss provision - Trade receivables

	Amount
Impairment loss as at March 31, 2017	7,59.05
Changes in Impairment loss	(37.18)
Impairment loss as at March 31, 2018	**7,21.87**
Changes in Impairment loss	1,89.46
Impairment loss as at March 31, 2019	**9,11.33**

(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 and 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 March 31, 2019	Less than 1 year	1 year - 5 years	More than 5 years	Total
Trade security deposits	1,06,72.13	-	-	1,06,72.13
Salary, wages and bonus payable	1,27,50.52	-	-	1,27,50.52
Trade payables	9,52,61.33	-	-	9,52,61.33
Unclaimed dividend	8,99.86	-	-	8,99.86
Payables to related parties towards consignment sales/other reimbursements	1,85,78.80	-	-	1,85,78.80
Unclaimed cheques/DD's	72.51	-	-	72.51
Capital creditors	11,34.01	-	-	11,34.01

Contractual maturities of financial liabilities as at March 31, 2018	Less than 1 year	1 year - 5 years	More than 5 years	Total
Trade security deposits	1,04,37.32	-	-	1,04,37.32
Salary, wages and bonus payable	73,85.75	-	-	73,85.75
Trade payables	10,06,15.92	-	-	10,06,15.92
Unclaimed dividend	4,76.40	-	-	4,76.40
Payables to related parties towards consignment sales/other reimbursements	1,38,91.57	-	-	1,38,91.57
Unclaimed cheques/DD's	1,59.11	-	-	1,59.11
Capital creditors	16,16.08	-	-	16,16.08

(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 EURO, 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 year expressed in INR lakhs, are as follows:

Particulars		As at March 31, 2019	As at March 31, 2018
Financial assets-Trade and other receivables			
	EURO	-	32.67
	USD	45,78.24	77,97.30
	GBP	5,38.43	30,25.69
Total Amount (in INR)		51,16.67	1,08,55.66
Financial liabilities-Trade and other payables			
	USD	22.68	1,42.83
	GBP	5,11.44	4.81
Total Amount (in INR)		5,34.12	1,47.64

(b) Sensitivity

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

Particulars	Impact on profit or loss at the end of the reporting year	
	As at March 31, 2019	As at March 31, 2018
USD sensitivity		
INR/USD - increase by 5% (March 31, 2018 - 5%)	2,27.78	3,82.72
INR/USD - decrease by 5% (March 31, 2018 - 5%)	(2,27.78)	(3,82.72)
GBP sensitivity		
INR/GBP - increase by 5% (March 31, 2018 - 5%)	1.35	1,51.04
INR/GBP - decrease by 5% (March 31, 2018 - 5%)	(1.35)	(1,51.04)
EURO sensitivity		
INR/EURO - increase by 5% (March 31, 2018 - 5%)	-	1.63
INR/EURO - decrease by 5% (March 31, 2018 - 5%)	-	(1.63)

(All amounts in INR lakhs, unless otherwise stated)

Note 26 Capital management

The Company manages its capital to ensure that the Company will be able to maximize the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Company does not have long-term debt and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements

(a) The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Share capital	42,05.55	42,05.55
Other equity	40,52,65.85	34,43,06.34
	40,94,71.40	34,85,11.89

(b) Dividend

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of INR 75 (for the year ended March 31, 2017 - INR 70) per fully paid equity share	3,15,41.65	2,94,38.88
(ii) Dividends not recognised at the end of the reporting year		
In addition to the above dividends, the Board of directors have recommended the final dividend of INR 105 per fully paid equity share (for the year ended March 31, 2018 INR 75 per share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,41,58.31	3,15,41.65

Note 27 Segment information

The Company's business activity falls within a single operating segment namely "Nutrition". The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

Geographical Information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Revenue from external customers	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Within India	44,32,94.62	40,95,42.85
Outside India	3,49,05.91	2,81,62.49
	47,82,00.53	43,77,05.34

Revenue from Major Customers :

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

Note 28 Related party disclosures

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 arms' 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))

(All amounts in INR lakhs, unless otherwise stated)

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 Asia Private Limited
(c) GlaxoSmithKline Bangladesh Limited
(d) GlaxoSmithKline Brasil Ltd
(e) GlaxoSmithKline Consumer Healthcare Pakistan Limited
(f) GlaxoSmithKline Consumer Healthcare Pte Ltd
(g) GlaxoSmithKline Consumer Private Limited
(h) GlaxoSmithKline Consumer Trading Ser(HO)
(i) GlaxoSmithKline Export Ltd
(j) GlaxoSmithKline Limited
(k) GlaxoSmithKline Pakistan Limited
(l) GlaxoSmithKline Pharmaceuticals Limited
(m) GlaxoSmithKline Plc
(n) GlaxoSmithKline Pte. Ltd.
(o) GlaxoSmithKline Services Unlimited
(p) GSK Augus UK
(q) GSK CH (Ireland) Ltd
(r) GSK CH (LP) (Bangkok)
(s) Horlicks Limited
(t) PT Sterling Products Indonesia
(u) SB Corporate Centre
(v) SmithKline Beecham Corporation
(w) SmithKline Beecham (Pvt) Ltd, Sri Lanka
(x) Sterling Drugs (Malaya) Sdn Bhd
(y) GlaxoSmithKline Trading Services Limited
(Z) GSK Consumer Healthcare Philippines Inc
(AA) GlaxoSmithKline Consumer Healthcare Japan K.K.
(AB) GlaxoSmithKline Consumer Nigeria Plc
(AC) Novartis Consumer Health SA (Switzerland)
(AD) GSK Pharmaceuticals Kenya 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) Navneet Saluja, Managing Director (Appointed in the role w.e.f. January 01, 2018)
(b) Anup Dhingra, Director Operation
(c) Shanu Saksena, Company secretary and area ethics and compliance officer
(d) Manoj Kumar, Managing Director (upto December 31, 2017)
(e) Vivek Anand, Finance Director and Chief Financial Officer

E. Key management personnel compensation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employment benefits	19,53.14	14,32.72
Post-employment benefits	79.24	1,15.97
Employee share-based payment	2,97.07	2,71.97

(All amounts in INR lakhs, unless otherwise stated)

F. Transaction with related parties

The following transactions occurred with related parties during the year:

Particulars	For the year ended March 31, 2019					For the year ended March 31, 2018				
	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)	-	1,07,94.27	-	-	1,07,94.27	-	1,30,07.26	-	-	1,30,07.26
GlaxoSmithKline Trading Services Limited	-	52,75.45	-	-	52,75.45	-	-	-	-	-
GlaxoSmithKline Consumer Trading Ser(HO)	-	13.65	-	-	13.65	-	2,04.50	-	-	2,04.50
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	34,38.91	-	-	34,38.91	-	44,70.82	-	-	44,70.82
GlaxoSmithKline Bangladesh Limited	-	8,78.69	-	-	8,78.69	-	74,74.71	-	-	74,74.71
GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	11,87.57	-	-	11,87.57	-	8,43.20	-	-	8,43.20
Others	-	-	-	-	-	-	14.03	-	-	14.03
Sale of raw materials/ packing materials	-	19.15	-	-	19.15	-	2,03.89	-	-	2,03.89
GlaxoSmithKline Bangladesh Limited	-	19.15	-	-	19.15	-	2,03.89	-	-	2,03.89
Value of goods sold on consignment basis (gross)	-	16,69,05.88	-	-	16,69,05.88	-	14,44,24.06	-	-	14,44,24.06
GlaxoSmithKline Asia Private Limited	-	12,73,63.41	-	-	12,73,63.41	-	10,86,96.37	-	-	10,86,96.37
GlaxoSmithKline Pharmaceuticals Limited	-	2,41,39.97	-	-	2,41,39.97	-	2,18,80.32	-	-	2,18,80.32
GlaxoSmithKline Consumer Private Limited	-	1,54,02.50	-	-	1,54,02.50	-	1,38,47.37	-	-	1,38,47.37
Services received (Paid / Payable)	-	4.07	-	-	4.07	-	4.06	-	-	4.06
GlaxoSmithKline Pharmaceuticals Limited	-	4.07	-	-	4.07	-	4.06	-	-	4.06
Purchase of Fixed Assets	-	3,14.95	-	-	3,14.95	-	-	-	-	-
GlaxoSmithKline Plc	-	3,14.95	-	-	3,14.95	-	-	-	-	-
Service Revenue (Received / Receivable) **	89.14	9,57.06	-	-	10,46.20	91.91	8,97.18	-	-	9,89.09
GlaxoSmithKline Services Unlimited	-	37.21	-	-	37.21	-	20.37	-	-	20.37
GlaxoSmithKline Asia Private Limited	-	1,53.26	-	-	1,53.26	-	-	-	-	-
GlaxoSmithKline Pharmaceuticals Limited	-	1,77.61	-	-	1,77.61	-	-	-	-	-
GlaxoSmithKline Pte. Ltd.	89.14	-	-	-	89.14	91.91	-	-	-	91.91
GlaxoSmithKline Export Ltd	-	16.96	-	-	16.96	-	1,39.85	-	-	1,39.85
GlaxoSmithKline Plc	-	1,14.70	-	-	1,14.70	-	1,18.82	-	-	1,18.82
GlaxoSmithKline Consumer Healthcare Pte Ltd	-	1,59.00	-	-	1,59.00	-	2,97.83	-	-	2,97.83
Others	-	2,98.32	-	-	2,98.32	-	3,20.31	-	-	3,20.31
Payments/payable on behalf of fellow subsidiaries (received / receivable)	-	19,20.90	-	-	19,20.90	-	74,64.38	-	-	74,64.38
GlaxoSmithKline Consumer Healthcare Pte Ltd	-	18.62	-	-	18.62	-	-	-	-	-
GlaxoSmithKline Plc	-	11,38.57	-	-	11,38.57	-	26,38.43	-	-	26,38.43
GlaxoSmithKline Pharmaceuticals Limited	-	-	-	-	-	-	32,62.34	-	-	32,62.34
GlaxoSmithKline Consumer Private Limited	-	7,63.71	-	-	7,63.71	-	15,63.61	-	-	15,63.61
Payments/payable on behalf of fellow subsidiaries (paid / payable)	-	1,18,81.91	-	-	1,18,81.91	-	50,93.42	-	-	50,93.42
GlaxoSmithKline Asia Private Limited	-	1,07,64.80	-	-	1,07,64.80	-	50,93.42	-	-	50,93.42
GlaxoSmithKline Pharmaceuticals Limited	-	11,17.11	-	-	11,17.11	-	-	-	-	-
Reimbursements of expenses (Paid / Payable)	-	8,83.23	-	-	8,83.23	-	9,88.70	-	-	9,88.70
GlaxoSmithKline Asia Private Limited	-	8,83.23	-	-	8,83.23	-	9,88.70	-	-	9,88.70
Business auxiliary service commission *	-	2,85,28.47	-	-	2,85,28.47	-	2,36,11.59	-	-	2,36,11.59
GlaxoSmithKline Asia Pvt Ltd.	-	2,31,77.77	-	-	2,31,77.77	-	1,88,17.59	-	-	1,88,17.59
GlaxoSmithKline Pharmaceuticals Limited	-	29,87.33	-	-	29,87.33	-	26,43.97	-	-	26,43.97
GlaxoSmithKline Consumer Private Limited	-	23,63.37	-	-	23,63.37	-	21,50.03	-	-	21,50.03
Rent paid *	-	2,27.61	-	-	2,27.61	-	2,26.16	-	-	2,26.16
GlaxoSmithKline Asia Private Limited	-	2,27.61	-	-	2,27.61	-	2,26.16	-	-	2,26.16
Rent received *	-	1.20	-	-	1.20	-	1.10	-	-	1.10
GlaxoSmithKline Asia Private Limited	-	1.20	-	-	1.20	-	1.10	-	-	1.10

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019					For the year ended March 31, 2018				
	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
Licence agreement (royalty paid / payable) *	51,17.45	1,03,56.01	-	-	1,54,73.46	-	1,43,59.71	-	-	1,43,59.71
Horlicks Limited	51,17.45	-	-	-	51,17.45	-	-	-	-	-
GlaxoSmithKline Asia Private Limited	-	1,03,56.01	-	-	1,03,56.01	-	1,43,59.71	-	-	1,43,59.71
Dividend paid	2,28,53.99	-	-	-	2,28,53.99	2,13,30.39	-	-	-	2,13,30.39
Horlicks Limited	1,36,14.18	-	-	-	1,36,14.18	1,27,06.57	-	-	-	1,27,06.57
GlaxoSmithKline Pte. Ltd.	92,39.81	-	-	-	92,39.81	86,23.82	-	-	-	86,23.82
Remuneration paid	-	-	23,29.45	-	23,29.45	-	-	18,20.66	-	18,20.66
Manoj Kumar	-	-	-	-	-	-	-	5,84.56	-	5,84.56
Anup Dhingra	-	-	6,47.84	-	6,47.84	-	-	4,83.27	-	4,83.27
Vivek Anand	-	-	4,13.03	-	4,13.03	-	-	3,03.62	-	3,03.62
Shanu Saksena	-	-	1,55.52	-	1,55.52	-	-	1,11.74	-	1,11.74
Navneet Saluja	-	-	11,13.06	-	11,13.06	-	-	3,37.47	-	3,37.47
Annual contributions made by the Company	-	-	-	95,63.60	95,63.60	-	-	-	88,68.73	88,68.73
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	93,13.63	93,13.63	-	-	-	85,30.93	85,30.93
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	2,49.97	2,49.97	-	-	-	3,37.80	3,37.80
Payments made by the Company to the employees on behalf of Trust towards their settlement	-	-	-	24,61.26	24,61.26	-	-	-	39,68.84	39,68.84
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	93.20	93.20	-	-	-	24,60.79	24,60.79
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	6,35.95	6,35.95	-	-	-	8,44.82	8,44.82
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	4,76.78	4,76.78	-	-	-	4,40.01	4,40.01
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	12,55.33	12,55.33	-	-	-	2,23.22	2,23.22
Recoveries made from Trusts on account of settlement and Investments	-	-	-	21,70.77	21,70.77	-	-	-	41,96.71	41,96.71
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	98.96	98.96	-	-	-	27,01.81	27,01.81
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	5,35.37	5,35.37	-	-	-	8,25.12	8,25.12
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	3,75.69	3,75.69	-	-	-	4,39.18	4,39.18
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	11,60.75	11,60.75	-	-	-	2,30.60	2,30.60

*Amount is inclusive of taxes

** In respect of service fees which is on net basis, the gross value is INR 1,35,68.26 lakhs (March 31, 2018 INR 90,26.54 lakhs) as per details below :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
GlaxoSmithKline Services Unlimited	2,85.28	1,56.17
Glaxo Operations UK Limited	4,71.38	3,95.00
GlaxoSmithKline Pte. Ltd.	6,83.41	7,04.66
GlaxoSmithKline Export Ltd	1,30.00	10,72.15
GlaxoSmithKline Consumer Healthcare Pte Ltd	12,19.00	22,80.68
GlaxoSmithKline Plc	7,64.37	7,77.65
Others	1,00,14.82	36,40.23

(All amounts in INR lakhs, unless otherwise stated)

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

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

Particulars	As at March 31, 2019					As at March 31, 2018				
	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)	-	47,17.86	-	17,57.60	64,75.46	3,12.49	82,14.52	-	16,52.69	1,01,79.70
GlaxoSmithKline Asia Private Limited	-	16,43.60	-	-	16,43.60	-	15,66.61	-	-	15,66.61
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	8,24.50	-	-	8,24.50	-	9,33.62	-	-	9,33.62
GlaxoSmithKline Pte. Ltd.	-	-	-	-	-	3,12.49	-	-	-	3,12.49
GlaxoSmithKline Bangladesh Limited	-	-	-	-	-	-	14,76.09	-	-	14,76.09
GlaxoSmithKline Plc	-	5,95.44	-	-	5,95.44	-	21,12.10	-	-	21,12.10
GlaxoSmithKline Trading Services Limited	-	6,20.88	-	-	6,20.88	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Ltd Sr. Staff Gratuity Fund	-	-	-	10,71.46	10,71.46	-	-	-	8,99.64	8,99.64
GlaxoSmithKline Consumer Healthcare Ltd Employees Gratuity Fund	-	-	-	5,91.56	5,91.56	-	-	-	7,53.05	7,53.05
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	94.58	94.58	-	-	-	-	-
Others	-	10,33.44	-	-	10,33.44	-	21,26.10	-	-	21,26.10
Balances as at year end - payables (Net)	12,45.52	1,76,48.24	-	7,12.33	1,96,06.09	-	1,38,84.14	-	6,92.79	1,45,76.93
GlaxoSmithKline Asia Private Limited	-	1,01,89.63	-	-	1,01,89.63	-	1,08,83.41	-	-	1,08,83.41
GlaxoSmithKline Pharmaceuticals Limited	-	59,86.37	-	-	59,86.37	-	24,47.13	-	-	24,47.13
Horlicks Limited	11,50.67	-	-	-	11,50.67	-	-	-	-	-
GlaxoSmithKline Pte. Ltd.	94.85	-	-	-	94.85	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare Ltd Provident Fund	-	-	-	7,12.33	7,12.33	-	-	-	6,69.17	6,69.17
GlaxoSmithKline Consumer Healthcare Ltd Indian Sr. Executives SAF	-	-	-	-	-	-	-	-	23.62	23.62
Others	-	14,72.24	-	-	14,72.24	-	5,53.60	-	-	5,53.60

Note 29 Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax	1,45,61.05	1,40,33.61

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.

Note 30 Commitments

(a) Capital commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:		
Property, plant and equipment (net of Capital Advance of INR 1,57.17 lakhs (March 31, 2018 INR 10.26 lakhs) and not provided for)	6,65.65	4,52.64
Intangible assets	51.14	-

(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 identified and classified certain cancellable job work arrangements as operating leases as per Ind AS 17 "Leases". Since it was impracticable to bifurcate payments for the lease (i.e. the right to use the asset) and payments for other elements in the arrangement (mainly includes cost of inputs and services), the payments made has been considered as lease payments and shown under rent expenses.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Within one year	31.26	1.40
Later than one year but not later than five years	NIL	NIL
Later than five years	NIL	NIL

With respect of all operating leases:-

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease payment recognised in the Statement of Profit and Loss	2,17,81.49	2,13,63.83
Sub lease payment received/receivable recognised in the Statement of Profit and Loss	4.20	4.85

Note 31 Earnings per equity share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Profit attributable to the equity shareholders of the Company (INR lakhs)	9,82,80.40	7,00,10.22
(b) 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
(c) Basic and diluted earnings per share [(a)/(b)]		
Total basic and diluted earnings per share attributable to equity holders of the Company (INR)	233.69	166.47

Note 32 Amount remitted in foreign currency for dividend

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Number of non-resident shareholders	2	2
b) Number of shares held (Equity shares of INR 10 each)	30,471,992	30,471,992
c) Dividend	2,28,53.99	2,13,30.40
d) Year to which the dividend relates to	April 2017 to March 2018	April 2016 to March 2017

Note 33 Based upon the legal opinion obtained by the Company, there are various interpretation issues and the Company is in the process of evaluating the impact of the recent Supreme Court Judgement in the case of "Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal in relation to non-exclusion of certain allowances from the definition of "basis wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952.

Note 34 On December 03, 2018, the Board of Directors of GlaxoSmithKline Consumer Healthcare Limited ("Company") approved a Scheme of amalgamation ("the Scheme") between the Company and Hindustan Unilever Limited ("HUL"), their respective shareholders and creditors subject to obtaining requisite regulatory and other approvals. On January 23, 2019, the Competition Commission of India (CCI) approved the proposed amalgamation and the Company has received 'No Objection letter' from Bombay Stock Exchange and National Stock Exchange on February 18, 2019. The Scheme of amalgamation has been filed by the Company and HUL with the respective National Company Law Tribunals at Chandigarh and Mumbai. Presently, the Company is in the process of seeking requisite approvals.

With effect from the Appointed Date (as defined in the Scheme), the Company shall stand amalgamated into HUL and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in HUL, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of HUL by virtue of and in the manner provided in the Scheme.

In view of above, these financial statements have been prepared on a going concern basis.

Note 35 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 36 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Note 37 Consequent to introduction of Goods and Services Tax (GST) with effect from July 01, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard, as applicable and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT, etc. are not part of Revenue. Accordingly, the figures for the year ended March 2018 are not strictly relatable to current year numbers.

Note 38 The previous year figures in the financial statements, including the notes thereto, have been reclassified/regrouped wherever required to confirm to the current year presentation/classification. These are not material and do not affect the previously reported net profit or equity.

Note 39 Events occurring after the reporting period

a) Approval of financial statements - The financial statements were authorised for issue by the Board of Directors on May 10, 2019.

b) Dividend - Refer note 26(b) 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

P. Dwarakanath
(DIN: 00231713)
Chairman

Vivek Anand
(DIN: 06891864)
Director

Navneet Saluja
(DIN: 002183350)
Managing Director

Shanu Saksena
(Membership No: FCS- 9733)
Company Secretary

Kunal Kashyap
(DIN: 00231891)
Director

Place: Gurugram
Date: May 10, 2019