

Maximizing **access** to medicines INNOVATION. CAPABILITIES. REACH.

GlaxoSmithKline Pharmaceuticals Limited

Annual Report for the year ended 31st December 2012

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a **WOrd** from the Managing Director

GSK worldwide has been selected as a leading company on the Access to Medicine Index (ATM) as analyzed by the Access to Medicine Foundation, an international not-for-profit organization. The ATM index provides an independent assessment of company efforts to improve access to medicines. Millions of people do not have access to medicines and the Index gives an insight into what the pharmaceutical companies are doing to improve the situation. Taking inspiration and support from the parent organization, your company has also been taking a number of steps to improve access to its medicines in India. This will become clear to you as you glance through the following pages.

Your company has had limited presence in many important therapeutic areas such as life saving cancer drugs, cardiology and preventive vaccines. Over the past few years your company has taken a number of steps to correct this and has now become the market leader in vaccines. Oncology drugs have been launched, priced appropriately as per the tiered pricing policy. This is timely as the government intends to invest significant sums of money in dealing with non communicable diseases (NCD) in the ensuing Five year plan.

Many state governments have unveiled plans to provide free medicines through government hospitals which would be procured through tenders. To enable access, your company constituted a tender team a couple of years ago and GSK's participation in government tenders will now help provide access to its medicines to this set of patients.

Being mindful of the need for healthcare in rural areas, your company launched a rural initiative, REACH, again with the intention of making its medicines as widely available as possible. Again this is timely, as recently the government has recognized the need to build capacity in this area and announced intentions with respect to the same. Besides, where appropriate your company has added additional field force essentially to extend its reach.

Your company has been a pioneer in meeting the emerging healthcare needs of this country over the last 80 years and stands committed to continue to do the same in a manner that it impacts as large a segment of patients as possible.



Maximizing access to medicines Innovation. Capabilities. Reach.

GSK practices its belief in maximizing access to medicines for all. GSK continues to find new ways of delivering healthcare and making its broad based products more affordable and available to people.

Our cover is an endeavour to capture GSK's focus in constantly innovating, building its internal and external capabilities to ensure it reaches all stakeholders...**Another step in helping people do more, feel better and live longer.**

Opportunities, Growth & Reach

GSK has always believed in maximizing access to medicines. While focusing on operating in a responsible and ethical way, we have been consistent and continue to record achievements and growth, by building capabilities, increasing access and expanding our network to reach everyone. We continue to find new ways of delivering healthcare and making our products more affordable and available for people.

This year we have made good progress in extending our spread. Our REACH initiative covering rural markets has delivered excellent growth surpassing what it had set out to achieve. Mass Markets division continued to enjoy an enormous share towards progressive prescriptions of GSK. This business enhanced its portfolio presence in Gout by launching Uricostat[™]. Besides, Mass Markets entered into the nutritional segment by promoting ActiBase and ActiGrow, as part of the collaboration initiative between GSK Pharmaceuticals and GSK Consumer Healthcare.

In the Mass Specialty business, Augmentin continued to reign as the industry's No. 1 brand, while our recent industry entry in the antifungal segment, Mycamine grew further and ensconced itself strongly in the segment. CCM was the proud recipient of the OPPI Marketing Excellence Award in the 'existing product category'. In the Specialty business, the Dermatology segment further consolidated its leadership position. The newly expanded Stiefel business has paved its way into the cosmetology segment strengthening our Dermatology business. The Oncology segment is well represented by Tykerb, Votrient and Revolade enabling better reach and coverage. The initiative taken to strengthen our Respiratory business is growing faster than the market with the successful launch of Seretide Evohaler, a Metered Dose Inhaler (MDI).

Vaccines continued to build on their success and surge ahead with Synflorix, the pneumococcal vaccine, which achieved a landmark distinction of being the first brand in the Indian pharmaceutical industry to achieve this level of success in the first year of launch.

New products in 2012





Seretide[®] Evohaler[®]





Keeping in line with our objective of expanding our spread by adding products to meet unmet medical needs, 2012 saw a range of new product launches across therapeutic areas.

Altargo™ is indicated for the topical treatment of bacterial skin infection. It is used to treat bacterial infections affecting small areas of skin. The active in Altargo™ is Retapamulin 1% and is presented in an ointment form.

Volibris™ (Ambrisentan tablets 5mg/10mg), a non-sulphonamide class endothelin receptor antagonist (ERA), is indicated for the treatment of pulmonary arterial hypertension (WHO Group 1) in patients with WHO class II or III symptoms to improve exercise capacity and delay clinical worsening. Ambrisentan has been licensed to GlaxoSmithKline by Gilead Sciences Inc.

Seretide[®] **Evohaler**[®] **(Salmeterol and Fluticasone Propionate Inhalation),** a Metered Dose Inhaler (MDI) with a dose counter helps patients keep a track of drug doses taken. The inhaler also has a locking system which prevents drug wastage and inhaler contamination. Seretide[®] Evohaler[®] is indicated for the treatment of asthma and Chronic Obstructive Pulmonary Disease (COPD).

Hycamtin[™] (Topotecan Hydrochloride Capsules) is indicated for the treatment of relapsed small cell lung cancer (SCLC).

Lamictal[™] (Lamotrigine Dispersible Tablets) is an antiepileptic drug indicated for the treatment of partial and generalized tonic-clonic seizures in children (more than 2 years of age) and adults. It is also used in bipolar disorder for preventing mood episodes like depression and mania.

Besides, branded generics that were launched include Ictacetam[™] (Levetiracetam) for epilepsy, Zimivir[®] (Valacyclovir) for herpes, Uricostat[™] (Febuxostat) for gout, IV-Fer[™] (Iron Sucrose Injection) for iron deficiency and fixed-dose combination of Metformin sustained release and Glimepiride for type 2 diabetes mellitus.

Aligning collective efforts with the site roadmap to deliver the business goals was priority. In harmony with Global Manufacturing and Supply initiatives, Nashik factory embarked on regional programmes like operations excellence, strategy deployment and performance management systems. Lean sigma training was imparted to supervisors from different functions,

Manufacturing **excellence** – Nashik







helping them further improve in their respective areas.





Board of Directors

(As on 19.02.2013)

Chairman

D. S. Parekh

Vice-Chairman V. Thyagarajan

Managing Director

Dr. H. B. Joshipura

Directors

R. R. Bajaaj Dr. A. Banerjee (Alternate to S. Harford upto 31.07.2012) Ms. A. Bansal (w.e.f. 19.02.2013) P. V. Bhide S. Harford M. B. Kapadia N. Kaviratne CBE R. Krishnaswamy V. Narayanan (upto 9.11.2012) P. V. Nayak A. N. Roy R. C. Sequeira D. Sundaram

General Manager – Administration & Company Secretary A. A. Nadkarni

A. A. Nadkarni

Bankers

Citibank N.A. Deutsche Bank HDFC Bank Limited Hongkong and Shanghai Banking Corporation Limited

Auditors

Price Waterhouse & Co., Bangalore 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028.

Solicitors

Gagrat & Co.

Registrars & Share Transfer Agents

Karvy Computershare Private Limited Unit: GlaxoSmithKline Pharmaceuticals Limited Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. Tel. No. 040-44655000/44655201 Email : einward.ris@karvy.com

Share Department

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

Management Team

Managing Director

Dr. H. B. Joshipura

Senior Executive Director

- M. B. Kapadia
- Finance
- Secretarial & Administration

Executive Directors

- R. C. Sequeira
- Human Resources
- R. Krishnaswamy
- Technical

Executive Vice-Presidents

- H. Buch
- Pharmaceuticals
- Dr. S. Joglekar
- Medical & Clinical Research

Vice-Presidents

- R. Bartaria
- Pharmaceuticals
- S. Dheri
- Biologicals
- S. Khanna
- Finance
- K. Hazari
- Legal & Corporate Affairs
- C. T. Renganathan
- Pharmaceuticals

Registered Office

Dr. Annie Besant Road, Mumbai 400 030. Telephone: 24959595 Fax: 24959494 Website: *www.gsk-india.com*

Factory

Ambad, Nashik

Contents

Performance Summary & Charts 2
Directors' Report 3
Annexure to Directors' Report 11
Report on Corporate Governance14
Business Responsibility Report
Auditors' Report31
Financial Statements
Statement pursuant to Section 21260
Biddle Sawyer Limited61
Consolidated Financial Statements 69

Performance Summary

(Amounts in Rupees Lakhs)	2012*	2011*	2010	2009	2008	2007	2006	2005	2004	2003
PROFIT AND LOSS ACCOUNT										2000
Sales	2669,97	2391,73	2155,08	1912,77	1751,56	1712,84	1677,57	1575,89	1479,59	1191,69
Profit before tax	994,78	921,60	867,27	758,48	679,90	606,73	555,95	477,91	418,24	284,56
Tax	(317,59)	(290,24)	(285,89)	(253,59)	(231,54)	(209,94)	(194,23)	(171,63)	(152,19)	(102,70)
Profit after tax and before exceptional items	677,19	631,36	581,38	504,89	448,36	396,79	361,72	306,28	266,05	181,86
Exceptional items (net of tax)	(99,93)	(200,76)	(17,69)	7,40	128,21	140,87	183,79	195,80	67,04	(9,63)
Net Profit	577.26	430,60	563.69	512,29	576.57	537.66	545,51	502,08	333,09	172.23
Balance brought forward	1110.59	1164.53	1049.23	882.41	759.89	632.75	441.19	259.75	196.93	120.89
Dividends	(423,51)	(381,16)	(338,81)	(254,11)	(338,81)	(304,93)	(262,58)	(237,17)	(209,57)	(74,48)
Tax on distributed profit	(63,66)	(60,32)	(53,21)	(40,13)	(57,58)	(51,82)	(36,82)	(33,26)	(27,39)	(9,54)
Transfer to General Reserve	(57,73)	(43,06)	(56,37)	(51,23)	(57,66)	(53,77)	(54,55)	(50,21)	(33,31)	(17,50)
Balance carried forward	1142,95	1110,59	1164,53	1049,23	882,41	759,89	632,75	441,19	259,75	191,60
BALANCE SHEET										
Equity Capital	84,70	84,70	84,70	84,70	84,70	84,70	84,70	84,70	87,32	74,48
Reserves	1925,31	1835,23	1846,11	1674,45	1456,39	1276,21	1110,01	863,91	836,94	593,01
Borrowings	4,59	4,91	5,16	5,42	5,65	5,77	5,54	4,85	3,85	2,86
	2014,60	1924,84	1935,97	1764,57	1546,74	1366,68	1200,25	953,46	928,11	670,35
Fixed Assets	133,19	115,32	117,65	114,17	100,35	92,90	94,46	96,94	91,49	99,38
Investments	102,58	159,80	160,35	190,91	751,87	1333,32	1139,41	913,06	776,82	409,12
Deferred Tax Assets (net)	86,54	61,47	56,40	44,69	29,60	20,14	24,61	29,76	44,86	30,03
Net Assets (Current and Non-Current)	1692,29	1588,25	1601,57	1414,80	664,92	(79,68)	(58,23)	(86,30)	14,94	131,82
	2014,60	1924,84	1935,97	1764,57	1546,74	1366,68	1200,25	953,46	928,11	670,35
* 2012 and 2011 based on Revised Schedule VI										
OTHER KEY DATA										
Rupees per Rs.10/- Equity Share										
DIVIDENDS	50.00	45.00	40.00	30.00	22.00	18.00	17.00	14.00	13.00	10.00
SPECIAL ADDITIONAL DIVIDEND	_	_	_	_	18.00	18.00	14.00	14.00	11.00	_
TOTAL	50.00	45.00	40.00	30.00	40.00	36.00	31.00	28.00	24.00	10.00
Earnings per equity share	68.15	50.84	66.55	60.48	68.07	63.48	64.40	58.51	38.15	23.13
BOOK VALUE	237.31	226.67	227.96	207.69	181.95	160.67	141.05	112.00	105.85	89.63
Number of employees	4706	5055	4338	4006	3722	3620	3850	4016	4136	4271
	4700	5055	4008	4000	3122	3020	3000	4010	4130	4271

NOTES

The Company has divested its Fine Chemicals business on 30th September, 2007 and its Animal Health business on 31st July, 2006. 1

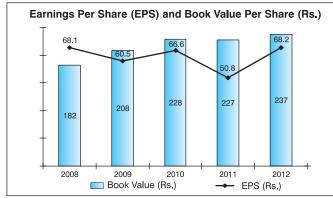
2. The Company has bought back and extinguished 26,19,529 equity shares during 2005.

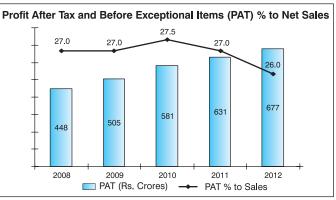
3.

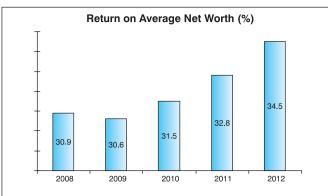
Profit And Loss Account balance brought forward as on 1.1.2004 includes Rs. 533 lakhs transferred from erstwhile Burroughs Wellcome (India) Limited, pursuant to the Scheme of 4. Amalgamation. Figures have been adjusted/regrouped wherever necessary in line with the financial statements, to facilitate comparison.

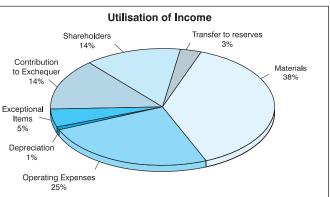
5.

Charts











Directors' Report

The Directors have pleasure in submitting their Report for the year ended 31st December 2012

1. Results for the year ended 31st December 2012

	Year ended 31 st December 2012 Rs. in lakhs	Year ended 31 st December 2011 Rs. in lakhs
Sale of Products (Net of Excise Duty)	2599,93.10	2338,03.40
Other Operating Revenue	30,37.21	37,84.70
Revenue from Operations	2630,30.31	2375,88.10
Profit before Exceptional Items and Tax	994,77.65	921,59.78
Less: Exceptional Items	(148,21.70)	(322,54.14)
Profit before Tax	846,55.95	599,05.64
Less: Tax expense	269,30.06	168,45.22
Net Profit for the year	577,25.89	430,60.42
Add: Opening Surplus brought forward from the previous year	1110,59.15	1164,52.81
Less: Appropriations: Proposed Dividend (including tax on		
distributed Profits)	487,17.85 57,72.59	441,48.04 43,06.04
Closing Surplus carried forward	1142,94.60	1110,59.15

2. Dividend

The Directors recommend a Dividend of Rs. 50 per Equity Share for the year (previous year: Rs. 45.00 per Equity Share). If approved by the Shareholders at the Annual General Meeting, the Dividend will absorb Rs. 423 crores. The Dividend Distribution Tax borne by the Company will amount to Rs. 64 crores.

3. Management Discussion and Analysis

(a) Finance and Accounts

Your Company maintained its prominent position in the Pharmaceuticals market with Sale of Products (net of Excise Duty) registering a growth of 11.2%. Sales of the Pharmaceuticals business grew by 12.5% supported by good growth in all of the Company's diversified business units i.e. in the Mass Markets, Mass Specialty, Vaccines and Specialty segments such as dermatologicals, oncology, etc.

Despite a challenging operating environment, material cost increases and significant investments in field force expansion in recent years, Profit before Exceptional items and Tax grew by 7.9%, and Profit before Investment Income, Depreciation and Tax amounted to 32% of net Sales.

Cash generation from Operations and before Exceptional items continues to remain favourable, driven by business performance and management of working capital. Your Company continues to look for ways and means of deploying accumulated cash balances which remain invested largely in bank deposits.

Your Company has not accepted any fixed deposits during the year. There was no outstanding towards unclaimed deposit payable to depositors as on 31st December 2012.

(b) Pharmaceuticals Business performance and outlook

Your Company continues to enjoy a leadership position in the therapy areas in which it provides health care solutions to patients.

Your Company outlined the strategy six years back by defining the portfolio and identified specialty products as a patient need and focused on these therapy areas with a view to augmenting the company solutions in these areas. The contribution from specialty products has consistently grown from 18.5% in 2009 to 21.7% in 2012 of the total sales of your Company and has grown by 16% over last year.

Your Company is a leader in meeting patient needs in the area of Dermatology and has further consolidated its leadership position and is well poised to expand the therapeutic offerings in the coming years. In the Dermatology therapy, your Company registered a market share of 15.5% during the current year. The core strength of your Company's clinical Dermatology offerings have consistently grown ahead of the market and at the same time the newly expanded Stiefel business has met satisfactory uptake from patients and doctors. The topical steroids continue to be the main stay for Dermatology and have retained a strong leadership position with a market share of 29% (source: IMS MAT NOV12). Your Company has a range of offerings for patients in topical antibiotics through products like T Bact, Bactroban, Neosporin and Altargo which occupy a significant leadership position with market share of 54% (source: IMS MAT NOV12). In cosmetology, your Company continued to expand offerings for patients with the innovative Stiefel range of products meeting needs in areas like acne, sunscreen and dry skin management.

The disease burden of cancer sadly continues to increase in the country. Your Company, as in the last few years, provided innovative solutions to meet the same. Tykerb launched for terminally ill breast cancer patients continues to find increasing acceptance among doctors and patients alike, particularly on account of the tiered pricing approach which your Company follows for these life saving products. In addition, Votrient for the treatment of kidney cancer and Revolade for treatment of thrombocytopenia (reduced platelet count) in adults with the blood disorder chronic immune (idiopathic) thrombocytopenic purpura (ITP), continue to meet the needs of increasing number of patients year on year. Your Company now has a significant presence in the attempts to treat the unfortunate burden of cancer.

Cardiovascular disease as well continues to grow at an alarming rate and your Company has brought to market "Benitec", a product licensed in from Daichi Sankyo, Japan. Benitec has found increasing acceptance with patients and doctors alike in the current year. Diseases of central nervous system also have a major epidemiology in the country and your Company introduced a product from its parent organization's research pipeline, "Lamictal" as well as "Ictacetam", a branded generic for the treatment of Epilepsy. The launch of Seretide Evohaler with dose counter has helped your Company in improving patient care in asthma. This unique device through its dose counting model has helped to facilitate the right usage of the drug delivery system thereby improving patient compliance.

The Mass Specialty business of your Company recorded a double digit growth over the previous year with its promoted product portfolio growing ahead of the market. The antiinfective range of products, despite a slowdown in the market, crossed the milestone turnover of Rs. 500 crores with Augmentin retaining its status of being the No. 1 brand in the Indian Pharmaceutical Industry by value. Your Company's recent entry in the anti-fungal segment continued to provide an effective solution to patient needs in this therapeutic area and the Company's product, "Mycamine" grew ahead of other products in this area in terms of its uptake by patients and doctors.

Your Company's efforts towards building awareness in the hypothyroidism area continued unabated and the patient focused activities were highly appreciated by the physician's community. CCM was the proud recipient of the OPPI Marketing Excellence Award in the Existing Product Category. Your Company immensely benefited from the new initiatives of Hospital and Tender business with both teams strengthening their presence in the corporate and government hospital segments.

Mass markets, which comprise of the traditional health care solutions of your Company contributed to 47% of your Company's share in Indian Pharmaceutical Market (IPM) in 2012. Mass markets had 11 brands in first 300 brands of IPM, in value terms. Betnesol was ranked 3rd brand and Zinetac was at number 4, in unit terms.

Dilo BM, Cefspan, Lilo, Ostocalcium, Zentel and Zyloric grew better than the market and Zinetac, Piriton, Calpol, Phexin and Bactroban retained a growth level above the market growth. Ostocalcium solids and liquids grew above the market and crossed a turnover of Rs. 50 crores. Calpol, Zinetac, Neosporin and Phexin displayed very strong performance. The positive portfolio changes were significant with greater momentum displayed on promoted brands. REACH, a rural marketing initiative of your Company which attempts to physically



provide access of the Company's products in small villages and which also provides continuing medical education to doctors in these remote geographies has met with continued success. The collaboration initiative between your Company and the Consumer Healthcare Company owned by the parent organization with a view to improving access of our products to patients has commenced well. As a part of this initiative the mass markets business of your Company launched products in patient nutrition by launching the brands ActiBase and ActiGrow.

Your Company is already a leader in providing a solution for gout and expanded its offerings by launching Febuxostat, again, for the treatment of gout.

International evidence clearly suggests that disease prevention remains a more cost effective health economic intervention than therapy. Consistent with this evidence, your Company offers a wide range of vaccines to prevent specific diseases. Your Company's range of vaccines grew faster than the overall vaccines market in 2012. Pneumococcal disease remains the leading cause of infant mortality in the country. Your Company launched Synflorix a pneumococcal vaccine last year again at an India specific price from the parent's research pipeline. Synflorix was very well received by pediatricians and parents alike and achieved a landmark distinction of being the 1st brand in the Indian Pharmaceutical Industry to achieve this level of success in the first year of launch. The other important vaccines which continue to receive increasing support from the physician community were Cervarix and Rotarix. Your Company continues to hold its leadership position with a market share of 24.9% (source: IMS MAT NOV12). During the year your Company was awarded Frost and Sullivan: Paediatricians' Award for Vaccines Company of the year.

New products were introduced in the areas of Dermatology, Oncology, Gynaecology and Respiratory.

Exports recorded a sales turnover of Rs. 19.59 crores comprising both Bulk Drugs and Formulations. Exports of bulk drugs were to major markets like Japan, France, Jordan, U.K. and Germany.

(c) Opportunities, risk, concerns and threats

The economic reforms initiated in the last quarter of the year continued, the projections for the 12th Five Year Plan envisage increasing total public funding by the Centre and States, plan and non-plan, on core health from 1.04% of GDP in 2011-12 to 1.87% of GDP by the end of the 12th Plan. Higher allocation is intended to support more activities in public healthcare including improving health infrastructure. A major focus would be to expand the reach of healthcare and to work towards the long term objective of establishing Universal Health Coverage in the country.

The Indian government has notified the National Pharmaceutical Policy which brought in significant change in the price control mechanism by introducing market based price control based on essentiality of a drug against the existing cost based price control. The span of control has expanded to include all drugs listed in the National List of Essential Medicines (NLEM), however, the pricing mechanism intends to retain market prices up to a ceiling price based on simple average of all brands with market share more than 1%. The new pricing policy is likely to have a business impact on your Company due to the new pricing mechanism and the expanded NLEM list of drugs.

(d) Research & Development and Regulatory Matters

During the year under review, in order to support the commercial availability of new drugs that would benefit and improve the quality of life of Indian patients suffering from various diseases, your Company submitted necessary applications for New Products in India to the CDSCO (Central Drugs Standard Control Organization), Ministry of Health and Family Welfare, Government of India. After a thorough review of its applications, your Company has received approval for some of these products from CDSCO, which will enable timely access to new and innovative therapeutic options to patients in our country. Additionally, to support the R&D efforts of GlaxoSmithKline, your Company submitted 2 Clinical Trial applications to CDSCO. Your Company has been granted approval, based on a diligent review of our applications made in 2012, to conduct 4 studies in the Indian population through the Clinical Operations team in India.

Some of the innovator products approved by the regulatory agency in India during the year under review include a biological oncology product denosumab in-licenced from Amgen (Xgeva) for the prevention of skeletal related events in patients with advanced malignancies involving bone, lamotrigine extended release formulation (Lamictal XR), a medicine for

the treatment of epilepsy and fluticasone propionate suspension for inhalation for asthma patients. All these new products approved for the Company during the year under review will be beneficial to Indian patients.

GlaxoSmithKline continues to be committed to Research and Development of medicines that will improve the quality of life of people around the world and truly make a difference to patients. Your Company is one of the few with passion for research and with exemplary skills for turning that research into medicines, keeping a "patient first" attitude in everything that it does. GlaxoSmithKline's scientists across the world work hard to discover new medicines that prevent, treat or cure diseases.

Your Company initiated studies in oncology, anti-infectives, respiratory and osteoporosis, after obtaining necessary Ethics Committee approvals. Your Company has trained 56 new investigators on Good Clinical Practices and protocol-related science at approximately 40 clinical trial sites across India. Quality continues to be a priority as demonstrated by a number of internal and external compliance audits with no critical/or major findings. To strengthen quality of data, the team enhanced its existing quality standards and simplified systems and processes. This will help generate accurate and significant data, and ensure that the rights and safety of patients taking part in your Company's studies are protected.

The Medical Affairs team has provided valuable medical inputs for the development and execution of brand strategy for several products including Uricostat (Febuxostat), IV-FER (Iron Sucrose), Volibris (Ambrisentan), Zimivir (Valacyclovir), Lamictal (Lamotrigine), Ictacetam (Levetiracetam) and Hycamtin (Topotecan). The team played a crucial role in communicating high-quality scientific information to the medical fraternity. It was involved in conducting scientific engagement activities such as advisory board meetings, congress presentations, publications and provision of evidence-based medical information to healthcare practitioners. The Medical Affairs team, in tandem with Medical Governance team, also ensures that your Company's promotional activities are in line with all the applicable guidelines and standard operating practices.

(e) Internal Control Framework

Your Company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern its business. Your Company has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. In addition to external audit, the financial and operating controls of your Company at various locations are reviewed by the Internal Auditors, who report significant findings to the Audit Committee of the Board. Compliance with laws and regulations is also monitored.

Your Company's Code of Conduct sets out the fundamental standards to be followed by employees in their everyday actions. In accordance with the Code of Conduct, and Standards associated with the Code of Conduct, employees are required to become familiar with the legal requirements, policies and procedures applicable to their areas of operation, avoid conflicts of interest and are tasked with upward reporting of all unethical and illegal conduct. All employees are committed to the principle of performance with integrity and ensuring that activities comply with all applicable laws.

Additionally, employees are required to certify on an annual basis whether there have been any transactions which are fraudulent, illegal or violative of the Code of Conduct. Strong oversight and self monitoring policies and procedures demonstrate your Company's commitment to the highest standards of integrity.

Your Company's policies and updated Global Code of Practice for Promotion and Customer Interactions prescribe the nature of practices and prohibits specifically those which are unethical. Your Company is a signatory to the OPPI (Organisation of Pharmaceuticals Producers in India) Code of marketing conduct. Your Company is also governed by the antibribery and corruption programme which is applicable across the global organisation and complies with the principles laid down under US Foreign Corrupt Practices Act and British anti-bribery laws.

(f) Human Resources

In your Company various initiatives took shape in 2012 on the Human Resources front in the three key focus areas of Capability Building, Talent Management and Employee Engagement.