

GlaxoSmithKline Pharmaceuticals Limited

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Rs. in Lakhs)

	Particulars	3 months ended 31.03.2020	Preceding 3 months ended 31.12.19	Corresponding 3 months ended 31.03.19	Year ended 31.03.2020	Year ended 31.03.2019
		(Unaudited) (Refer Note 2)	(Unaudited)	(Unaudited) (Refer Note 2)	(Audited)	(Audited)
	Income					
1	Revenue from operations	77588	77868	75122	322468	312853
2	Other income	1516	1625	5246	7756	10148
3	Total Income (1+2)	79104	79493	80368	330224	323001
	Expenses					
	(a) Cost of materials consumed	9833	11245	16825	47438	68207
	(b) Purchases of stock-in-trade	20128	23864	10018	86892	64589
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2015)	(2334)	3666	(3543)	2557
	(d) Employee benefits expense	17158	16669	14614	62855	53720
	(e) Finance costs	151	298	8	634	55
	(f) Depreciation and amortisation expense	2259	1833	1368	8268	4859
	(g) Other expenses	15076	15959	13636	62981	63132
4	Total expenses	62590	67534	60135	265525	257119
5	Profit before exceptional items and tax (3-4)	16514	11959	20233	64699	65882
6	Exceptional items [credit / (charge)] net (Refer Note 4)	1127	(73690)	(317)	(32449)	489
7	Profit / (Loss) before tax (5+6)	17641	(61731)	19916	32250	66371
8	Tax expense (Refer Note 5)					
	(a) Current tax	5793	8062	2815	26017	19282
	(b) Deferred tax	(1946)	(5379)	4798	(4772)	4553
9	Profit / (Loss) for the period/year (7-8)	13794	(64414)	12303	11005	42536
10	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	72	(361)	(85)	(462)	(844)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(19)	112	78	64	295
11	Total comprehensive income for the period (9+10)	13847	(64663)	12296	10607	41987
	Paid-up equity share capital (face value per share Rs. 10)	16941	16941	16941	16941	16941
	Other equity				167063	197301
	Earnings per share (EPS) (of Rs. 10 each)					
	Basic and diluted EPS after Exceptional items (Rs.)	8.14	(38.02)	7.26	6.50	25.11
	Basic and diluted EPS before Exceptional items (Rs.)	7.44	4.25	7.72	26.69	25.07
				Not Annualised		

Statement of Assets and Liabilities		Standalone (Rs. in Lakhs)	
		As at 31.03.2020 Audited	As at 31.03.2019 Audited
	Particulars		
A	ASSETS		
1	<u>Non-Current Assets</u>		
	(a) Property, Plant and Equipment	66763	36445
	(b) Right of use Assets	3934	-
	(c) Capital work-in-progress	12012	100264
	(d) Investment Property	147	162
	(e) Intangible assets	4962	6554
	(f) Financial Assets		
	i. Investments	2449	2455
	ii. Loans	1052	1143
	iii. Other financial assets	414	406
	(g) Current tax assets (net)	30487	30823
	(h) Deferred tax assets (net)	10885	6048
	(j) Other non-current assets	4600	7501
	Total non-current assets	137705	191801
2	<u>Current assets</u>		
	(a) Inventories	48303	48649
	(b) Financial assets		
	i. Trade receivables	9980	12049
	ii. Cash and cash equivalents	9803	9778
	iii. Bank balances other than (ii) above	96838	105755
	iv. Other financial assets	3091	8963
	(c) Other current assets	7652	13591
	(d) Assets classified as held for sale	11	333
	Total current assets	175678	199118
	Total Assets	313383	390919

Statement of Assets and Liabilities		Standalone (Rs. in Lakhs)	
		As at 31.03.2020 Audited	As at 31.03.2019 Audited
	Particulars		
B	EQUITY AND LIABILITIES		
	<u>Equity</u>		
	(a) Equity Share Capital	16941	16941
	(b) Other Equity	167063	197301
	Total equity	184004	214242
	<u>Liabilities</u>		
1	<u>Non-current liabilities</u>		
	(a) Financial Liabilities		
	i. Borrowings	2	18
	ii. Other financial liabilities	206	219
	iii. Other financial lease liabilities	2684	-
	(b) Provisions	26049	31352
	Total non-current liabilities	28941	31589
2	<u>Current liabilities</u>		
	(a) Financial Liabilities		
	i. Trade payables		
	Due to Micro Enterprises and Small Enterprises	521	428
	Due to others	34950	39868
	ii. Other financial liabilities	14850	23112
	iii. Other financial lease liabilities	1483	-
	(b) Other current liabilities	4812	57148
	(c) Provisions	27684	9189
	(d) Current tax liabilities (net)	16138	15343
	Total current liabilities	100438	145088
	Total liabilities	129379	176677
	Total equity and liabilities	313383	390919

Statement of Cash Flow		Standalone (Rs. in Lakhs)	
	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
		Audited	Audited
A.	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
	Profit before exceptional items and tax	64699	65882
	Adjustments for :		
	Gain on disposal of property, plant and equipment (net)	(233)	(141)
	Interest income	(7522)	(7644)
	Rental income	-	(48)
	Finance costs	634	55
	Depreciation and amortisation expense	8268	4859
	Allowance for doubtful debts and advances	274	(133)
	Operating Profit before working capital changes	66120	62830
	<u>Change in operating assets and liabilities</u>		
	(Increase)/ Decrease in inventories	(6772)	1369
	(Increase)/ Decrease in trade receivables	(5)	2689
	(Increase)/ Decrease in other assets	14800	1385
	Increase/ (Decrease) in trade payables	(4825)	(9956)
	Increase/ (Decrease) in provisions	1277	1367
	Increase/ (Decrease) in other liabilities	(117)	2388
	Cash generated from operations	70478	62072
	Income taxes paid (net of refunds)	(18571)	(20006)
	Cash inflow from operating activities before exceptional items	51907	42066
	Exceptional items :		
	Sale of brands	51	470
	Payment of redundancy cost	(2763)	(2,008)
	Payment of associated cost to impairment	(714)	-
	Income taxes paid on exceptional items	616	590
	Net cash generated from operating activities (A)	49097	41118

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Payments to acquire property, plant and equipment and other intangible assets	(15,590)	(29,128)
Proceeds from sale of property, plant and equipment	350	465
Margin money deposits	30	164
Investment in bank deposits (having original maturity more than 3 months but less than 12 months)	(110,600)	(124,100)
Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)	119,300	126,100
Rent received	-	48
Interest received	6,401	7,569
Changes in earmarked balances	181	110
Cash inflow from investing activities before exceptional items	72	(18772)
Exceptional items:		
Proceeds from/(expenses incurred) for sale of property	(248)	4,339
Income taxes paid on exceptional items	(6,134)	(1,011)
Net cash outflow from investing activities (B)	(6310)	(15444)
C. <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayments of borrowings	(41)	(41)
Interest paid	(82)	(55)
Interest paid on Lease Payments	(329)	-
Payment of lease liability	(1,465)	-
Dividend paid to company's shareholders	(33,881)	(29646)
Tax on distributed profit	(6,964)	(6094)
Net cash outflow from financing activities (C)	(42762)	(35836)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	25	(10162)
Cash and cash equivalents at the beginning of the year	9778	19940
Cash and cash equivalents at the end of the year	9803	9778
<u>Net (decrease) / increase in cash and cash equivalents</u>	25	(10162)

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 18th May, 2020. The statutory auditors have not issued a separate limited review report on the results for the quarter ended March 31, 2019.
2. The figures for the 3 months ended 31st March, 2020 and corresponding 3 months ended 31st March, 2019 are the balancing figures between the audited figures in respect of full financial year and the year to date figures upto the third quarter of the respective financial years.
3. Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on 1st April, 2019 using the modified retrospective approach, recognizing right-of-use asset and adjusted lease liability. Accordingly, comparatives for the year ended 31st March, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the result for the period(s).
4. Exceptional items for the year ended 31st March 2020 Rs.32449 lakhs (year ended 31st March 2019 Rs.489 lakhs) mainly comprise of :
 - a) impacts following the decision to initiate a global voluntary recall (pharmacy/retail level) of ranitidine products including Zinetac in India by the Ultimate Holding Company and the comprehensive strategic review of the impact of this recall on all related assets in India:
 - i. financial impairment of Rs.63743 Lacs (including cost to sell) (year ended 31st March 2019 – Rs. Nil) connected to the under-utilisation of its manufacturing facilities and Rs.9563 Lacs (year ended 31st March 2019 Rs. Nil) on account of other related assets / cost
 - ii. Provisions on account of product recall of Zinetac Rs.10809 lakhs (year ended 31st March 2019 – Rs. Nil)
 - b) Profit on sale of property Rs. 54630 lakhs (year ended 31st March 2019 Rs. 4339 Lakhs)
 - c) Impairment of investment held in its wholly owned subsidiary Rs. Nil (year ended 31st March 2019 Rs. 2312 lakhs)
 - d) Others Rs. 2964 Lacs (year ended 31st March 2019 Rs. 1538 Lacs)

Exceptional items for the quarter ended 31st March 2020 Rs 1127 lakhs (Quarter ended 31st March 2019 Rs. 317 lakhs) mainly comprise of:

- a) reversal of expense due to settlement/ change in estimate Rs.1127 lakhs (Quarter ended 31st March 2019 Rs Nil)
 - b) income from sale of property Rs. Nil (Quarter ended 31st March 2019 Rs 1995Lacs)
 - c) impairment of investment held in its wholly owned subsidiary Rs. Nil (Quarter ended 31st March 2019 Rs. 2312 lakhs)
5. The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended 31st March, 2020. Tax expense includes charge on account of exceptional items Rs. 1757 Lakhs, prior year charge of Rs. 2486 Lakhs and impact on net deferred tax due to change in tax rates Rs. 1692 Lakhs of which Rs.50 Lakhs is accounted in Other Comprehensive Income.
 6. The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been swift in extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company based on current estimates expects the carrying amount of these assets will be recovered.
 7. The Board of Directors recommend a Dividend of Rs 40 per equity share of face value of Rs.10 each which includes a special dividend of Rs. 20 per share for this year. (Year ended 31st March 2019 Rs.20 per share).
 8. The Company has only one reportable segment which is Pharmaceuticals. Accordingly, no separate disclosures of segment information have been made.
 9. Previous periods' figures have been re-grouped / re-classified wherever necessary.

By Order of the Board

18th May, 2020

Sridhar Venkatesh
Managing Director
DIN: 07263117