

GlaxoSmithKline Pharmaceuticals Limited

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STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2021

(Rs. in Lakhs)

	Particulars	3 months ended 31.03.2021	Preceding 3 months ended 31.12.2020	Corresponding 3 months ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
		(Unaudited) Refer Note 2	(Unaudited)	(Unaudited) Refer Note 2	(Audited)	(Audited)
	Income					
1	Revenue from operations	81375	85720	77580	319886	322438
2	Other income (Refer Note 4)	2960	1402	1582	11058	7901
3	Total Income (1+2)	84335	87122	79162	330944	330339
	Expenses					
	(a) Cost of materials consumed	14668	7301	9833	47202	47438
	(b) Purchases of stock-in-trade	22580	25902	20128	88011	86892
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(3583)	1922	(2015)	(3943)	(3543)
	(d) Employee benefits expense	14955	15921	17158	61469	62855
	(e) Finance costs	63	94	151	353	634
	(f) Depreciation and amortisation expense	1785	1771	2259	7928	8268
	(g) Other expenses	15666	14123	15120	57614	63071
4	Total expenses	66134	67034	62634	258634	265615
5	Profit before exceptional items and tax (3-4)	18201	20088	16528	72310	64724
6	Exceptional items [credit / (charge)] net (Refer Note 3)	(11900)	1053	1127	(17260)	(34149)
7	Profit before tax (5+6)	6301	21141	17655	55050	30575
8	Tax expense					
	(a) Current tax	3738	6120	5793	18430	26017
	(b) Deferred tax	1130	(630)	(1945)	805	(4762)
9	Profit for the period/year (7-8)	1433	15651	13807	35815	9320
10	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	765	(634)	72	(274)	(462)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(193)	160	(19)	69	64
11	Total comprehensive income for the period (9+10)	2005	15177	13860	35610	8922
	Paid-up equity share capital (face value per share Rs. 10)	16941	16941	16941	16941	16941
	Other equity				132967	165120
	Earnings per share (EPS) (of Rs. 10 each)					
	Basic and diluted EPS after Exceptional items (Rs.)	0.85	9.24	8.15	21.14	5.50
	Basic and diluted EPS before Exceptional items (Rs.)	7.87	8.64	7.44	31.35	26.70
			Not Annualised			

Statement of Assets and Liabilities		Consolidated (Rs. in Lakhs)	
		As at 31.03.2021	As at 31.03.2020
Particulars		Audited	Audited
A	ASSETS		
1	<u>Non-Current Assets</u>		
	(a) Property, Plant and Equipment	30965	66763
	(b) Right of use Assets	3126	3934
	(c) Capital work-in-progress	1321	12012
	(d) Investment Property	135	149
	(e) Intangible assets	4336	4962
	(f) Financial Assets		
	i. Deposits	806	822
	ii. Other financial assets	401	414
	(g) Current tax assets (net)	34650	30980
	(h) Deferred tax assets (net)	10313	11049
	(i) Other non-current assets	5017	4751
	Total non-current assets	91070	135836
2	<u>Current assets</u>		
	(a) Inventories	54670	48303
	(b) Financial assets		
	i. Trade receivables	21560	9980
	ii. Cash and cash equivalents	40519	10481
	iii. Bank balances other than (ii) above	75279	97839
	iv. Other financial assets	2572	3106
	(c) Other current assets	7654	7767
	(d) Assets classified as held for sale	18012	11
	Total current assets	220266	177487
	Total Assets	311336	313323

Statement of Assets and Liabilities		Consolidated (Rs. in Lakhs)	
		As at 31.03.2021	As at 31.03.2020
Particulars		Audited	Audited
B	EQUITY AND LIABILITIES		
	<u>Equity</u>		
	(a) Equity Share Capital	16941	16941
	(b) Other Equity	132967	165120
	Total equity	149908	182061
	<u>Liabilities</u>		
1	<u>Non-current liabilities</u>		
	(a) Financial Liabilities		
	i. Borrowings	-	2
	ii. Other financial liabilities	206	207
	iii. Other financial lease liabilities	2025	2684
	(b) Provisions	25950	26174
	Total non-current liabilities	28181	29067
2	<u>Current liabilities</u>		
	(a) Financial Liabilities		
	i. Trade payables		
	Due to Micro Enterprises and Small Enterprises	527	521
	Due to others	45920	35185
	ii. Other financial liabilities	17190	14290
	iii. Other financial lease liabilities	1435	1483
	(b) Other current liabilities	26385	6512
	(c) Provisions	25418	28066
	(d) Current tax liabilities (net)	16372	16138
	Total current liabilities	133247	102195
	Total liabilities	161428	131262
	Total equity and liabilities	311336	313323

Statement of Cash Flow		Consolidated (Rs. in Lakhs)	
		Year ended 31.03.2021	Year ended 31.03.2020
Particulars		Audited	Audited
A.	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
	Profit before exceptional items and tax	72310	64724
	Adjustments for :		
	Loss / (Gain) on disposal of property, plant and equipment (net)	6	(233)
	Interest income	(11057)	(7621)
	Finance costs	353	634
	Depreciation and amortisation expense	7928	8268
	Allowance for doubtful debts and advances	206	317
	Provision written back	-	(47)
	Operating Profit before working capital changes	69746	66042
	<u>Change in operating assets and liabilities</u>		
	(Increase) in inventories	(4679)	(6772)
	(Increase) in trade receivables	(9993)	(5)
	(Increase)/ Decrease in other assets	(1171)	14858
	Increase/ (Decrease) in trade payables	10741	(4824)
	Increase in provisions	2708	1277
	Increase/ (Decrease) in other liabilities	6970	(128)
	Cash generated from operations	74322	70448
	Income taxes paid (net of refunds)	(14696)	(18588)
	Cash inflow from operating activities before exceptional items	59626	51860
	Exceptional items :		
	Sale of brands	-	51
	Payment of redundancy cost	(1131)	(2763)
	Payment of associated cost to impairment	(703)	(714)
	Income taxes on exceptional items	1	616
	Net cash generated from operating activities	57793	49050
	(A)		

Statement of Cash Flow		Consolidated (Rs. in Lakhs)	
	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
		Audited	Audited
B.	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
	Payments to acquire property, plant and equipment and other intangible assets	(4423)	(15590)
	Proceeds from sale of property, plant and equipment	67	350
	Margin money deposits	14	30
	Investment in bank deposits (having original maturity more than 3 months but less than 12 months)	(337823)	(114100)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)	360323	123300
	Interest received	5500	6527
	Changes in earmarked balances	58	181
	Cash inflow from investing activities before exceptional items	23716	698
	Exceptional items:		
	Proceeds from/(expenses incurred) for sale of property	184	(248)
	Advance received towards disposal of Vemgal Assets	18000	0
	Income taxes on exceptional items	(42)	(6134)
	Net cash inflow / (outflow) from investing activities (B)	41858	(5684)
C.	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
	Repayments of borrowings	(15)	(41)
	Interest paid, other than on lease liabilities	(35)	(83)
	Interest paid on lease liabilities	(318)	(329)
	Principal payment of lease liabilities	(1483)	(1465)
	Dividend paid to company's shareholders	(67762)	(33881)
	Tax on distributed profit	0	(6964)
	Net cash outflow from financing activities (C)	(69613)	(42763)
	Net increase in cash and cash equivalents (A+B+C)	30038	603
	Cash and cash equivalents at the beginning of the year	10481	9878
	Cash and cash equivalents at the end of the year	40519	10481
	<u>Net increase in cash and cash equivalents</u>	30038	603

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 2021. The Statutory auditors have performed audit of the consolidated financial results for the year end 31st March 2021 and limited review of financial results for the quarter ended 31st March 2021 and have issued an unmodified opinion.
2. The figures for the 3 months ended 31st March 2021 and corresponding 3 months ended 31st March 2020 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. Exceptional items for the year ended 31st March 2021 Rs.17260 lakhs (Year ended 31st March 2020 Rs.34149 lakhs) mainly comprise :
 - a) impacts following the decision to initiate a global voluntary recall (pharmacy/retail level) by the Ultimate Holding Company of ranitidine products including Zinetac in India and the consequent comprehensive strategic review of the impact of this recall on all related assets in India including the manufacturing site at Vemgal. After considering all the strategic options available, the parent Company during the quarter ended 30th September 2020 had decided to proceed with the sale of the site and had classified the corresponding assets as held for sale. During the quarter the Parent entered into a binding agreement for the sale of these assets subject to regulatory approvals. Consequently, the parent company has recognized an impairment of INR 20900 lakhs net of reversal of associated costs and costs to sell (year ended 31st March 2020 Rs. 73306 lakhs) to reflect the estimated realizable value of the assets.
 - b) impacts of reversal of provision of Rs.3480 lakhs (year ended 31st March 2020 charge of Rs.10809 lakhs) on account of Zinetac recall.
 - c) Profit on sale of a surplus property Rs. 184 lakhs (year ended 31st March 2020 Rs. 54630 lakhs)
 - d) Other items of Rs. 24 lakhs (year ended 31st March 2020 Rs. 4664 lakhs)

Exceptional items for the quarter ended 31st March 2021 Rs.11900 lakhs (Quarter ended 31st March 2020 Rs. 1127 lakhs) mainly comprise:

- a) impairment of Rs. 12700 lakhs net of reversal of associated costs and costs to sell (Quarter ended 31st March 2020 write back of Rs.289 lakhs) to reflect the estimated realizable value of the Vemgal assets
 - b) impact of reversal of provision of Rs.800 lakhs (Quarter ended 31st March 2020 reversal of Rs.321 lakhs) on account of Zinetac recall
 - c) reversal of expense due to settlement/ change in estimate Rs.Nil (Quarter ended 31st March 2020 Rs 517 lakhs)
4. Other income for the year ended ended 31st March 2021 includes interest on income tax refund of Rs.7129 lakhs (year ended 31st March 2020: 1021 lakhs), quarter ended 31st March 2021 Rs.2227 lakhs (quarter ended 31st March 2020: 1021 lakhs) and quarter ended 31st December 2020 Rs.634 lakhs respectively.
 5. The spread of Covid-19 is having an unprecedented impact on people and economy. This has impacted our operations and results for the year ended 31st March 2021. The Group 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 and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The impact assessment of Covid-19 is a continuing process given the uncertainties and the Group will continue to closely monitor the developments.
 6. The Board of Directors of the parent Company recommend a Dividend of Rs.30 per equity share of face value of Rs.10 each. (Year ended 31st March 2020 Rs.40 per share including special dividend of Rs.20 per share).
 7. The Group has only one reportable segment which is Pharmaceuticals. Accordingly, no separate disclosures of segment information have been made.
 8. Previous periods' figures have been re-grouped / re-classified wherever necessary.

By Order of the Board

18th May 2021

Sridhar Venkatesh
Managing Director
DIN: 07263117