

**GlaxoSmithKline Pharmaceuticals Limited**

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

**(Rs. in Lakhs)**

	Particulars	3 months ended 31.03.20	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 5	(Unaudited)	(Unaudited) Refer Note 5	(Audited)	(Audited)
	Income					
1	Revenue from operations	77580	77859	75081	322438	312812
2	Other income	1582	1650	5272	7901	10232
3	<b>Total Income (1+2)</b>	<b>79162</b>	<b>79509</b>	<b>80353</b>	<b>330339</b>	<b>323044</b>
	Expenses					
	(a) Cost of materials consumed	9833	11245	16825	47438	68657
	(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	15120	15976	13660	63071	63210
4	<b>Total expenses</b>	<b>62634</b>	<b>67551</b>	<b>60159</b>	<b>265615</b>	<b>257647</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>16528</b>	<b>11958</b>	<b>20194</b>	<b>64724</b>	<b>65397</b>
6	Exceptional items [credit / (charge)] net (Refer Note 3)	1127	(75390)	1992	(34149)	2869
7	<b>Profit / (Loss) before tax (5+6)</b>	<b>17655</b>	<b>(63432)</b>	<b>22186</b>	<b>30575</b>	<b>68266</b>
8	Tax expense (Refer Note 4)					
	(a) Current tax	5793	8062	2815	26017	19282
	(b) Deferred tax	(1945)	(5378)	4690	(4,762)	4445
9	<b>Profit / (Loss) for the period/year (7-8)</b>	<b>13807</b>	<b>(66116)</b>	<b>14681</b>	<b>9320</b>	<b>44539</b>
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	<b>Total comprehensive income for the period (9+10)</b>	<b>13860</b>	<b>(66365)</b>	<b>14674</b>	<b>8922</b>	<b>43990</b>
	Paid-up equity share capital (face value per share Rs. 10)	16941	16941	16941	16941	16941
	Other equity				165120	197042
	Earnings per share (EPS) (of Rs. 10 each)					
	Basic and diluted EPS after Exceptional items (Rs.)	8.15	(39.03)	8.67	5.50	26.29
	Basic and diluted EPS before Exceptional items (Rs.)	7.44	4.25	7.77	26.70	24.85
				Not Annualised		

Statement of Assets and Liabilities		Consolidated (Rs. in Lakhs)	
		As at 31.03.2020	As at 31.03.2019
Particulars		Audited	Audited
A	<b>ASSETS</b>		
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	149	164
	(e) Intangible assets	4962	6554
	(f) Financial Assets		
	i. Investments	-	6
	ii. Loans	1052	1184
	iii. Other financial assets	414	406
	(g) Current tax assets (net)	30980	31298
	(h) Deferred tax assets (net)	11049	6222
	(i) Other non-current assets	4751	7642
	<b>Total non-current assets</b>	<b>136066</b>	<b>190185</b>
2	<u>Current assets</u>		
	(a) Inventories	48303	48649
	(b) Financial assets		
	i. Trade receivables	9980	12049
	ii. Cash and cash equivalents	10481	9878
	iii. Bank balances other than (ii) above	97839	107257
	iv. Other financial assets	3098	8996
	(c) Other current assets	7776	13784
	(d) Assets classified as held for sale	11	333
	<b>Total current assets</b>	<b>177488</b>	<b>200946</b>
	<b>Total Assets</b>	<b>313554</b>	<b>391131</b>

Statement of Assets and Liabilities		Consolidated (Rs. in Lakhs)	
		As at 31.03.2020 Audited	As at 31.03.2019 Audited
	<b>Particulars</b>		
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<u>Equity</u>		
	(a) Equity Share Capital	16941	16941
	(b) Other Equity	165120	197042
	<b>Total equity</b>	<b>182061</b>	<b>213983</b>
	<u>Liabilities</u>		
<b>1</b>	<u>Non-current liabilities</u>		
	(a) Financial Liabilities		
	i. Borrowings	2	18
	ii. Other financial liabilities	207	221
	iii. Other financial lease liabilities	2684	-
	(b) Provisions	26174	31477
	<b>Total non-current liabilities</b>	<b>29067</b>	<b>31716</b>
<b>2</b>	<u>Current liabilities</u>		
	(a) Financial Liabilities		
	i. Trade payables		
	Due to Micro Enterprises and Small Enterprises	521	428
	Due to others	35237	40153
	ii. Other financial liabilities	14850	23122
	iii. Other financial lease liabilities	1483	-
	(b) Other current liabilities	6513	57149
	(c) Provisions	27684	9237
	(d) Current tax liabilities (net)	16138	15343
	<b>Total current liabilities</b>	<b>102426</b>	<b>145432</b>
	<b>Total liabilities</b>	<b>131493</b>	<b>177148</b>
	<b>Total equity and liabilities</b>	<b>313554</b>	<b>391131</b>

<b>Statement of Cash Flow</b>		<b>Consolidated (Rs. in Lakhs)</b>	
		<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Particulars</b>		<b>(Audited)</b>	<b>(Audited)</b>
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Profit before exceptional items and tax	<b>64724</b>	<b>65397</b>
	Add/Less:		
	Gain on disposal of property, plant and equipment (net)	(233)	(141)
	Interest income	(7,621)	(7,728)
	Rental income	-	(48)
	Finance costs	634	55
	Depreciation and amortisation expense	8,268	4,859
	Allowance for doubtful debts and advances	317	(133)
	Provision written back	(47)	-
	<b>Operating Profit before working capital changes</b>	<b>66,042</b>	<b>62,261</b>
	<b>Change in operating assets and liabilities</b>		
	(Increase)/ Decrease in inventories	(6772)	1369
	(Increase)/ Decrease in trade receivables	(5)	2689
	(Increase)/ Decrease in other assets	14858	1761
	Increase/ (Decrease) in trade payables	(4824)	(10004)
	Increase/ (Decrease) in provisions	1277	1367
	Increase/ (Decrease) in other liabilities	(128)	2398
	<b>Cash generated from operating activities</b>	<b>70448</b>	<b>61841</b>
	Income taxes paid (net of refunds)	(18588)	(20000)
	<b>Cash inflow from operating activities before exceptional items</b>	<b>51860</b>	<b>41841</b>
	<b>Exceptional items :</b>		
	Sale of brands	51	539
	Payment of redundancy cost	(2,763)	(2008)
	Payment of associated cost to impairment	(714)	-
	Income taxes paid on exceptional items	616	578
	<b>Net cash generated from operating activities</b>	<b>49050</b>	<b>40950</b>
	<b>(A)</b>		

Particulars		Year ended 31.03.2020	Year ended 31.03.2019
B.	<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
	Payments to acquire property, plant and equipment and other intangible assets	(15,590)	(29128)
	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)	(114,100)	(124100)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)	123,300	126100
	Rent received	-	48
	Interest received	6527	7667
	Changes in earmarked balances	181	110
	<b>Cash inflow from investing Activities before exceptional items</b>	<b>698</b>	<b>(18,674)</b>
	<b>Exceptional items:</b>		
	Proceeds from/(Expenses incurred) for sale of property	(248)	4339
	Income taxes paid on Exceptional items	(6,134)	(1,011)
	<b>Net cash outflow from investing activities (B)</b>	<b>(5684)</b>	<b>(15346)</b>
C.	<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
	Repayments of borrowings	(41)	(41)
	Interest paid	(83)	(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)
	<b>Net cash outflow from financing activities (C)</b>	<b>(42763)</b>	<b>(35836)</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>603</b>	<b>(10232)</b>
	Cash and cash equivalents at the beginning of the year	9878	20110
	Cash and cash equivalents at the end of the year	10481	9878
	<b><u>Net (decrease) / increase in cash and cash equivalents</u></b>	<b>603</b>	<b>(10232)</b>

**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. Effective 1st April, 2019, the Group 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).
3. Exceptional items for the year ended 31st March 2020 Rs.34149 lakhs ( year ended 31st March 2019 Rs.2869 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) Others Rs. 4664 Lacs (year ended 31st March 2019 Rs.1470 Lacs)

Exceptional items for the quarter ended 31st March 2020 Rs 1127 lakhs (Quarter ended 31st March 2019 Rs. 1992 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 1992 Lacs)
4. The Parent 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 Parent 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.
5. 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.
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 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 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 of the parent Company 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 Group 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