

GlaxoSmithKline Pharmaceuticals Limited

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STATEMENT OF STANDALONE 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	80727	85842	77588	319373	322468
2	Other income (Refer Note 4)	2961	1387	1516	11019	7756
3	Total Income (1+2)	83688	87229	79104	330392	330224
	Expenses					
	(a) Cost of materials consumed	13198	6833	9833	45264	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	(2861)	2390	(2015)	(2753)	(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	15976	14117	15076	57887	62981
4	Total expenses	65696	67028	62590	258159	265525
5	Profit before exceptional items and tax (3-4)	17992	20201	16514	72233	64699
6	Exceptional items [credit / (charge)] net (Refer Note 3)	(11900)	1053	1127	(17260)	(32449)
7	Profit before tax (5+6)	6092	21254	17641	54973	32250
8	Tax expense					
	(a) Current tax	3738	6120	5793	18430	26017
	(b) Deferred tax	1080	(601)	(1946)	787	(4772)
9	Profit for the period/year (7-8)	1274	15735	13794	35756	11005
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)	1846	15261	13847	35551	10607
	Paid-up equity share capital (face value per share Rs. 10)	16941	16941	16941	16941	16941
	Other equity				134853	167063
	Earnings per share (EPS) (of Rs. 10 each)					
	Basic and diluted EPS after Exceptional items (Rs.)	0.75	9.29	8.14	21.11	6.50
	Basic and diluted EPS before Exceptional items (Rs.)	7.78	8.69	7.44	31.32	26.69
			Not Annualised			

Statement of Assets and Liabilities		Standalone (Rs. in Lakhs)	
		As at 31.03.2021 Audited	As at 31.03.2020 Audited
	Particulars		
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	133	147
	(e) Intangible assets	4336	4962
	(f) Financial Assets		
	i. Investments	2449	2449
	ii. Deposits	806	822
	iii. Other financial assets	401	413
	(g) Current tax assets (net)	34153	30487
	(h) Deferred tax assets (net)	10167	10885
	(i) Other non-current assets	4589	4600
	Total non-current assets	92446	137474
2	<u>Current assets</u>		
	(a) Inventories	52334	48303
	(b) Financial assets		
	i. Trade receivables	21560	9980
	ii. Cash and cash equivalents	40490	9803
	iii. Bank balances other than (ii) above	75278	96838
	iv. Other financial assets	1920	3091
	(c) Other current assets	7539	7652
	(d) Assets classified as held for sale	18012	11
	Total current assets	217133	175678
	Total Assets	309579	313152

Statement of Assets and Liabilities		Standalone (Rs. in Lakhs)	
		As at 31.03.2021 Audited	As at 31.03.2020 Audited
	Particulars		
B	EQUITY AND LIABILITIES		
	<u>Equity</u>		
	(a) Equity Share Capital	16941	16941
	(b) Other Equity	134853	167063
	Total equity	151794	184004
	<u>Liabilities</u>		
1	<u>Non-current liabilities</u>		
	(a) Financial Liabilities		
	i. Borrowings	-	2
	ii. Other financial liabilities	204	206
	iii. Other financial lease liabilities	2025	2684
	(b) Provisions	25825	26049
	Total non-current liabilities	28054	28941
2	<u>Current liabilities</u>		
	(a) Financial Liabilities		
	i. Trade payables		
	Due to Micro Enterprises and Small Enterprises	527	521
	Due to others	44106	34897
	ii. Other financial liabilities	17190	14290
	iii. Other financial lease liabilities	1435	1483
	(b) Other current liabilities	24683	4812
	(c) Provisions	25418	28066
	(d) Current tax liabilities (net)	16372	16138
	Total current liabilities	129731	100207
	Total liabilities	157785	129148
	Total equity and liabilities	309579	313152

Statement of Cash Flow		Standalone (Rs. in Lakhs)	
Particulars		Year ended 31.03.2021 Audited	Year ended 31.03.2020 Audited
A.	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
	Profit before exceptional items and tax	72233	64699
	Adjustments for :		
	Loss/ (Gain) on disposal of property, plant and equipment (net)	6	(233)
	Interest income	(11019)	(7522)
	Finance costs	353	634
	Depreciation and amortisation expense	7928	8268
	Allowance for doubtful debts and advances	206	274
	Operating Profit before working capital changes	69707	66120
	<u>Change in operating assets and liabilities</u>		
	(Increase) in inventories	(2343)	(6772)
	(Increase) in trade receivables	(9993)	(5)
	(Increase)/ Decrease in other assets	(251)	14800
	Increase/ (Decrease) in trade payables	9214	(4825)
	Increase in provisions	2708	1277
	Increase/ (Decrease) in other liabilities	6969	(117)
	Cash generated from operations	76011	70478
	Income taxes paid (net of refunds)	(14692)	(18571)
	Cash inflow from operating activities before exceptional items	61319	51907
	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 (A)	59486	49097

	Particulars	Year ended	Year ended
		31.03.2021	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)	(330523)	(110600)
	Redemption / maturity of bank deposits (having original maturity more than 3 months but less than 12 months)	352023	119300
	Interest received	5456	6401
	Changes in earmarked balances	58	181
	Cash inflow from investing activities before exceptional items	22672	72
	Exceptional items:		
	Proceeds from/(expenses incurred) for sale of property	184	(248)
	Advance received towards disposal of Vemgal assets	18000	-
	Income taxes on exceptional items	(42)	(6134)
	Net cash inflow /(outflow) from investing activities (B)	40814	(6310)
C.	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
	Repayments of borrowings	(15)	(41)
	Interest paid, other than on lease liabilities	(35)	(82)
	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	-	(6964)
	Net cash outflow from financing activities (C)	(69613)	(42762)
	Net increase in cash and cash equivalents (A+B+C)	30687	25
	Cash and cash equivalents at the beginning of the year	9803	9778
	Cash and cash equivalents at the end of the year	40490	9803
	Net increase in cash and cash equivalents	30687	25

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 standalone 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. 32449 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 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 company entered into a binding agreement for the sale of these assets subject to regulatory approvals. Consequently, the 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. 2964 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 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 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 impact assessment of Covid-19 is a continuing process given the uncertainties and the Company will continue to closely monitor the developments.
 6. The Board of Directors 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 Company 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.

18th May 2021

By Order of the Board

Sridhar Venkatesh
Managing Director
DIN: 07263117