3rd June 2020

To,

BSE LIMITED                                   THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Phiroze Jeejeebhoy Towers              Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Dalal Street                                        Bandra-Kurla Complex, Bandra (East)
Mumbai - 400001                               Mumbai - 400051

Dear Sirs,

Sub: Disclosure of material impact of COVID 19 pandemic on listed companies

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with the SEBI circular dated SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20 May 2020 on disclosure of material impact of COVID 19 pandemic on listed companies under, we wish to inform you of the following:

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.

Our response to the pandemic and its impacts have been driven by our core guiding principles –

   a) employee safety and well-being,
   b) business continuity, and
   c) social responsibility

Our people are our priority. We have been proactive and swift in ensuring safe working conditions and providing the necessary infrastructure and equipment across all operations. We have also taken various measures including access to prescribed personal protective equipment (PPE) and special medical coverage insurance for the front line.

We have been working closely with all our partners, associations and the various authorities to ensure undisrupted supply of our products and continued service to the patients. Despite the initial disruptions to our supply chain due to the lock down we have been able to smoothly manage our supply chain operation during the lock down. On the manufacturing side, we are currently operating at about 70% of normative manufacturing levels and are hopeful to improve this in the coming days. Both at company level and at channel level sufficient levels of inventory is maintained to meet the patient requirements in the near term.

Our investments into digital transformation have helped us immensely during these times to keep us connected to the healthcare professionals (HCPs) and pay closer attention to their needs. With the relaxation of the lockdown across various zones of the country, we have redeployed our front line as per the guidelines received from the Central/ State/ Municipal authorities and our front lines have been adequately sensitized on the same.
The Company is taking all recommended precautions and preventive measures to ensure safety and well-being of its employees at all times. The protocols/guidelines are being reviewed regularly and updated based on revisions received from the relevant authorities. We will closely monitor the situation and take necessary steps as may be required from time to time.

While our Head Office at Mumbai remains closed during the lock down, we were efficiently able to continue our operations as the Company has adopted the work from home policy. The head office will commence after necessary clearances are received from the local authorities.

The Company has seen a slowdown in sales across some of its therapeutic areas during Q1FY21 mainly from deferment of vaccination at clinics and slowdown in the non-essential portfolio. While the performance and profitability of Q1FY21 may be impacted, we are ramping up our capacities in some of the other therapeutic areas that are essential to our patients in the current circumstances and charting a plan to accelerate growth once the lockdown is eased. The Company continues to assess the situation on an ongoing basis and will provide periodic updates as necessary.

Board Meeting for consideration and approval of the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020 (“Financial Results”) was held on May 18, 2020 and the Financial Results were duly filed with the Stock Exchanges. Assessment of impact from the pandemic on the Financial Results was disclosed in Notes to the Financial Results published.

From an operational perspective, the Company has discharged all its obligations in full on payroll (including all contractual workers) till May 2020. Company continues to discharge its obligations towards its creditors in the regular course of business and has ensured that all statutory obligations have been paid within due dates.

There is no impact on capital and financial resources of the company. The company is debt-free and carried cash and cash equivalents of around Rs.1066 crores as of 31st March 2020.

None of the assets of the Company have been impacted or impaired as a result of the pandemic.

The Company continues to adequately maintain all internal financial and reporting controls.

The Company is in a position to fulfil its obligations and also does not foresee any material impact on the business due to non-fulfilment of the obligations by any party.

As a socially responsible corporate citizen, the Company has contributed essential medicines and PPEs to the state government of Maharashtra and have committed funds to the PM-CARES.

This is for your information and records.

Yours faithfully

For GlaxoSmithKline Pharmaceuticals Limited

AJAY
AVINASH NADKARNI

Ajay Nadkarni
Vice President – Administration, Real Estate & Company Secretary