

# Resilience is **everything**

GlaxoSmithKline Consumer Healthcare  
Pakistan Limited

Annual Report 2022



THE BLUE DOT

**GlaxoSmithKline Consumer Healthcare Pakistan Limited**  
11-A, 11<sup>th</sup> Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4,  
Scheme-5, Clifton, Karachi, Pakistan 75600.

# Resilience is everything

**We believe that success is not just about achieving a goal, but also about overcoming challenges and bouncing back stronger than before. It takes teamwork, leadership, out-of-the-box thinking, agility, and innovation to make it in today's challenging times. But above all, it takes resilience.**

This year's annual report is dedicated to celebrating the resilience that has defined GlaxoSmithKline Consumer Healthcare Limited ("the Company") in the face of unprecedented challenges to deliver better everyday health. Markhor, a symbol of resilience and strength encapsulates the similar mindset of what the Company has achieved and continues to achieve - being resilient under all conditions.

Markhor is a highly resilient and adaptable animal that can survive in challenging environments. Similarly, despite the disruption caused by the

economic conditions, the Company possesses resilient and adaptable approach and has remained committed to its mission of improving the health and wellbeing of people around the world. We have adapted to new ways of working and innovated to meet the evolving needs of our customers and patients.

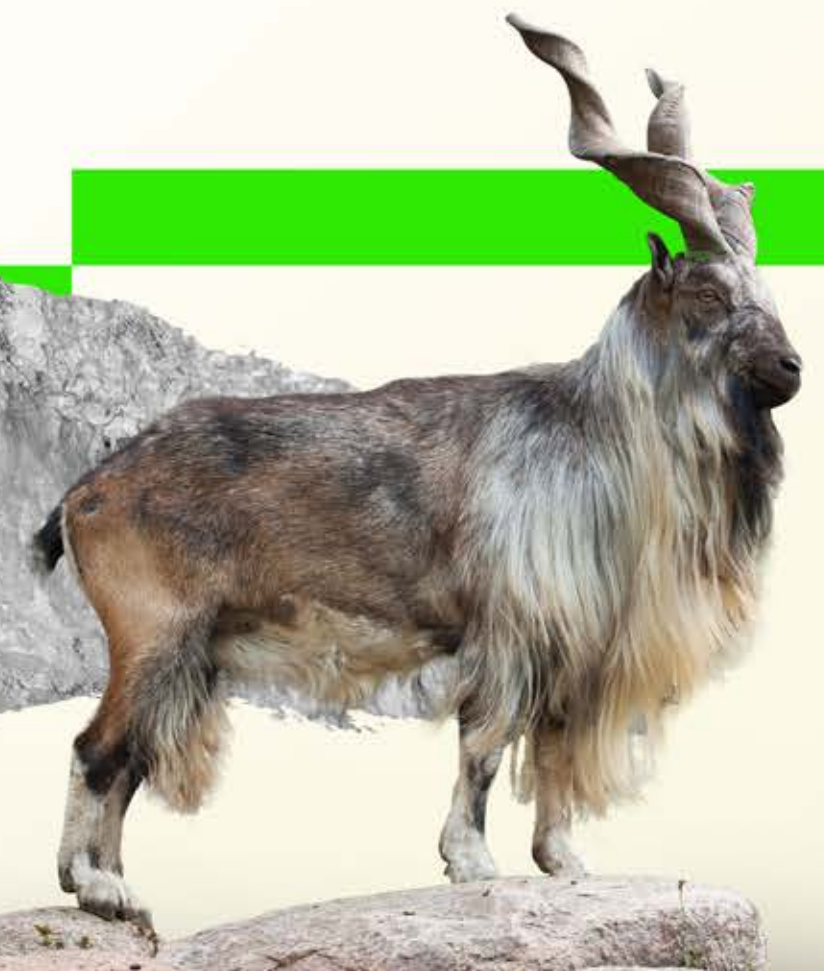
This year's Annual Report showcases how the Company has embodied resilience in action. It highlights the courage, creativity, and determination of our people and the impact they have made in Pakistan.

For any feedback, suggestions or queries, kindly contact the following:

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# Organizational

Overview & External Environment



## Our Story

2015

GSK Consumer business demerged from GSK Pakistan Limited.

GSK Consumer Healthcare Pakistan Limited formed.

GSK OTC (Pvt.) Limited formed from Novartis OTC portfolio.

2016

GSK Consumer Healthcare Pakistan Limited starts operations as an independent company.

2017

GSK Consumer Healthcare Pakistan Limited gets listed on Pakistan Stock Exchange

Transfer of Market Authorization and Jamshoro manufacturing License to GSK OTC (Pvt.) Limited

2018

GSK OTC (Pvt.) Limited merged with and into

GSK Consumer Healthcare Pakistan Limited

GSK Consumer Healthcare Pakistan Limited inherits manufacturing facility (Jamshoro) & its portfolio with leading brands like Cac-1000 Plus & Qalsan-D

2019

Transfer of Marketing authorizations and manufacturing license of GSK OTC (Pvt.) Limited to GSK Consumer Healthcare Pakistan Ltd.

Deployment of SAP in the manufacturing division of the Company

2020

Transfer of Marketing authorization of Panadol, Eno, Hydrozole and Brevoxyl in the name of GSK Consumer Healthcare Pakistan.

Deployment of SAP in the Commercial division of the Company to have a standard set of processes with ONE ERP.

2021

GSK Consumer Healthcare Pakistan Limited won best corporate report and best sustainability report award for FY 2020

Launch of Panadol Extend

2022

Demerger from GSK forming Haleon Pakistan Limited

Secured 2nd Position for Best Corporate Report in the Pharmaceutical Industry

# The year 2022 at a glance

Turnover (Rs. in billion)  
**27.5**

Earning per share (Rs.)  
**2.78**

Gross Profit (Rs. in billion)  
**4.79**

Profit after tax (Rs. in billion)  
**0.33**

## Market Dynamics



**#1**

Brand in  
Pharmaceutical  
Industry

**#1**

Sensitivity  
Category

**#1**

Prescribed  
Calcium  
supplement

## What We Do

### Our Business

We are a science led Global Healthcare Company that researches and develops innovative Consumer Healthcare products.

### Our Global Research

The Company has a significant global presence in more than 150 markets, a network of manufacturing sites globally and large R&D centres in the UK, USA, Belgium and China.

### How Are We Structured

Our commercial operations are structured as a combination of regional units and areas of focus. Each business benefits from GSK's global commercial infrastructure, international supply networks, innovative R&D and significant scale.

## Our Business Model

### Inputs

Organization operates on robust systems and process based on comprehensive and reliable inputs in respective areas of the business.

- Commissioning most effective financial models to continue tracking business sufficiency and risk management.
- Driving forecast accuracy to enable efficient sourcing and manufacturing.
- Empirical understanding of category insights to design winning strategy for consumers, experts & shoppers.

### Outputs

Integrated business strategy and reliable inputs result in actionable outputs.

- Sustainable growth in Sales in line with growth objectives.
- Coverage expansion across geographies and regions.
- Delivery of financial plans.

### Business Activities

Winning strategy for sustainable growth is driven by following salient business activities:

- Consumer insight driven campaigns and activations based on empirical inputs.
- Well defined expert strategy with expansion mind set. Aim to improve prescription share with Best-in-call detailing practices.
- Winning at point of purchase with Best-in-Call instore strategy serving to facilitate shoppers and enable customers for a better mutual relationship.
- Route-to-market strategy for a national footprint and better consumer outreach.
- Compliance to responsible ways of Working.

### Outcomes

- Compliant business conduct.
- Sustainable growth in business value and volume.
- Growth in category and prescription share.
- Customer satisfaction and brand loyalty.
- Shareholders trust and confidence.



## Key Brands



**Panadol**, the Company's flagship brand, is the first choice for fever and pain relief among consumers and doctors. With a value share of 19.2%<sup>1</sup>, **Panadol** is the market leader in the pain relief category. Despite a challenging year, the brand maintained its category leadership as the No. 1 Pharmaceutical brand of the country surpassing the PKR 10 billion milestone<sup>2</sup>.

**Panadol** is a household name in Pakistan, built on a history of trust and credibility, spanning several decades. The brand portfolio consists of a diverse range of solutions for Fever, Pain and Cold & Flu with varying strengths for all age groups. Owing to its medical heritage and strong brand equity, **Panadol** is the most prescribed brand by experts in the analgesics segment with a prescription share of 63%<sup>3</sup>.

2022 has been an unprecedented year for **Panadol**. The pressures of an exorbitant increase in raw material prices, rising operating costs, currency devaluation and tight pricing controls continued to mount; threatening to make the business commercially unsustainable. These factors had an adverse impact on the profitability of **Panadol** portfolio driven by **Panadol Regular**, **Panadol Extra** and **Panadol Liquid**, which



contributed 89% to overall value of **Panadol** as well as 38% in the overall business.

An application for hardship price increase was submitted to the DRAP in October 2021 and approval was granted. The Federal government was approached simultaneously to speed up the process. Persistent liaison was kept with regulatory authorities and finally in October 2022, hardship case (though partially) was approved.

**Panadol** growth strategy is based on two pillars:

- Innovate portfolio with superior formulations
- Strengthen the children's pillar

With the overall strategy of expanding the portfolio into multiple body pain states via superior formulations that has 61% incidence in market<sup>4</sup>, Panadol Extend was launched in Nov 2021 (first innovation in 3 decades in adult pain) in a first ever consumer pack of 20 tablets – bringing proposition of superior efficacy and sustained relief to consumers.



suitable solution providing with unique bi-layer technology providing extended pain relief of up to 8 hours of extended pain relief. In parallel, shopper and expert connections were strengthened through authentic and relevant experiences.

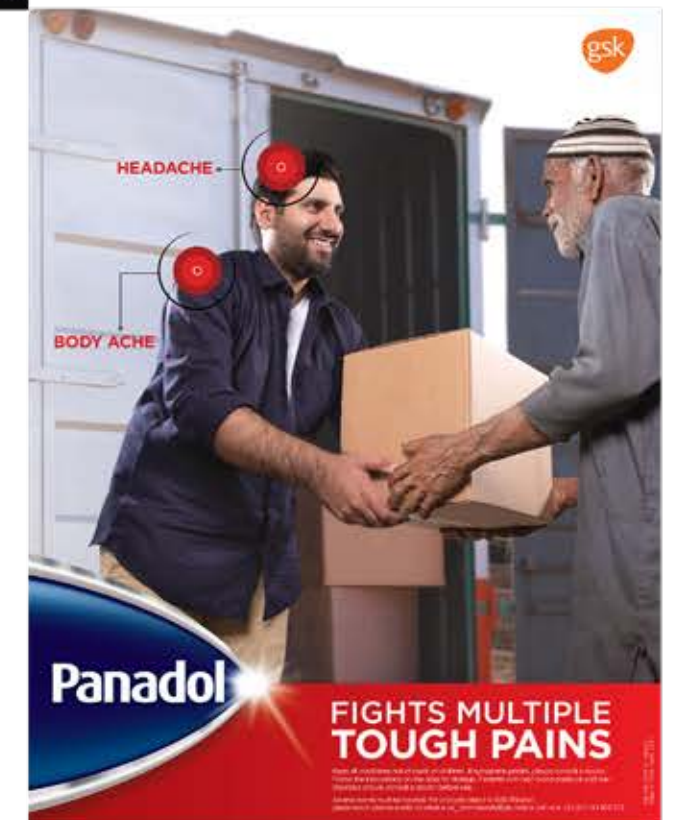
Moreover, we focused on the complete range of kids to drive growth by focusing on capacity enhancement. **Panadol Children** range has shown a 27% growth (+0.5 pps).<sup>6</sup>

1, 2, 5 & 6. IQVIA MAT Dec '22 Sales data  
3. IQVIA MAT Dec '22 Prescription data  
4. Pain U&A Nov '21

**Panadol Extend** was launched with the objective of driving innovation in the category and gaining incremental sales for the brand by offering superior formulations for specialized pain states. It has a 1.3% share (L3M) in the pain category<sup>5</sup> within 1 year of launch.

This launch is by far the most important pillar in driving **Panadol** growth in Pakistan. It reinvigorated the brand and has been well received by consumers. It gave an opportunity to **Go Beyond** by upgrading existing consumers and recruiting new users to a higher efficacy, specialized offering. It provides safe solution to manage recurring joint, muscle, and back pains.

A 360-degree communication plan was rolled out to maximize awareness on **Panadol Extend** through conventional and digital channels positioning it as a



# CaC-1000PLUS



CaC-1000 Plus enjoys market leadership in the vitamins & minerals category with a value share of 32.5%<sup>1</sup> driven by utmost trust of consumers and healthcare professionals alike. The brand has made great strides in building awareness of calcium supplementation as 50% of the women<sup>2</sup> in Pakistan suffer from calcium deficiency. CaC-1000 Plus is an effervescent tablet, available in 4 flavors: Orange, Cola, Lemon, and Mango (sugar-free). The brand has strong scientific credentials, backed by a history of 40 years of research and is the fourth largest brand in the Pakistan pharmaceutical industry. Based on its' superior formulation of double calcium and vitamins B6, C and D3, it has the honor of being the **#1 prescribed calcium supplement brand in Pakistan.**

In 2022, CaC-1000 Plus delivered phenomenal results, achieving the milestone of PKR 5.6Bn sales growing by 11.9%<sup>3</sup>. CaC-1000 Plus executed its first ever Ramadan digital campaign, creating awareness about the

importance of calcium and vitamin intake during fasting owed to the hectic routine and changed diet pattern.

In September 2022, a digital campaign titled "Calcium Zaruri Hai" was launched, the essence of which was to discuss the importance of calcium intake for the women of today, who are busy multitasking every day. In October 2022, CaC-1000 Plus executed world osteoporosis day's digital campaign "Step Up" where the brand included women from diverse age groups. The main purpose was to create awareness about the importance of stepping up for your health today for a better tomorrow through all stages of life.



1 IMS MAT Sales Data, Dec '22  
2 National Nutrition Survey, '18  
3 Secondary Sales Data, Dec '22



There are about 37M+ consumers who are less bothered sensitivity sufferers and about 19% of the population look for multiple benefits in their choice of toothpaste -3rd biggest need state of Oral care in Pakistan. Thus Sensodyne unlocked the portfolio of Sensitivity+ segment through the launch of Sensodyne Complete Protection+. The campaign rolled out with a strong integrated

marketing campaign to activate all key touchpoints on Consumer, Trade and Expert Marketing front. A Strong locally made campaign, featuring a Dentist who has been a former Captain of the women's national cricket team, has been amplified over Digital, Radio, Regional copies, OOH and other platforms.



Sensodyne tapped on one of Pakistan's biggest passion points – Cricket. Every 1 in 2 individuals (53%) watch cricket matches in the country. Integration in key tournaments happening across the Country has been widely appreciated for integration in live telecast and strategic media placements. Our featured dentist, former captain of Women's Cricket team, hosted telecast of one of the country's biggest tournaments, PSL.

On the whole, 2022 has been a great year for Sensodyne, where we topped our recent performance, and our growing category; the brand grew by 10% faster than category in 2022. Additionally, Sensodyne still stands as the No. 1 dentist-recommended toothpaste brand for sensitive teeth. Teeth Sensitivity creates hindrances in enjoying life as 81% of Sensitivity sufferers stop having food or drinks which are hot, cold, spicy, and sweet. Sensodyne manifests to create a future where every life is sensitivity-free. The portfolio includes 8 variants of toothpaste, 4 brushes, and a mouth wash. All of these are underpinned by cutting-edge science and category understanding to enable little pleasures of life.



# parodontax

Pakistan with an incidence of gums conditions in 46.3M Pakistanis, out of which 72% don't use specialized toothpaste for bleeding gums. The major challenge with the category is that consumers don't even acknowledge that bleeding gum is an issue or requires treatment. Parodontax is a gum care toothpaste to help stop and prevent bleeding gums, clinically proven to eliminate the cause of bleeding gums, plaque, 4X times more effective than any regular toothpaste.

2022 largely was about establishing how bleeding gums can be a start of multiple gum disease and can eventually result in tooth loss. The presence of 67% added minerals salt making Parodontax 4X times more effecting in eliminating the main cause of bleeding gums.

Through the Dominoes Campaign, the condition awareness was reinforced in the minds of consumers by the help of dominoes effect. Additionally, we were able to introduce a local talent with localized language to ensure that the communication becomes relevant and can resonate with consumers. Rigorous and targeted efforts to communicate brand messaging and building condition awareness, TV and digital played a pivotal role where TV helped reach out to the masses. We continued to strive with various bursts of visibility drives by deploying Gum Health care category and secondary displays to increase awareness for the condition and share of shelf for the brand in multiple modern trade stores. Brand activations such as "Plaque scan test" and "Scratch and win" played a vital role in educating consumers about gum diseases and Parodontax. During this time, our Expert Team continued medical education for HCPs and develop bigger base in the oral health category.

This allowed targeted efforts in multiple channels, fostering discussions, interaction, and engagement with the brand, and thus strengthening the footprint in the dental community. Despite continued challenges in a highly cluttered market with age old competitors, Parodontax continued to show growth in both volume and value.



## Expert Testimonials

“ Panadol Paeds Range is highly recommended for patient's benefit because of its highly effectiveness, safety and other patient compliance. Panadol is our drug of choice in antipyretic analgesics. ”



**Dr. Ayesha Javed, FCPS MRCP,**  
*Assistant Professor and Consultant Pediatrics,  
KMDC-Abbasi Shaheed Hospital, Karachi*

“ As a periodontist, I daily encounter patients complaining of hypersensitivity either due to gum disease or overzealous tooth brushing. Sensodyne toothpaste and its variants have been my top choice for treating dentinal hypersensitivity. The recently launched Sensodyne Complete Protection is ideal for effective plaque removal with a benefit of combating sensitivity at the same time. I am not only recommending it to my patients but also using this at home. ”



**Dr Resham Hafeez**  
*Assistant Professor Periodontology, IMDC  
Shaheed Zulfiqar Ali Bhutto Medical University Islamabad*

## Other Brands

### Acne-Aid Bar

For the treatment of oily, pimple, and acne prone skin



### Lamisil Cream

A topical anti-fungal cream designed for the treatment of fungal infections



### Voltral Emulgel

Topical Emulgel for neck, back and muscular pain



### Qalsium-D

Chewable calcium tablets for strong bones and teeth



### Actifed

For systematic relief of nasal congestion, rhinitis or cough associated with upper respiratory track disorders



### T-Day

Anti-allergic treatment for sneezing, blocked nose, itchy skin rash and itchy watery eyes



### ENO

The only antacid in the market that helps relieve heartburn symptoms by effectively beginning the process in just six seconds



### Hydrozole Cream

An anti-fungal cream that targets inflammation and fights the fungi that cause it. Hydrocortisone, the core ingredient in this product, distinguishes it from other antifungal products in the market



### Brevoxyl Cream

For the treatment of mild acne



# Corporate Information

## Board of Directors

**Mr. M. Z. Moin Mohajir\*** (Chairperson)  
**Mr. Farhan Muhammad Haroon**  
**Mr. Dilawar Meghani**  
**Mr. Syed Anwar Mahmood**  
**Ms. Ayesha Aziz**  
**Ms. Sumru Atalay Besceli †**  
**Mr. Oussama Abbas**

## Integration Supply and Network Optimization Committee

**Mr. Oussama Abbas\*\*\*** (Chairperson)  
**Mr. Farhan Muhammad Haroon**  
**Mr. Dilawar Meghani**

## Secretary

**Mr. Syed Mohsin Mazhar**

## Human Resource, Remuneration and Nomination Committee

**Mr. Syed Anwar Mahmood\*\*\*** (Chairperson)  
**Mr. M. Z. Moin Mohajir**  
**Ms. Ayesha Aziz**

## Secretary

**Ms. Ensherah Khan ††**

## Board Audit Committee

**Ms. Ayesha Aziz\*\*\*** (Chairperson)  
**Mr. M. Z. Moin Mohajir**  
**Mr. Syed Anwar Mahmood**

## Secretary

**Ms. Marrium Ahmed †††**

## Management Committee

**Mr. Farhan Muhammad Haroon\*\***  
 Chief Executive Officer  
**Mr. Dilawar Meghani**  
 Chief Financial Officer  
**Ms. Mashal Mohammad**  
 Legal Director and Company Secretary  
**Ms. Marrium Ahmed**  
 Head of Internal Audit and Compliance  
**Mr. Moien Ahmed Khan**  
 Pakistan E2E SC and Jamshoro Site Lead  
**Mr. Khurram H. Khan**  
 Head of Commercial Excellence  
**Mr. Mazhar Shams**  
 Head of Regulatory Affairs  
**Mr. Faisal Rafiq**  
 Head of Expert  
**Mr. Salman Altaf**  
 Marketing Director  
**Mr. Syed Abrar Ali**  
 Sales Director  
**Ms. Ensherah Khan**  
 Head of Human Resources  
**Ms. Sadaf Malik**  
 Head of Corporate Affairs

## Company Secretary

**Ms. Mashal Mohammad**

## Chief Financial Officer

**Mr. Dilawar Meghani**

## Head of Internal Audit

**Ms. Marrium Ahmed †††**

## Bankers

**Citibank N.A**  
**Standard Chartered Bank (Pakistan) Limited**

## Auditors

**Yousuf Adil, Chartered Accountants**

## Legal Advisors

**AspireLaw**

*\*Mr. M. Z. Moin Mohajir was appointed as the Chairperson of the Board of Directors w.e.f. 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.*

*\*\* Mr. Farhan Muhammad Haroon was appointed as the Chief Executive Officer of the Company w.e.f. 22 March 2022 post elections at the AGM held on 21 March 2022.*

*\*\*\*The Chairpersons to the respective Board committees were appointed w.e.f. 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.*

*† Ms. Sumru Atalay Besceli was appointed as Non-Executive Director on the Board of Directors of the Company, on 15 November 2022, after the resignation of Ms. Ozlem Oz Miyanyedi on 28 September 2022.*

*†† Ms. Ensherah Khan was appointed as the Secretary of the Human Resource, Remuneration and Nomination Committee on 21 July 2023 to replace Mr. Farqaleet Iqbal.*

*††† Ms. Mariam Maqsood resigned as the Secretary of the Board Audit Committee on 1 November 2022 and was replaced by Ms. Marrium Ahmed on 20 February 2023*

## Registered Office

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600\*.

\*The registered office address was changed w.e.f 9 February 2023.

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 (111-GSK-Pak)

## Investor Relations Contacts

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 CDC House, Main Shahrah-e-Faisal, Karachi.  
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 Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)  
 And  
 Haleon Pakistan Limited (formerly GlaxoSmithKline Consumer Healthcare Pakistan Limited)  
 Corporate Secretarial Department  
 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600.  
 Email: [pakistan.shareinfo@haleon.com](mailto:pakistan.shareinfo@haleon.com)

## Business Units - Geographical Location and Addresses

The business units and addresses are mentioned in note no. 43 of the financial statements available on page 207 of this report.

## Website

[www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)



# Geographical Presence



**Africa**

- Algeria (EN)
- Kenya (EN)
- Morocco (EN)
- Nigeria (EN)
- South Africa (EN)
- Tunisia (EN)



**Australia**

- Australia (EN)
- New Zealand (EN)



**North America**

- Canada (EN/FR)
- Mexico (EN)



**Asia & Middle East**

- Bangladesh (EN)
- China (EN)
- Egypt (EN/AR)
- Hong Kong and Macau (EN/ZH)
- India (EN)
- Indonesia (EN)
- Israel (EN)

- Japan (JP)
- Kazakhstan (RU)
- Korea (KO)
- Malaysia (EN)
- Pakistan (EN/UR)**
- Philippines (EN)
- Saudi Arabia (EN)

- Singapore (EN)
- Sri Lanka (EN)
- Taiwan (ZH)
- Thailand (EN)
- Turkey (TR)
- United Arab Emirates (EN)
- Vietnam (EN)



**Europe**

- Albania (EN)
- Austria (DE)
- Belarus (EN)
- Belgium (FR/NL/EN)
- Bosnia and herzegovina (EN)
- Bulgaria (BG)
- Croatia (EN)

- Cyprus (EN)
- Czech Republic (CS)
- Denmark (DA)
- Estonia (EN)
- Finland (FL)
- France (FR)
- Germany (DE)
- Greece (EL)

- Hungary (HU)
- Ireland (EN)
- Italy (IT)
- Latvia (EN)
- Lithuania (EN)
- Luxembourg (FR/NL/EN)
- Malta (EN)
- Montenegro (EN)

- Netherlands (NL)
- North Macedonia (EN)
- Norway (NB)
- Poland (PL)
- Portugal (PT)
- Romania (RO)
- Russia (RU)
- Serbia (SR)

- Slovakia (SK)
- Slovenia (SL)
- Spain (ES)
- Sweden (SV)
- Switzerland (DE/FR)
- Ukraine (UK)
- United Kingdom (En)

## Our Vision

GSK CH's vision is inspiring:

**“ The opportunity to make a difference to millions of lives every day ”**

At GSK CH we perform in unison by following our strong value system and ethical guidelines as a source of guidance and inspiration to achieve our vision. Every member of the GSK CH family plays a vital role in improving the quality of human life. GSK CH's growth and development can be attributed to the contribution of the skills, talent and passion of its people.

GSK CH follows its core values of keeping consumers first, demonstrating respect for people, acting with integrity, and operating with transparency. We are proud of our commitment that enables us to enhance the quality of peoples' lives and helps us provide them with quality products. Our mission is to improve the quality of human life by enabling people to

**“Do More, Feel Better, Live Longer”**

## Our Mission

At GSK CH our mission acts as an underlying principle to whatever we do. We follow a legacy of great science and innovative healthcare that provides people around the world with healthier and fulfilled lives, every single day.

## Code of Conduct

Every GSK CH employee and complementary worker is required to complete mandatory training on the Code of Conduct annually. Our employees have completed the training which covered topics such as safety, health and wellbeing, third party oversight, data breach reporting, sexual harassment, and anti-bribery and corruptions (ABAC).



## Compliance and Ethics

We are committed to creating an ethical, values-driven culture, in which any issues are responded to swiftly and transparently. We expect everyone at our Company to live our values and expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. We also extend these ethical expectations to the third parties we work with.

## Our Core Values

We are committed to delivering results underpinned by our values. These values guide our actions and behaviours and lie at the heart of every decision we make.

Our core values are:

### Consumer First

The strength of our business lies in the consumers we reach out to. Our dedicated leadership team drives brands that have strong purpose, and together we ensure that the needs of our consumers are catered to in the best possible way.

### Transparency

Transparency is vital to the way we work and helps build trust. We strive to be honest and open about what we do and how we do it. This improves how we collaborate with each other and the way we are seen by the communities we work with. It demonstrates that we do not avoid challenges or discussions and confront problems as a team.

### Respect

We cultivate an environment of support, inspiration and development, and ensure that as an organization, we create diversity in culture, thought and in how we operate, in order to collectively work towards achieving our shared vision.

### Integrity

We must live up to the highest standards of integrity expected of us by our consumers, partners and stakeholders. We go beyond abiding by the law and do all we can to maintain the trust and respect of, and protect the interests of, the organisations and communities we work with.

## Our Expectations

To thrive in an ever-changing world and achieve our purpose, we need to adapt some of our behaviours to keep us competitive, all while staying true to our values. That's why we have our four expectations:

### Courage

### Accountability

### Development

### Teamwork

Putting our values and expectations at the heart of everything we do, we become a high performing team; one that works together to achieve our goal, in the right way.



# Award

## Best Corporate Report

GSK Consumer Healthcare Pakistan Limited secured **2nd Position** for Best Corporate Report in the Pharmaceutical Industry in 2021, evaluated and announced by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. This award is a recognition for good corporate governance.

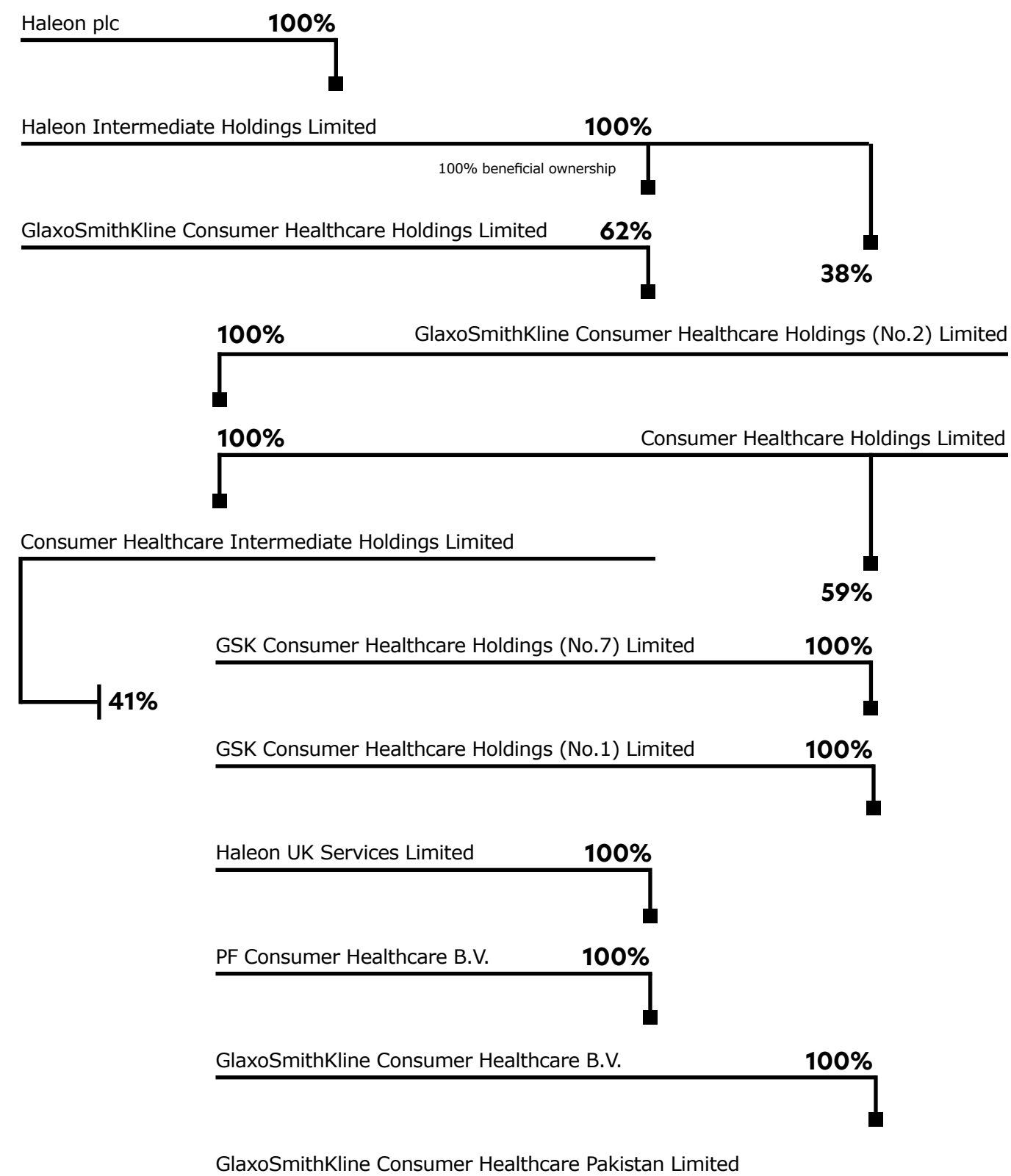


## Ownership and Operating Structure

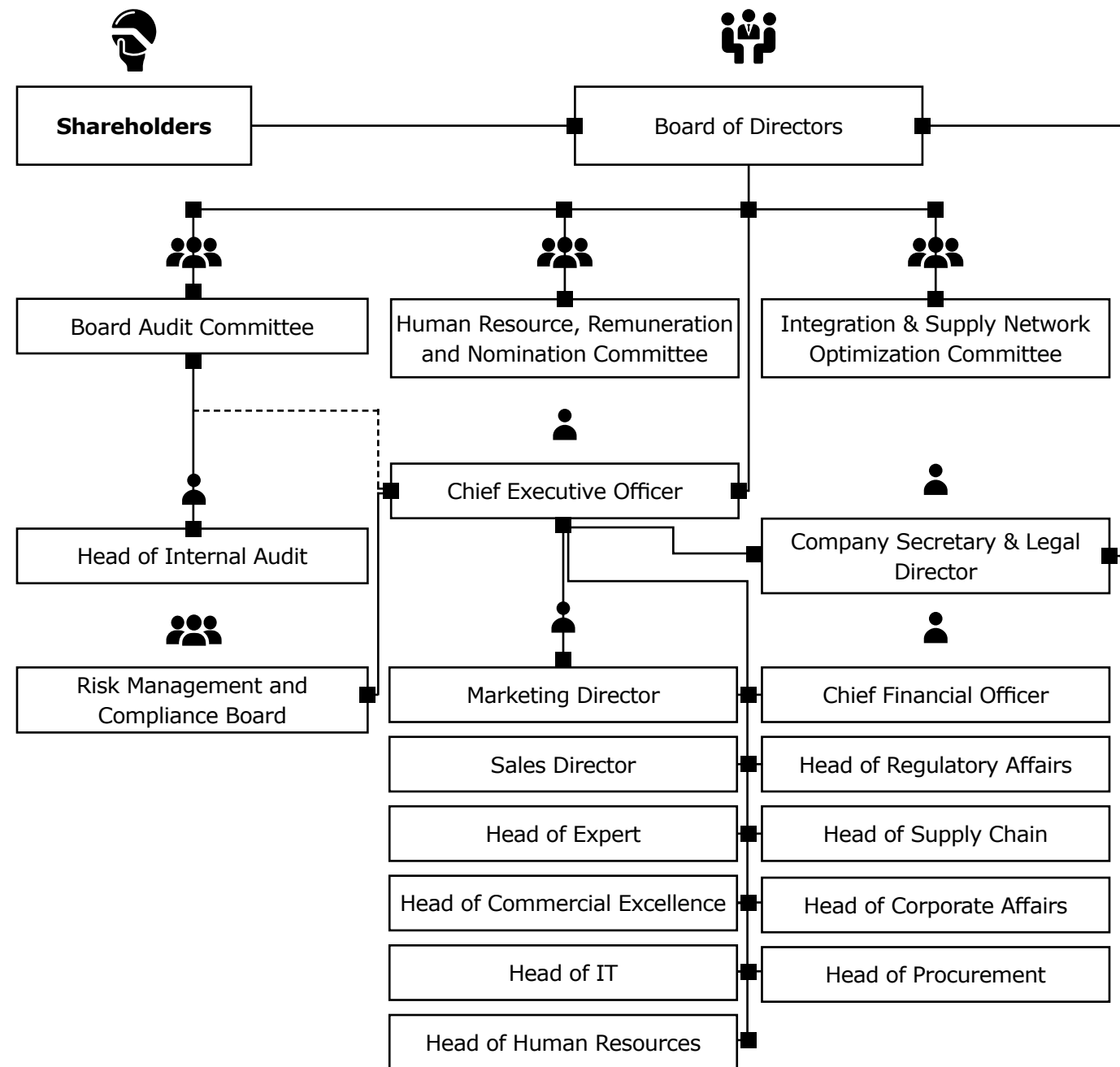
As at December 31, 2022, GlaxoSmithKline Consumer Healthcare B.V. held 100,423,259 ordinary shares of Rs. 10 each, representing 85.79% of the total shares of the Company. In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022 and July 20, 2022 respectively to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), the ultimate parent Company has changed from GlaxoSmithKline plc to Haleon plc. Consequent to this, name of the Company has changed to Haleon Pakistan Limited from GlaxoSmithKline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. During the year, the Company changed its registered office to Sandoz Nagar, Petaro Road, Jamshoro, Sindh. Subsequent to year end, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

## Group Structure



# Organizational Structure



**Mr. Farhan M. Haroon**  
Chief Executive Officer  
**Mr. Dilawar Meghani**  
Chief Financial Officer  
**Mr. Salman Altaf**  
Marketing Director  
**Mr. Syed Abrar Ali**  
Sales Director  
**Mr. Mazhar Shams**  
Head of Regulatory Affairs

**Mr. Faisal Rafiq**  
Head of Expert  
**Mr. Moein Ahmed Khan**  
Head of Supply Chain  
**Ms. Ensherah Khan**  
Head of Human Resources  
**Mr. Khurram Khan**  
Head of Commercial Excellence (ComEx)  
**Ms. Sadaf Malik**  
Head of Corporate Affairs

**Ms. Sadia Tabassum**  
Head of IT  
**Mr. Hasnain Jafri**  
Head of Procurement  
**Ms. Mashal Mohammad**  
Company Secretary and Legal Director  
**Ms. Marriam Ahmed**  
Head of Internal Audit

Administrative Reporting ----- Functional Reporting ————

# Key Quantitative Information

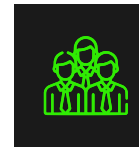
Number of persons employed as on the date of financial statements and average number of employees during the year are present in the financial statements in note no. 41. However, details of the company & factory employees are as follows:

## Total Number of Employees - CH

20	478
<b>22</b>	
20	459
<b>21</b>	

## Total Average Number of Employees - CH

20	469
<b>22</b>	
20	473
<b>21</b>	



## Total Number of Plant Employees

20	317
<b>22</b>	
20	331
<b>21</b>	

## Total Average Number of Plant Employees

20	324
<b>22</b>	
20	347
<b>21</b>	



## Employee Turnover Rate

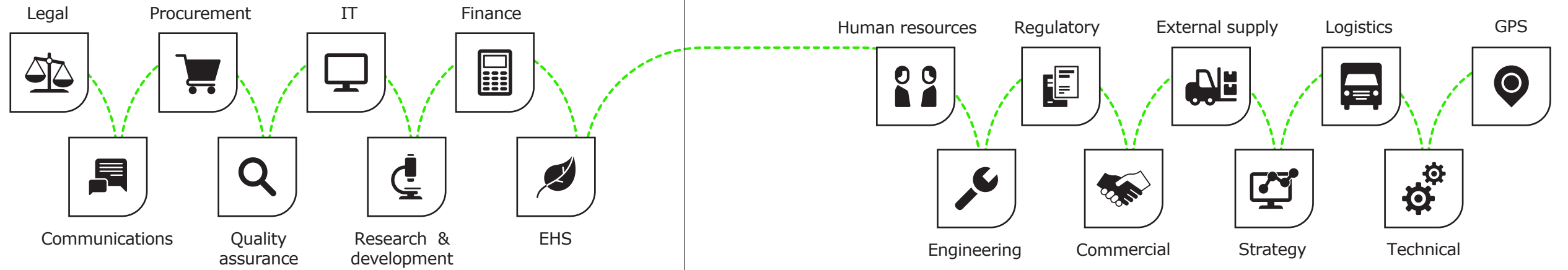
20	9%
<b>22</b>	
20	15.51%
<b>21</b>	

## Employee Productivity Rate

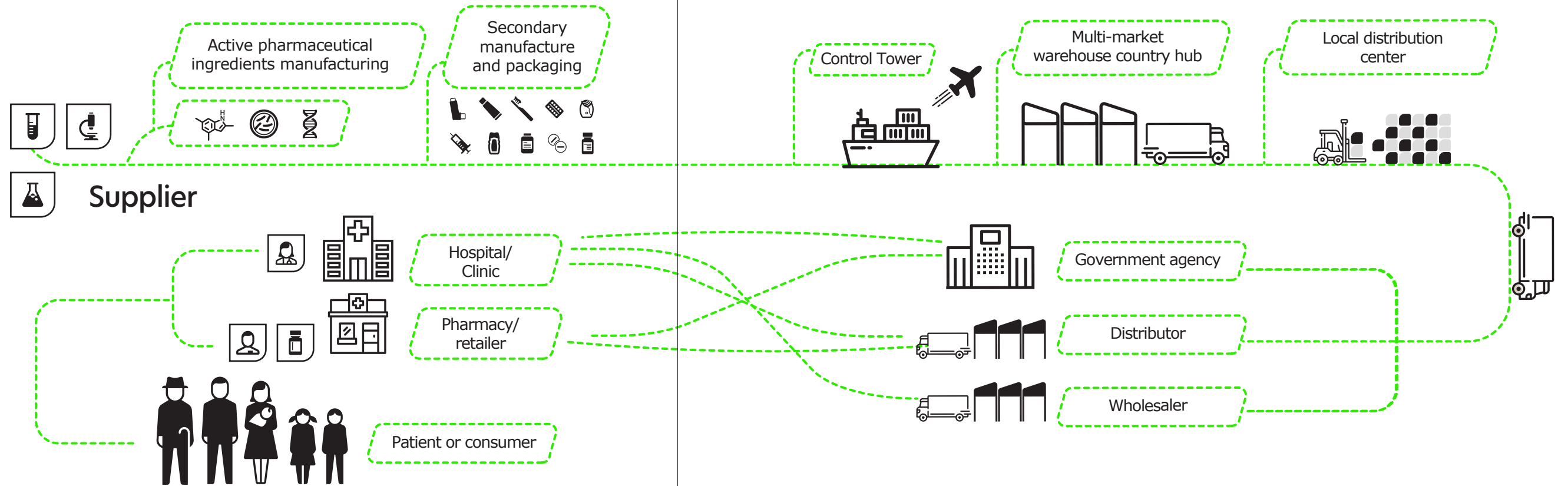
20	403,058
<b>22</b>	Packs / employee
20	173,543
<b>21</b>	Packs / employee

# Our Position in the Value Chain

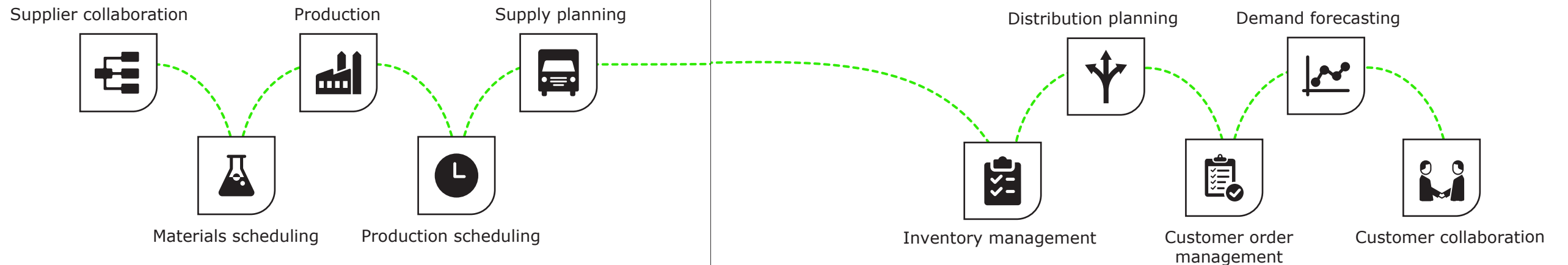
## Functions



## Physical Flow



## Planning Flow



# Significant Factors Affecting The External Environment and the Organizational Response

Economic	Social	Environmental
Supply chain disruption, high inflation, rapid devaluation of Pakistan currency, increasing labor cost, and low economic growth adversely affects the profitability.	Due to high inflation, customers have become even more price-sensitive.  Customers have become more health conscious post-COVID	Increasing awareness towards Sustainability and the impact of the companies on the surroundings and employee conditions
<b>Organizational Response</b>		
Closely working with relevant stakeholder groups to manage costs and price adjustment.	The Company is striving to create awareness on self-care and value delivered by the products	Closely working with relevant stakeholder groups to manage costs and price adjustment.
Legal	Technological	Political
Companies Act 2017, Income Tax Ordinance 2001, Sales Tax Act 1990, Pakistan Stock Exchange listing regulations, SECP Act, Drug Regulatory Authority of Pakistan Act, 2012	Continuous technological changes and advancements lead to obsolescence and excessive training.  Increased usage of e-commerce platforms for purchase	Political instability and uncertainty  Absence of conducive regulatory and pricing framework
<b>Organizational Response</b>		
The Company ensures compliance with all the applicable laws and regulations.	Continuous training provided to the employees regarding evolving ways of working.  Incorporation of e-commerce in trade channels	Diversification of inventory holding across the country and across the route-to-market.  Use of technology to manage business operations during uncertainties.

# Effect of Seasonality in terms of production and sales

With continued availability of our wide range of consumer healthcare products, our products are in high demand throughout the year.

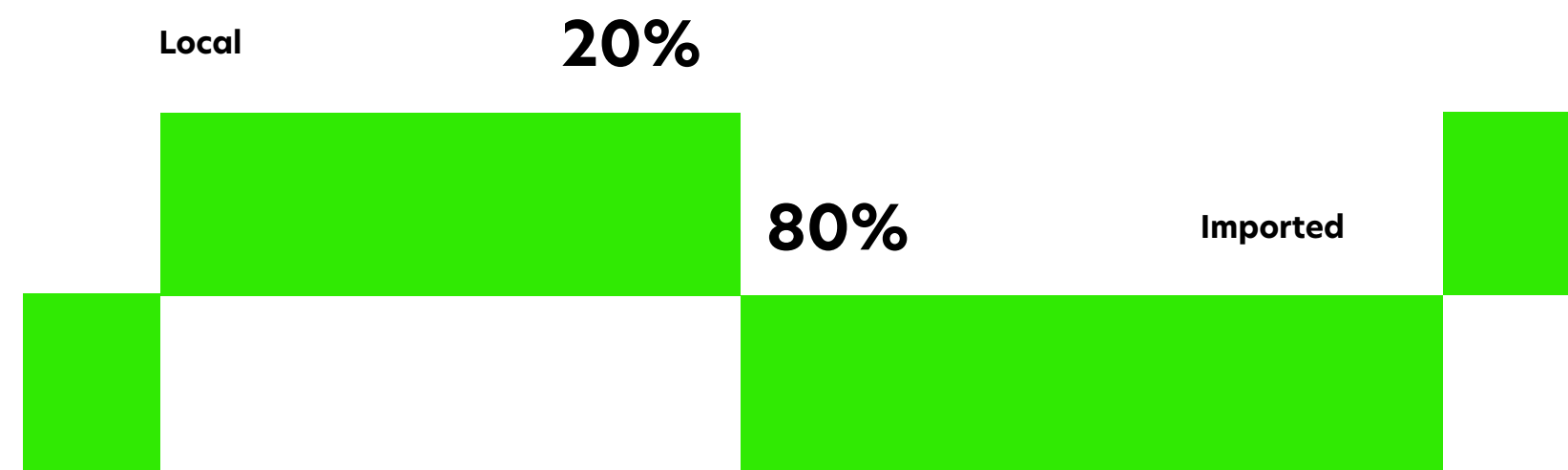
Sales of Pain portfolio increase in winters whereas Wellness portfolio is sold more during the summers. The company ensured supply during dengue fever crisis and floods across Pakistan that increased the demand for pain and fever portfolio. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management as well as distributor warehouses to ensure enhanced availability of our products for patients without any supply limitations, delivering on our commitment to better health everyday.

## Significant changes from prior year

There are no significant changes from prior year.

## Composition of Local Versus Imported Materials

GSK CH procures its materials from both local and international sources. Composition of local versus imported materials during the year ended December 31, 2022 was as follows:



# Sensitivity Analysis

## Share Price Sensitivity

Share price of GSK CH is affected by a combination of internal and external factors. The various factors that impact the share price are Company's performance, high energy prices, pricing challenges, economic events and circumstances, political environment, interest rates and inflation, etc. In 2022, the highest share price was recorded at Rs. 274.99 whereas the lowest price was recorded at Rs. 163. The closing price recorded at 31st December 2022 was Rs. 163.9.

## Market Capitalization Sensitivity

As at December 31, 2022, GSK CH's market capitalization stood at Rs. 19,185 million. A consequent change of 5% in the market price of the Company's share would result in a change of Rs. 959 million in the market capitalization.

## Foreign Currency Sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2022, amount to Rs. 669.33 million (2021: Rs. 508.18 million).

At December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 33.47 million (2021: Rs. 25.52 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.

## Interest Rate Sensitivity

The company is sufficiently cash rich which is evident from the Rs. 3,436 million cash and cash equivalents. The company has no sensitivity when it comes to interest rate as the interest expense is Rs. Nil for financial year 2022.

When it comes to interest income a change of 100 basis points in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 24.99 million (2021: Rs. 24.45 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

# Competitive Landscape and Market Positioning

GSK CH is a leading Fast Moving Consumer Health (FMCH) company with 20% share in OTC industry.

Company specializes in delivering over-the-counter healthcare needs in oral care, pain relief, vitamin minerals and digestive health categories. With its leading global and local power brands, GSK CH has been delivering growth ahead of market over the past few years. Leading brands such as Panadol, CaC 1000 Plus and Sensodyne are equally loved and preferred by consumers and customers. With continued Passion to GO Beyond, GSK CH is well-positioned to lead and transform consumer healthcare industry with innovations capturing emerging trends and engaging consumer connections.



## Oral Health

Oral Health is one of the highest penetrated categories in Pakistan, with a household penetration of 98%. In the Sensitivity segment, Sensodyne is the leading player and #1 recommended brand by Dentists, with no close competition. Bleeding gums as category is at a nascent stage, with Parodontax bagging the highest share of recommendation, amongst competition brands.

Oral care brands are actively present on TV and Digital mediums, with Colgate, Sensodyne and Parodontax leading the share of spend. These brands also have a sustained presence in-store throughout the year.



## Pain Relief

The Pain Relief category is dominated by systemic pain segment with ~95% of the share, with topical pain and other smaller segments contributing towards the remaining 5%. The systemic pain segment is further divided into two sub-segments, NSAIDs and Analgesics, with 54.5% and 40.6% share respectively.

Panadol is a flagship brand of GSK CH. It is a household name and the #1 Pharmaceutical brand of the country, surpassing the PKR 10 billion milestone. With a value share of 19.2%, Panadol is the market leader in the pain relief category and the most prescribed brand by experts in the Analgesics segment.



## Vitamins & Mineral Supplements

The VMS category is divided into two sub-categories: calcium (83% share) and multivitamin (17% share). The calcium segment is characterized by various offerings in different formats such as effervescent tablets, chewables, and sachets thereby presenting strong consumer need, doctor's confidence, and consequent media and trade investments. The multivitamin segment is in its nascent stages currently, however leaning towards strong future growth. This category however, functions in a regulated category.

The calcium segment & its' demand surged during COVID based on the need for better immunity & strength which accelerated the growth of the calcium segment as well as the overall VMS category. Calcium is frequently used in conditions such as pregnancy, malaise and fatigue and osteoporosis. CaC-1000 Plus is the market leader in the calcium segment with 41% value share owed to brand's superior formulation, strong public awareness campaigns and mass usage. CaC1000 Plus also leads the VMS category, with its growth and pace defining the same for the category.



## Threat of Substitutes

Providing access to healthcare is of paramount importance to our society and meeting the demand for quality healthcare products is critical. At GSK CH, we conduct extensive research to develop products that address the healthcare needs of consumers. While competition in the industry is fierce and there are always substitute products available for any given ailment, we strive to stand out by leveraging technological advancements and incorporating innovative enhancements in our offerings.



## Power of Customers

GSK CH has been committed to providing exceptional service to its customers for over 5 years. We recognize the importance of ensuring our customers have access to our products when they need them, so we have made it our priority to always maintain product availability. Our customers can count on us to have the healthcare products they need, whether it's over-the-counter medications or prescription drugs, readily available at all our pharmacies. By maintaining a consistent supply of high-quality products, we are able to prioritize the well-being of our customers and fulfill our commitment to their health.



## Power of Suppliers

The Supply Chain Department at GSK CH plays a vital role in ensuring operational excellence. To sustain our growth, we have developed a robust framework that ensures a seamless and uninterrupted supply of inputs. We have established strategic partnerships with our suppliers to ensure we have a reliable and timely supply of raw materials and capital inputs. These relationships have allowed us to maintain the quality of our products and meet the demands of our customers, while also ensuring we can continue to grow our business. We understand that a reliable and efficient supply chain is essential to our success, and we remain committed to continuously improving our processes to ensure we can continue to deliver exceptional value to our customers.

# Our People



# Plant Operations

The manufacturing plant of GSK Consumer Healthcare (CH) Pakistan is a state-of-the-art facility located at Jamshoro, about 150 km from Karachi. It manufactures Consumer Healthcare and Over-the-counter pharmaceutical products for Pakistan and exports to Vietnam, and Philippines. It also manufactures and packages medicinal products for Novartis Pharma (Pakistan) Limited. The site has the capability to manufacture and pack oral tablets, effervescent tablets, capsules, syrups/suspensions, creams, and gel products. All products are manufactured and packed as per cGMP practices complying to high standards of quality following international, and local standards. The plant also complies to NEQS (National Environmental Quality Standards) as per EPA (Environmental Protection Agency) and SEPA (Sindh Environmental Protection Agency) guidelines.

In 2021, Jamshoro plant successfully started production of Panadol Liquids, Panadol Drops and Panadol Extend tablets to ensure fullest compliance to superior quality. Additionally, in 2022 Jamshoro plant successfully performed trials to develop local sourcing of Paracetamol for Panadol Extra Tablet and Panadol Plain Tablet as a part of Project Hawaii, in order to support continuous growth of business in Pakistan Market. The plant is all set to launch two new products this year, Panadol Night Tablet and CAC Kids Effervescent Tablets. The Jamshoro facility ensures full compliance to guidelines by the government for the health and safety of employees. Currently all employees are fully vaccinated



**Actual volume produced in 2022**

**130.5**  
Million packs

**Planned Annual volume for 2023**

**117**  
Million packs

**No. of SKU Manufactured**

**79**



# Finance



Our finance function is majorly divided into four main categories:

- Commercial Business Partnering;
- Financial Reporting;
- Taxation and Treasury; and
- In-Country Shared Services

We ensure to broadly group the capabilities required for our roles into four main categories:



Finance team is making sure that GSKCHC Pakistan Limited remain committed to transparency, accountability, and governance. Our last year Annual Report (aspiring beyond) secured 2nd Position for Best Corporate Report in the Pharmaceutical Industry, evaluated and announced by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. This is a testament to our intentions of presenting the company’s performance and strategies to our shareholders and stakeholders transparently.

Moreover, finance is constantly focused on improving and strengthening internal controls to mitigate risk and protect value for shareholders. By simplifying our operating model and product innovations, our finance business partners, through various contributions, seek to add value to the business.

# Marketing



Marketing team is a blend of talent from leading FMCG and Consumer Healthcare companies. Each team member is passionate about GSK CH behaviors “Go beyond, Do what matters most, Be Human”. This passion is demonstrated through spectacular performance of driving global and local power brands in challenging and rapidly changing environment of 2022.

In 2022, power brands continued to strengthen leadership position in respective categories. Sustained investment was ensured to fuel brand growths and seize untapped opportunities. Accelerating innovations based on higher consumer benefit also helped in growing faster than category.

In oral care pillar, Sensodyne strengthened transformation journey “Sensodyne as Life Enabling Brand”, with a launch of Sensodyne Complete Protection. A variant that will help recruit, retain, and upgrade consumers. The launch was preponed by a quarter which demonstrates

resilience and Go Beyond attitude of all commercial pillars.

In OTC pillar, Panadol franchise faced daunting challenges. Star performer in the portfolio was, Panadol Extend. Marketing, Expert, ComEx teams collaborated seamlessly in engaging with consumers and customers.

In VMS, CaC-1000 Plus continued to build “Calcium Supplementation” amongst the women. Brand bespoke “World Osteoporosis Day” campaign resonated strongly with consumers. Brand continues to lead the category.

In 2022, Marketing team led vision of “Business Transformation through Innovations”. Strong innovation roadmap is established in core categories. These innovations are next generation differentiated concepts and will reshape the business in near future.

Thus, we will continue to **“Go Beyond”** and **“Lead the Market”**.

# Commercial Excellence

Commercial Excellence (ComEx) is one of the most integral levers responsible for delivering business growth and best-in class instore execution and activation. ComEx at the Company encompasses Channel Marketing, Digital commerce, Sales Force Excellence and Net Revenue Management. All these avenues work together to enhance the profitability of the business. 2022 has been a year of new challenges with the effects of COVID still looming, we persevered and encouraged a hybrid model for product launches, market executions, consumer touchpoints, shopper behavior and overall teamwork.

In 2022, to meet the multiple demands of the consumer through one product. Sensodyne Complete Protection was launched. Thereby creating visibility across multiple channels such as mass market and pharmacy. An engaging shopper journey via trade tools was curated to focus on primary shelf, secondary shelf, counter tops and POSM reaching 100% of the customers in targeted time of one month.

Enabling our shoppers to take charge of their health and driving the priority of Self-care, instore shopper engagement was ensured by Chain Pharmacies. These pharmacies established self-select and shopper engagement options using multiple mediums such as CATMAN, self-care counter tops, in-store activations, and in-store on-screen ads with digital content. Alongside this, initiatives to drive growth in pharmacy channel were planned through category development of the pain and vitamin portfolios. Thereby ensuring our look of success and superiority instore.

The brand ambassadors are an excellent tool to generate trial in modern trade segment for the oral care portfolio. The journey for development of the sales force was carried forward by conducting capability building sessions following the hybrid model for both expert and trade teams.



This encouraged the scope of E-commerce & digital media globally. Marking this as priority, ComEx ensured joint value creation with the biggest E-Commerce retailers for OTC and oral care including Daraz, Pandamart, Tabiyat, Dawai.pk and Dvago thus ensuring positive disruption addressing changed shopping habits by focusing on highlighting shopper messaging, call-to-action, and immediacy to purchase.

10 face-to-face and numerous online training sessions were held keeping in mind the needs of the team. The ROI thought-process was inculcated in all ComEx's activities such as promotions, brand ambassador program and future customer JBPs to ensure clarity of ideation and efficiency in strategy. Incorporating consumer insights by identifying the need for channels, focus on consumer offering upgradation as well as promotions has led to incremental revenue for the Company.

2023 is the year of excitement for ComEx with new set of challenges to come our way with the multiple launches planned in Oral health and OTC/Wellness segments. With increased channel focus and customer centric strategies, ComEx is looking forward to go an Extra Mile and help achieve this ambition by focusing on priorities such as driving availability, enhancing visibility, winning in channel & customer, growth in digital commerce through various streams, accelerating revenue growth and upscaling digital & sales analytics with outclass automation and processes.

# Sales

Our Sales Team entered a new era in 2022 with an invigorating momentum, passion and zeal for flawless execution without compromising on Core Values and Transparency! The post-covid year however was none the less challenging than the preceding 2 years due to pricing issues in Panadol lead by its exceptional demand throughout the year. The Team remained highly engaged and managed to deliver an impressive full year performance closing at an underlying

growth of **14.4%**. Both our portfolios, OTC and Consumer performed well with **16.0 %** and **9.0 %** growths respectively. This was all achieved based on our entire teams business acumen, strength and relationship with all our customers.



Nutrition/GI by: <b>15.1%</b>	Pain Management by: <b>12.3%</b>	Respiratory Health by: <b>55.2%</b>	Oral Category by: <b>6.1%</b>	Skin Health by: <b>20.0%</b>
----------------------------------	-------------------------------------	--	----------------------------------	---------------------------------

Our biggest and most considerable achievement in OTC category was to ensure streamlined supplies to every patient in need, despite of the pricing challenges due to OTC falling under regulated port-folio. At the same time, CaC continued to do well, given the seasonal factor and increase in awareness for calcium deficiency built by BMD testing at leading clinics and pharmacies nationally throughout the year.

Our Oral Care portfolio witnessed one of the biggest launch within the last few years with the introduction of Sensodyne Complete Protection, one of the strongest Sensodyne variants globally. Sensitivity awareness reached new heights with 360 degree campaigns during the entire cricket season in Pakistan, building more focus on Sensodyne's newly launched variant.

Operational Excellence was further strengthened with the biggest consolidation done at distribution level throughout Pakistan. Instead of having

multiple distributors servicing OTC and Consumer categories, business was consolidated resulting in single distributor servicing entire business leveraging the advantage of One Face operation from distribution warehouse to delivery at the Point of Sale further strengthening our presence at the largest contributing Pharmacy channel followed by General Trade and Modern Trade. Digital Commerce business was further elaborated with the addition of new customers delivering both OTC and Consumer brands to end consumers.

Coverage expansion was done extensively in untapped areas in Northern areas and coastal belt.

We in Sales believe that strong customer focus helps us in being the first choice for shoppers and customers alike. It is this mindset which makes sure that no outlet is left unattended anywhere in Pakistan!"

# Expert



The healthcare consumer brands rely heavily on the endorsement of healthcare professionals (HCPs). At GSK CH, the Expert Team fulfills that need and bridges the gap between the brand and HCPs. Being a strategic pillar, the Expert department strives to create successful long-lasting partnerships with HCPs through scientific dialogue & engagement, empowering them to make informed decisions that can positively impact the lives of patients. Over the years, HCPs have placed a great deal of trust in our brands for their effectiveness and reliability.

2022 was a year of executional excellence for the Expert department, as the team went all

out in launching activations designed to make interaction with HCPs more dynamic. In 2022, the team bagged notably a Gold Award in the MEA region, centered around the theme of digital transformation in terms of the activations, E-Newsletters, reaching out to HCPs through Veeva Engage & DCC Calls, HHP registrations, virtual scientific sessions along with digitalizing the SFE and training metrics as well.

In 2022, despite macro-economic hurdles, the team's resilience has ensured we grew our network of HCPs and as a result, success of our brands has followed.

## Strategy

Our winning strategy relies on having clear objectives and a robust month on month dynamic plan that complements our strategy. In Pakistan's competitive landscape, we have learnt to evolve and be innovative in the ways we engage with HCPs while delivering impactful results. 2023 promises to be a year of further digital transformation, with plans to focus on engaging HCPs through digital tools.

## Capability

Our distinguished field force comprises of highly skilled individuals trained with the relevant scientific knowledge, to deliver brand messages effectively. With an in-house training manager, the team is engaged in various capability building sessions all year round to develop scientific subject expertise to ensure that the team's is well equipped.

## Execution

Navigating through a large team with multiple brands requires flawless execution to ensure we can provide our customers with a memorable engagement experience. Our team successfully amped up engagement with HCPs for all key brands throughout 2022 with a strong focus on key brands.

## Analytics and Governance

Real-time tracking through analytics tools like Power BI help us monitor and incorporate improvements in a dynamic system, turning information into opportunities. We also demonstrate utmost vigilance during all our activities and regularly conduct internal monitoring, to ensure compliance with SOPs.

In terms of impact, our key brands continue to be the recommended choice of treatment by Experts. Our power brands Panadol & CaC-1000 Plus have maintained their leadership position in respective categories and continue to put up a strong performance. These results give us the confidence that we are headed in the right direction and have the trust of our HCPs and customers alike. The Expert team is committed to demonstrating the same passion & energy in the years to come, and in doing so take GSK CH to even greater heights

# Information Technology

## Powered by digital & humanity at the core

Year 2022 was indeed a year like no other, it was year when we witnessed phenomenal changes to the business with the CH-Spin. The Digital and Tech stood strongly by delivering agile and innovative programs to directly impact the bottom line.

Tech has now transformed to become a business partnering function and plays a vital role in organization's success. Here are few major achievements for the last year,

<b>Tech Spin-Off</b> (Transforming into Haleon)	<b>Tech Connects</b> (Transforming for better partnership)	<b>DMS</b> (Transforming distribution and salesforce effectiveness)
<p>Separation is clearly biggest milestone of the year. CH Separation journey was one of its own kind and a lifetime experience. Each day brought new learnings and sense of achievement, be it Go-Live of local applications or using Haleon email address for the first time.</p> <p>In Pakistan, one of biggest tech achievement was transition of local application with zero additional cost and zero disruption. Also, Pakistan received global recognition on smooth demerger and best user experience journey.</p> <p>We are very proud of what we have delivered as this played a vital role in bringing HALEON to life.</p>	<p>With high speed growth of Consumer Healthcare business in Pakistan, new upcoming challenges and requirement need to be catered pro-actively. It is important for tech function to match up the growth speed and work closely with business functions for parallel technology implementation.</p> <p>Tech connects were organized in Year 2022. These sessions were arranged in every quarter where Tech and Pakistan leadership team connects and align on priorities. Tech connects also covered topics like information security, phishing, tech service delivery performance review, relooking in to future opportunities and roadmaps.</p> <p>Tech connects have now became part of governance forums and hold great value to business.</p>	<p>In quest of continuous improvement, we joined hands with one of biggest local agency to deploy distribution management system for improving in-field sales efficiencies.</p> <p>It is first of its kind implementation in the history of pharma industry in Pakistan hence a complex delivery. However, with close partnership of vendor Pakistan team was able to set basics including master data and integration mediums with local distributions.</p> <p>Mentioned deliveries in year 2022 made it possible to progress and deliver pilot in one of biggest distribution sites.</p> <p>We are still on to this huge journey of transformation and aim to complete deployment in Year 2023.</p>



## And Tech Transformation Continues ....

We hold high ambitions in terms of bringing efficiencies and automations with help of Tech. In Year 2023, there will be huge importance of delivery discipline, adoption of agile and continued resource investment for bringing value to business and making a difference.

# Supply Chain



## A Year Of Resilience: Overcoming Challenges Led To Sustained Growth In 2022

2022 was a remarkable year for the business in every respect – the challenges faced, and the risks mitigated were unprecedented, however we were able to address and overcome our vulnerabilities by means of excellent coordination across the company and other stakeholders.

Amid numerous challenges, the business managed to deliver a growth of 11% over last year despite of the already higher base (+22% over 2020, and +48% over 2019)

## The New Normal: Market Volatility Here To Stay

The year 2022 began with the assumption that demand would taper down compared to previous years due to reduced COVID-19 cases. However, unprecedented demand was experienced in all major brands like Panadol and CAC resulting in extreme pressure on the overall supply chain. Despite this, the Company managed to deliver a growth of 11%, a testament to the company's ability to adapt to changing market conditions.

## Runing Dry: Raw Material Scarcity

One of the main challenges faced by the manufacturing sector in Pakistan was a shortage of raw materials. This was due to various reasons such as delayed shipments from overseas, increased demand, and supply chain disruptions caused by the COVID-19 pandemic. Despite these challenges, we continued to prioritize efficient sourcing, production and distribution, delivering maximum volumes while managing costs effectively.

## Fueling Frustration: Navigating The Challenges Of High Fuel Prices

Another major challenge faced by the Company was on the logistical and transportation front due to hike in fuel price and operating cost of transportation and distribution network. Furthermore, lack of infrastructure, deteriorating road network and political upheaval throughout the year has further augmented the severity. However, the company worked tirelessly to ensure that supplies were successfully completed in minimum possible lead time to the consumer with minimal additional cost, despite the impact of the floods in Pakistan.

## Currency Fluctuations:

In 2022, Pakistan experienced significant fluctuations in its currency, which had a significant impact on the pharmaceutical industry that is already heavily regulated, and price controlled. This made it difficult for businesses to plan their operations and manage costs effectively. However, we were able to navigate these challenges by prioritizing efficient sourcing, distribution and working closely with its commercial counterparts and other stakeholders.

## Deluge In Pakistan:

Between June and August 2022, torrential rains and flooding led to an unprecedented disaster in Pakistan, with one-third of the country going underwater. Despite the challenges posed by this

disaster, we managed to ensure that supplies reach the patients which are in dire need due to various water borne disease outbreak in inundated areas. Our sales targets were achieved without any sales loss as stocks were delivered to all locations, albeit with slight delays.

## Paracetamol Pricing / Availability:

Growth pattern of Panadol has continued during 2022 and we have faced huge upsurge in demand due to increased consumption and absence of competition because of above challenges. One notable achievement was the successful management of the Paracetamol shortage and pricing related challenges for Panadol. This unprecedented demand has also put a lot of pressure on upstream supply chain specially on Paracetamol. Paracetamol has been a manifold problem for the business in 2022. One is its exorbitant pricing due to limited supply of PAP from China, second is the availability and finally the price control over the final product Panadol which is making it unfavorable for the company to continue supply since it is loss making. However the team did a good job in terms of locking quarterly prices and issuing long term Purchase orders to ensure supply commitment. They did their best to agree a price which was quite lower than the market prevailing price thus reducing the adverse impact on the P&L.

Despite these challenges and cost pressure, the company continued to supply maximum volumes through 2022 at the same price as the previous year, demonstrating its commitment to putting customers first.

## Supply Assurance Of Panadol Syrups:

The demand for Panadol Syrups has significantly increased due to a combination of factors, including the recent floods, the ongoing COVID pandemic, and the outbreak of Dengue fever. This sudden surge in demand has placed an additional strain on the factory's capacities, compelling the site to operate continuously, 24/7, without any breaks. Despite operating at full capacity, there

was still a risk of failing to meet consumption demands during the floods, and the production pattern was unsustainable, posing a risk of unplanned breakdowns and resource depletion. To address these challenges, the team identified and executed several multi-pronged projects. These projects were completed on time. By implementing these projects, the team was able to not only meet the current demand but also ensure the sustainability and efficiency of production processes for the future.

### Efficiency Evolution:

We focused on improving the efficiency of our syrups line through a radical approach shift and undertook the task of redesigning the components of the line to increase the output by eliminating non-value-added activities and line losses.

Through the implementation of the new design, we were able to increase the overall efficiency of syrups line by 21%. Our commitment to continuous improvement and innovation has allowed us to stay ahead of the competition and provide our customers with high-quality products at a competitive price.

### Outdated to Updated: Re-engineering an Old Syrup Line

Another big milestone achieved was of revamping the old liquid line for Panadol syrups. Multiple trials were conducted and change parts were arranged and assembled. Validation activities were performed, after which, now the line is running with Panadol Liquids along with other products. This has helped to increase the capacity by 15% to cater spot demand and seasonal spikes.

### ERP Cutover to Haleon:

Additionally, the company successfully managed the Global Separation & System Cutover from GSK to Haleon, ensuring the continuity of supply for all its product portfolio while transitioning all GxP and Non-GxP Systems & Applications. Finally, the company met all statutory compliance

requirements, including timely master data changes within our systems, to comply with new legal requirements including sales tax inclusion in pharmaceutical products.

Despite the numerous challenges faced in 2022, Haleon was able to deliver growth of 11%, a remarkable achievement given the unprecedented circumstances. This success was due in large part to the company's commitment to core competency and its ability to adapt to changing needs.

## Quality Management System (QMS)

Quality Management System of GSK Consumer HC is an integral and core part of Company's policy and procedure.

Quality starts with you when no one is watching you.



“  
**Doing the right thing at right time on first time and every time to ensure timely delivery of safe and Quality products to Consumers.**  
 ”

At GSK Consumer Healthcare, managing customer/consumer relation is our foremost and utmost responsibility. It is very much vital for the maintenance, sustenance, and growth of the trust-based relationship with our end users and stakeholders by providing the safe products of best Quality.

The year 2022 was a quite challenging year for the whole company as the transition happened from GSK Consumer to Haleon (a new Standalone Company).

With this challenge, we have done qualification of 19 locations/depot of different distributors which enabled the business run without any hiccups or teething issues.

We arranged an awareness session on Counterfeit products to enable the team to identify and take appropriate actions for fake products in the market which might be harmful to consumers and can jeopardize our company image.

We had a successful Global audit for Third party warehouses with no critical observation.

We also provided quality oversight to support execution of different changes within LOC for business growth and improvement with compliance.

Besides that, we ensured no recall or PIRC happened and maintained all KPIs in green.

In 2023, our aim is to ensure further improvement in the compliance status of our Quality Management System to ensure we stand by our commitment to **deliver better everyday health with humanity.**

## Regulatory Affairs



2022 was quite an interesting year for the company and us in the Regulatory Affairs function, both internally and externally. Globally, we adopted **"Haleon"** as our new identity in July, adding another action on our end, i.e., to have a new stepwise transition approach to the same locally. Besides, we were facing financial challenges due to the non-availability of better-priced paracetamol, which had a major impact on the gross margin of our flagship brand, Panadol. We have not only kept up with everything that has come to us in Regulatory Affairs, but we have also won some global and regional awards, such as MEA Play above and the impactful regulatory project 2022.

Considering the cost impact on our flagship brand, Panadol, due to international prices and dollar-rupee parity, we started engagement with the authority for a justified price revision. In 2022, after long debates with different regulators and governance forums within the government, we have managed to get two-phased pricing approval for paracetamol-based products, as the availability of these products are important for COVID and Dengue instances. Last year we have also received approval for our first ever health and

OTC product, HerbActive, which we planned to launch in 2023, as well as some new projects to strengthen or expand our supply pipeline with new and established brands in order to reshape our product portfolio in line with Haleon's tagline, "For Health, with Humanity." The latter half of 2022 was all about our new identity as the world's number one standalone healthcare company listed on the NYSE and LSE. We initiated the same submissions locally to various regulators, and we are currently registered as Haleon Pakistan Limited with SECP and PSE. Regulatory Affairs has also started engagement with the Drug Regulatory Authority of Pakistan, and in the coming years, we will see a new face of, global number 1 healthcare company in Pakistan too.

2023 is full of excitement with the introduction of some global brands of the Company in Pakistan. Consolidated supply plans and entrance into the health and OTC avenues for better product propositions with better margins. We are confident that our partners and customers will notice a more agile new face with a better product-based organization **for health, with humanity.**

## Internal Audit & Compliance



Internal Audit and Compliance Function, in GSK CH, is led by Marriam Ahmed who was on-boarded in the beginning of 2023. Marriam Ahmed is ICAP member and has worked across various industries, over the span of 13 years.

The Internal Audit function ensures Statutory compliance with the Code of Corporate Governance (Covered in detail on page 107 "Audit Committee Report") and serves an active role in assisting the management to achieve operational efficiencies while managing the risk appetite of the business. The internal audit operations at GSK CH are outsourced to Ernst & Young Ford Rhodes (Pakistan), that adds an additional layer of transparency and provides independent assurance to the members of Audit Committee.

Having a third-party team of Internal Auditors ensures that the Company's operations are reviewed objectively and without any bias. It also helps the business in developing better Risk Management, Regulatory Compliance and Governance Control processes over time.

The Compliance function is responsible to ensure that local and global policies are effectively complied with and offers to provide compliant solutions to the business, when they are not available in existing policies.

The Compliance function ensures that each function (commercial and supporting) is managing its Internal Control Framework and identifies and minimizes risks proactively.

Compliance function is responsible to organize Risk Management Compliance Board (RMCB) meetings where risks are discussed, and mitigating controls and actions are put in place every quarter. This meeting is attended religiously by all functional heads.

Other than above, Compliance function conducts independent reviews for high risk areas and presents findings in the RMCB, provides trainings to head office and sales staff on Anti-bribery anti-corruption, Third Party Oversight, Code of Promotion etc. Compliance ensures that other functions are also conducting Management Monitoring activities to ensure issues are proactively identified and fixed, rather than being spotted out by auditors. Speak up or whistle blowing issues, relating to compliance matters are also overseen by Compliance Function and the Head of Compliance is responsible for providing relevant and up to date information to above country independent investigators when required. Where policy permits, some investigations are conducted by the Head of Compliance.

# Legal and Corporate Secretarial

The Company Legal and Corporate Secretarial function works across the business to help it deliver better everyday health with humanity. The Pakistan Legal department is aligned with the purpose of being trusted business partners and delivering high quality legal and corporate secretarial services by proactively engaging with business partners. Corporate Secretarial (CS) plays a central role in ensuring adherence to the Company's governance structure in conformity with best practices. CS supports the Board of Directors, by liaising with directors, organizing board meetings and general meetings, facilitating departments in preparing relevant documents for board presentations, recording minutes of the meetings and proactively coordinates in the implementation of board decisions, among other tasks.

In keeping up with a fast-paced business, the Legal and Corporate Secretarial department aims to have a solution-orientated and pragmatic approach that is focused on enabling the business to achieve its objectives, while protecting and managing legal and corporate compliance risks to provide timely and quality legal support on all critical areas including:

- Day to day advisory;
- Managing of ongoing and future litigation risk;
- Business development transactions;
- Contract drafting and negotiations;
- Digital processes and initiatives;
- Legal project management; and
- Trainings.



Corporate Secretarial (CS) plays a central role in ensuring adherence to the Company's governance structure in conformity with best practices. CS supports the Board of Directors, by liaising with directors, organizing board meetings and general meetings, facilitating departments in preparing relevant documents for board presentations, recording minutes of the meetings and proactively coordinates in the implementation of board decisions, among other tasks.

# Human Resources



Our commitment to 'Deliver Better Everyday Health with Humanity' is at the forefront of everything we do at the Company, for our consumers and our employees. Our Employer Value Proposition ensures that we uphold our Values, and reflects in everything we do for our employees.

**Go Beyond: Our constant hunger and irresistible energy drives us to be better, move with pace and outperform competitors.**

**Do What Matters Most: We prioritise the important and challenge the unnecessary.**

**Keep It Human: Our dedication to consumers, customers and each other demands unmatched understanding and empathy.**

We have continued to ensure that as an organization, we just don't offer growth, we offer our people the chance to 'Go Beyond', we just don't help them 'do', we empower them to 'Do What Matters Most', we're not just human resources, we 'Keep it Human' in everything that we do.

## Inclusion & Diversity

Our focus on Inclusion & Diversity has never been stronger, as we continue to celebrate and inculcate diversity in the form of different cultures, languages, abilities, ethnicity, experience, ability and thought. This year, we chose to focus on those who are differently abled, our first 'Different but Dynamic' survey was rolled out to capture information and derive insights on how we can broaden our reach as an employer when it comes



to those who may be differently abled. The Leadership envisions this as a starting point for the next chapter in our journey towards delivering everyday Health with Humanity, that will be carried forward through our Employee Resource Groups, Disability Confidence Groups and Women's Leadership Initiative.

### **Employee Well-Being, Health & Safety**

Our focus on Keeping it Human also led to new and exciting initiatives, with a focus on the Mental and Physical Well-Being, because we know how important it is for us to support our employees well-being at all levels. The myWellBeing portal allows free access to each employee to customize their content to suit their well-being needs, whether its forming healthy habits or reflecting on how do what matters most. Our myWellBeing Portal, Employee Assistance Programme and newly introduced Mental Health Therapy reimbursement policy ensure our employees wellbeing is not just theirs, but our top priority too.

Our Employee, Health & Safety Compliance Framework also ensures our standards go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business operations which ensures safe and inclusive workplace, healthy environment, and energy efficient processes.

### **Performance & Development**

People Development has been an integral part of our success, we acknowledge our employees, whether its recognizing outstanding individuals that 'Do What Matters Most' or brilliant teams that 'Go Beyond' – our various recognition platforms, Global Employee Recognition program, Regional PlayAbove Awards, Annual Sales Conference, are just some of what we do to ensure we celebrate the contribution and achievements of our people.

### **The Company's performance principles are simple:**

#### **Inclusive:**

Everyone has the opportunity to maximize and be celebrated for their contribution. We don't just focus on our very top and bottom performers.

#### **Out-come Focused:**

We're clear and focused on what matters most. We set bold objectives to stretch for ambitious growth. For us, performance isn't a process or system. Achieving great results is what matters, through great objectives and conversations.

#### **True to who we are:**

We always do the right thing. We demonstrate our behaviors in everything we do.

We take pride in knowing that we've set the right guidelines for our people, and we ensure our performance and reward mechanisms ensure fair and equitable pay for performance through our annual market benchmarking, annual pay review cycles, talent reviews, employee recognition platforms and Haleon Performance Awards to ensure we make fair and responsible decisions when it comes to managing performance. Our Performance system and trainings focus on ensuring Managers know how to refine and prioritize objectives throughout the year, via frequent check-ins with teams, and focus on delivering results by doing the right things the right way.

Our People Development is centered around conversations that support building a fulfilling career, through focused meaningful check-ins, setting and reflecting on professional goals, equipping our people with the right knowledge, skills and abilities to succeed. Platforms like MyLearning, KeepGrowingCampus and LinkedIn Learning offer a combination of blended learning from Global Content and Internal Affiliated courses, ranging from e-learning, social learning and reading material for all employees, from any location across the world.



### **Succession Planning:**






As a company that is geared towards Doing What Matters Most, we know our People Matter the Most, and we take great pride in supporting them build a fulfilling career. Human Resources focuses on developing the employee policies that help people deliver, develop, and celebrate their best potential. These include an attractive compensation and benefits structure in line with our industry, to ensure we attract the right talent at all levels, we also ensure succession planning through implementation of an internal talent development system that focuses on development opportunities via internal movements, international and local secondments, and international assignments. Talent reviews throughout the year ensure human resources and managers can focus on feedback, and review strategic people moves to focus on the future.

# Strategy

and Resource Allocation



# Objectives and strategies

	 <b>Objective</b>	 <b>Innovation</b>	 <b>Performance</b>	 <b>Trust</b>	 <b>Culture</b>
<b>Strategy</b>		Enhance Pipeline value by introducing new brands, variants and line extension	Achieve profitable growth, increase market share and enhance liquidity	Ensure reliable supply of quality products to the customers	Continuously evolve our policies to become a equitable and preferred employer
<b>Timeline</b>		Medium to long term	Short to medium term	Long term	Long term
<b>Resource Allocation Plan</b>		Advertising and promotion, research and development, procurement sourcing	Value engineering initiatives, deploy shopper marketing tools and optimize working capital	Embed an integrated, end-to-end supply chain	Human resource Investment
<b>Relevant KPIs</b>		Annual sales of recently launched products as a % of total sales	Gross margins sustainability, Share of Voice and Cash conversion ratio	Forecast accuracy and On Time In Full	Employee engagement survey scores

### Future Relevance

The KPIs will remain relevant in the future.

## Strategy to Overcome Liquidity Problem:

The Company has no liquidity problem and manages its working capital in the most efficient manner. Our treasury department invests the surplus funds at the most beneficial rates, which, in turn, adds to its investment income and duly provides the Company with additional funds to meet its operational needs. Furthermore, better Capital Expenditure planning and healthy operating cash inflows have helped to eliminate the Company's dependency on running facility by the year end 31 December 2022

## Liquidity Position of the Company:

The company maintains healthy operating cashflows, which are 98% of its Profit before tax as compared to 53% as at last year. The acid-test ratio of the Company has marginally declined from 0.87 (FY21) to 0.81 (FY22) mainly due to higher liabilities at the close of the year.

## Significant Plans and Decisions:

The Company plans to continually invest in the manufacturing capacity upgradation in a sustainable manner under improved capital governance and oversight of the Board.

## Significant changes in Objectives and Strategies from previous period:

There have been no significant changes in objectives and strategies from last year.

# Risks

and Opportunities

# Risk Management

## (Boards' Statement, Framework & Methodology and Assessment)

### Board's Statement on Risk Management

Board of Directors rigorously works to develop and monitor risk management policies to determine the Company's level of risk tolerance. Our Board's main responsibility includes establishing and overseeing an effective risk management framework in the Company.

### Risk Management Framework

Our risk management framework is well embedded within the processes of the business and continually reviewed with oversight at Board level through our Audit Committee. This framework enables the Board to identify,

evaluate, manage our principal risks and is designed to support our long-term priorities. It provides our businesses with a framework for risk management and upward escalation of significant risks. In conjunction with our values and expectations and Speak Up processes, it ensures that the risks associated with Company business activities are actively and effectively agreed and mitigated and provides reasonable assurance against material misstatement or loss.

Board of Directors monitors various compliance initiatives and promotes risk management and compliance culture in the Company. Board has delegated the responsibility of monitoring and control of business risks to the management of the Company.

Risk & Opportunities	Opportunity or Risk	Related Opportunity or Risk
Environment, Health & Safety and Sustainability (EHS&S)	!	Unable to protect people, the environment and the communities in which we operate.
Information Security	!	IT infrastructure or data maybe exposed to misuse or unauthorized disclosure.
Volatile Law and Order Situation	!	Potential damage to Company's Property, plant and equipment, unstable economic conditions and safety threat to employees
Counterfeit products	!	The availability of low-cost generics in the market
Pricing Policy	💡	Opportunity to sustain and thrive in longer run through conducive price increases.

Risk     
 High     
 Low     
 Medium     
 Internal  
 Opportunity     
 Long Term     
 Short Term     
 Medium Term     
 External

### Information about default in payments of debts

There were no defaults in payments of debts during the year ended December 31, 2022.

### Inadequacy in the capital structure

The Company does not have any inadequacy in the Capital Structure.

### Assessment of Principal Risks

Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the 'tone from the top', establishes

the culture regarding risk and oversees internal controls. The RMCB has formed a structure whereby designated Risk Owners are responsible for identifying and treating significant risks, each Risk Owner then performs a review of their key Principal Risks, take corrective and preventive approaches to ensure controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Officer facilitates in instilling a risk-based approach to establishing internal controls system. This eventually makes risk management an integral part of decision making and business operations. The RMCB held four (04) meetings during the year.

The Board monitors the various compliance initiatives and promotes risk management and compliance culture in the Company.

Mitigation measure of Risk / Description of opportunity	Magnitude	Source	Likelihood	Capital	Nature
We are actively managing our EHS&S obligations and seek to ensure practices that are environmentally sustainable and compliant.	↑	🔄	↓	Human Capital and Manufactured Capital	L
Proper controls in place that are commensurate with the changing nature of the security threat landscape.	↑	🔄	↓	Intellectual	S
Company ensures security measures are in place and rolls out effective communications to alert employees in such situations.	↑	↗	↓	Human Capital And Manufactured Capital	M
Through capacity enhancement/plant upgrading, new product launches, R&D and providing affordable healthcare solutions to maintain the company's market share.	↑	↗	↑	Social and Relationship Capital	L
Secure price increases to offset ongoing inflation and devaluation in the prevailing economic environment.	↗	↗	↓	Financial	L

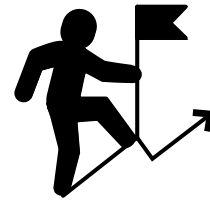
# SWOT Analysis



## Strengths

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- 1) Global footprint with operations in nearly 150 countries and diverse portfolio of category defining brands that have established themselves as the leading products in their respective markets.
- 2) Strong distribution network with collaboration of distributors nationwide.
- 3) Global thinking with local execution, which means that it pursues global strategies that make it win the hearts and minds of consumers.
- 4) State of art manufacturing facility in Jamshoro serving three markets, Pakistan, Philippines and Vietnam.



## Opportunities

---

- 1) Great potential in the export market to capture new markets and grow consumer base across the globe.
- 2) Strong e-market potential in the Consumer Healthcare business, further enhancing the customer growth.
- 3) Increasing awareness and demand for healthcare products.
- 4) New product innovations and additional variants can grow and diversify the portfolio.



## Weaknesses

---

- 1) Challenging price-controlled environment in the OTC portfolio where absence of conducive policies by the regulatory authorities is a risk.
- 2) Dependence on imported raw material.



## Threats

---

- 1) Unstable political landscape
- 2) Weak implementation of Intellectual Property Rights can lead to loss of market share.
- 3) Deteriorating exchange rates pose a high risk to our profitability as we depend heavily on imported raw materials.
- 4) Consistent increase in cost of doing business including raw material prices and associated supply chain disruptions

# Governance



## Directors' Profile

**Elected:** 21 March 2022

**Nationality:** Pakistani

**Years of experience:** 40 years of experience in business and finance fields.

**Education:** Chartered Accountant M. Z. Moin Mohajir's business experience spans 40 years. After qualifying as a Chartered Accountant with A.F. Ferguson & Co. He joined Pakistan Security Printing Corporation in

1978, where he was Chief Accountant/Company Secretary. In 1981, he joined Sanofi Aventis Pakistan Limited (formerly Hoechst Marion Roussel Limited/Hoechst Pakistan Limited) from where he retired as Director Finance and Administration in October 2011. Subsequently he worked with the Overseas Investors Chamber of Commerce and Industry (OICCI) for ten years as Deputy Secretary General, from October 2011 to October 2021.

He also serves as the Independent Member of the Board of Directors of Loads Limited and its Board Committees.

His previous responsibilities included: Member of the Board of Directors and Chairperson Audit Committee – Pakistan Industrial Development Corporation (PIDC), Member of the Board of Directors and Audit Committees of Standard Chartered Leasing Limited, Sindh Modaraba Limited, Wyeth Pakistan Limited and Chairperson of Audit and HR Committees of Pakistan Oxygen Limited, Chairperson of the ICAP Election Committee and member of the ICAP Audit and Fiscal Law Committees.

**Mr. M. Z. Moin  
Mohajir**

**Independent Director  
(Chairperson)**

**Elected:** 21 March 2022

**Nationality:** Pakistani

**Years of Experience:** 20+

**Education:** ACA, ACMA and MBA.

Mr. Haroon has been with GSK for over 12 years. His last assignment was Audit Account Director, of the GSK Global Audit & Assurance function. Previously Mr. Haroon also served as the Finance Director and a member of the Board of Directors of the Company. During his time with GSK, Mr. Haroon has led various key local and above country restructurings, M&As and change management projects. He has performed multiple leadership roles in Finance, Distributor Management, E2E

Supply Chain, In-Country Shared Services and played key business partnering roles with Supply Chain, Legal, HR and Site operations, through which he has contributed to the success of the Company. Prior to joining, Farhan worked for Lotte, Sanofi and PwC.

**Mr. Farhan  
Muhammad Haroon**

**Executive Director  
(Chief Executive Officer)**



**Elected:** 21 March 2022

**Nationality:** Pakistani

**Years of experience:** over 17 years

**Education:** Chartered Accountant (FCA) and Master's degree in Commerce.

Dilawar Meghani has diverse experience of 17+ years ranging from Core finance, planning & controlling, restructuring, integration, change management, assurance & advisory,

distribution management and route to market. He is currently working as a Chief Financial Officer of the Company. Prior to this, he has worked as a Commercial Finance Head for GSK Pharma Saudi Arabia and also served as a Financial Controller for GSK Consumer Healthcare Pakistan.

He has been with the company for more than 7 years, he joined in 2015 as part of Novartis Integration where he was handling the Commercial Finance matters of Consumer Healthcare business. Before joining Novartis, he has also worked for Johnson & Johnson Pakistan and PriceWaterhouseCoopers (PWC) on various managerial and advisory positions.

He played a pivotal role in the merger of GSK and Novartis consumer entities, creation and listing of new legal entity at Pakistan Stock Exchange, local manufacturing projects in Saudi Arabia, revamping Core Commercial Cycle (CCC); driving significant savings and efficiencies including re-designing route to market for Saudi business.



**Mr. Dilawar Meghani**

**Executive Director  
(Chief Financial Officer)**

**Elected:** 21 March 2022

**Nationality:** Pakistan

**Years of experience:** 40 years of experience in various industries.

**Education:** Graduated with honours in Economics and later obtained a master's degree in the same discipline.

Syed Anwar Mahmood, who retired as a Secretary to the Government of Pakistan in 2008 after heading the Ministry of Health and the Ministry of Information & Broadcasting, now heads his own consultancy, media and government relations firm. He also publishes and edits a monthly magazine titled Health and Pharma. He is also an honorary senior advisor in the office of the Wafaqi Mohtasib (Federal Ombudsman).

He joined the Central Superior Services (CSS) of Pakistan in November in 1971. After training



**Syed Anwar Mahmood**

**Independent Director**

at the Civil Services Academy, he was assigned various positions and responsibilities during which he earned varied experience both in media and management, including hands-on-experience of executing media and communications strategy for the Federal Government at the highest level.

He has served for nearly six years, spread over two terms, as the Federal Information Secretary and the government's chief spokesman. He has headed many media organizations as Chief Executive or as the Chairperson of the Board, including PTV, PBC, SRBC, APP and the Press Information Department.

**Elected:** 21 March 2022

**Nationality:** Pakistani

**Years of experience:** 28 years in financial services sector

**Education:** MBA (Institute of Business Administration, Karachi)

Professional Qualifications: CFA Charterholder  
Ayesha Aziz currently serves as the CEO / Managing Director of Pak Brunei Investment Company (nominee of GoP). She brings over

20 years of experience in Structured Finance, Private Equity & Strategic Advisory businesses. Ms. Aziz started her career from ANZ Grindlays Bank & worked in Merchant Banking & Treasury Markets Divisions. She was subsequently involved in establishing and managing business operations of Pak Oman Investment Company and its subsidiaries, in senior roles.

She serves on the Board of Directors of Primus Leasing (subsidiary) as Chairperson, Awwal Modaraba Management Limited (subsidiary) and is an Independent Director on the boards of KSB Pumps Company Limited, Engro Polymer and Chemicals Limited and Alfalah GHP Investment Management Limited.

**Elected:** 21 March 2022

**Nationality:** French

**Years of experience:** 25 years

Education: International Executive MBA (High Distinction) from the Louvain School of Management - Belgium (1999); Doctorate Degree, Faculty of Pharmacy - University Claude Bernard (Lyon - France); Second Degree Master - Focus in Galenic (Formulation - Process - Production) - University Diploma of Pharmaceutical Management, Institute de la Pharmacie Industrielle de Lyon.

Oussama Abbas currently Vice president, Head of Quality & Supply Chain - Middle East & Africa (MEA), Consumer Health Supply Chain (CHSC), is an accomplished industrial senior executive of GSK with proven abilities in international

pharmaceutical, biotech and animal healthcare. He also has solid experience in leading manufacturing plants of commercial and clinical supply-chain operations. He is deeply involved in corporate organizational changes with understanding of impact on other business functions.

He joined GSK Vaccines as Director, Secondary Manufacturability & Clinical Supply in May 2009 and has grown through the system to his current position in Haleon as the Head of Quality & Supply Chain of MEA.



**Ms. Ayesha Aziz**

**Independent Director**



**Mr. Oussama Abbas**

**Non-Executive Director**

# Board's Diverse Experience

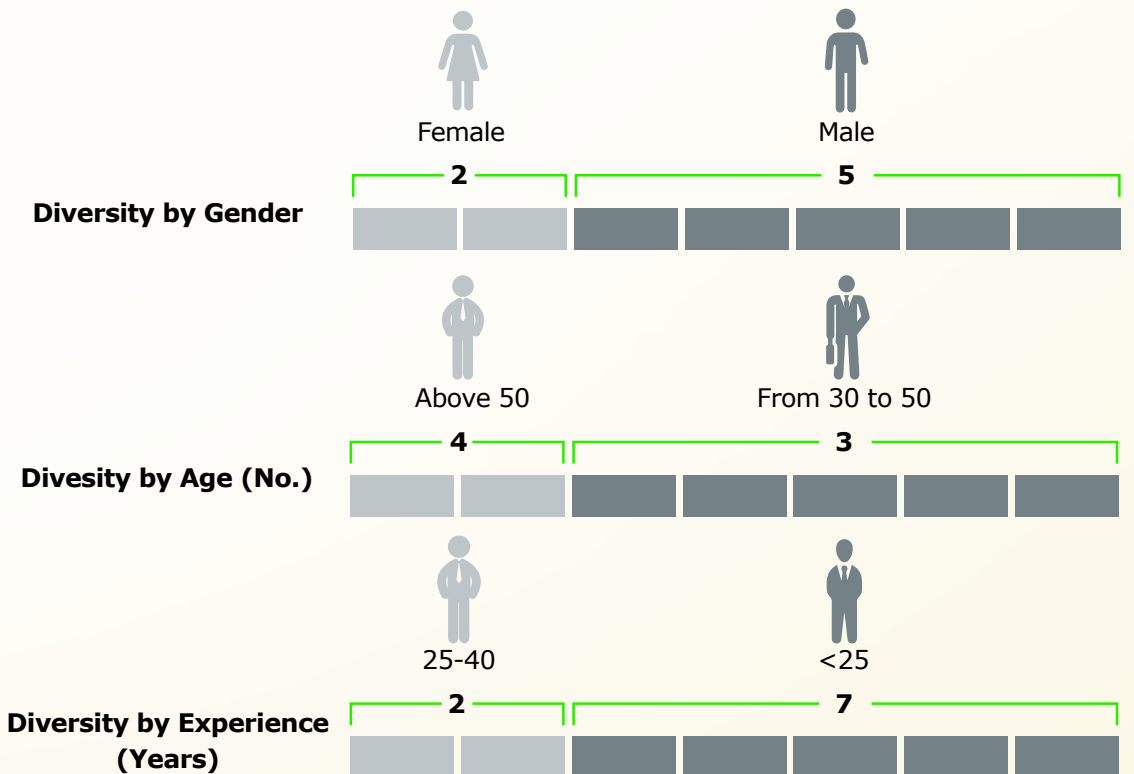
**Appointment:** 15 November 2022

**Nationality:** Turkish

**Years of experience:** over 25 years

Education: University of Istanbul, Economics (1996); Summit 2.0: Leader of Leaders by Harvard Business (2020); Certified as a potential BOD member by 'Women on Board' Program and mentored by Suzan Sabancı Dincer, Chairman of AkBank – 2016 and 2017; Common Purpose leadership program – 2012 and 2013.

Ms. Sumru Atalay Besceli is currently the General Manager of GSK Consumer Healthcare Turkey. She graduated from Istanbul University, Department of Economics in 1996. She started her career as a Financial Auditor at Ernst & Young LLP and went on to hold various managerial positions in Finance at The Coca-Cola Company between 2000-2006. Prior to her role in GSK, Sumru joined Doğadan, an affiliate company of the Coca-Cola Company in 2007 as Finance Director and later was appointed as General Manager in 2014 where she successfully led Company's growth and transformation vision both in Turkey and in international markets.



**Ms. Sumru Atalay Besceli**  
Non-Executive Director

## Chairperson's Review

I am pleased to present to the shareholders this review report of the performance of GSK Consumer Healthcare Pakistan Limited ("Company") for the year 2022, as required under section 192 of the Companies Act 2017.

We had all assumed that the year 2022, after easing of the Covid restrictions, would bring us back to pre-pandemic life with

improvement in supply chain and resumption of standard logistical timelines. However, international geo-political developments, brought an unprecedented rise in commodity prices and disruption in energy supplies, leading to historic inflationary trends. This shock hit the low-income countries the hardest and Pakistan was no exception. To add to the already fragile situation, Pakistan witnessed exceptional political and economic challenges which led to a very unpredictable economic and inflationary environment.

You will be glad to note that despite the considerable challenges encountered during the year, the Company remained focused and successfully delivered 14% growth in sales versus last year and posted an earnings per share of Rs. 2.78/share.

Apart from commercial operations, your Company remained active on the Corporate Social Responsibility front and contributed to charitable organizations working for the welfare and rehabilitation of the under privileged sections of society. The Runner's Up Award in the Corporate and Sustainable Report Awards 2022 of Pakistan in the pharmaceutical category, conferred by a joint Committee of ICAP/ICMA is a testament of our focus on transparency towards disclosure of information for our shareholders, customers, vendors, regulators and other stakeholders.

I wish to thank all of you for your strong support and confidence in the Company. Your continued patronage is what allows us to continue to grow and providing world class and innovative everyday health solutions to millions in Pakistan.

### Board Evaluation

The Board has opted for an in-house assessment with the support of the Secretary of the Human Resources Remuneration and Nomination Committee and the Company Secretary to evaluate the performance of the Board in 2022. After the completion of the evaluation, the future strategies and action plans were formulated to address the identified challenges / issues. Please refer to page no. 95 of the Annual Report for further details regarding the evaluation.

### Financial Reporting

The Board is fully aware of its responsibility and maintains a strong oversight, to provide a clear visibility of financial reports to stakeholders in accordance with the Financial Reporting framework applicable in Pakistan. Thus, the financial statements have been prepared in accordance with the applicable accounting and reporting standards and in compliance with the disclosure requirements of the Companies Act, 2017.

### Board Committees

Your Company has three (3) committees, as stated below, to assist the Board for its optimal performance:

- Board Audit Committee
- Human Resource and Remuneration Committee; and
- Integration and Supply Network Optimization Committee

The terms of reference and details about the members of the above committees are provided on page nos. 106 and 109 respectively of the Annual Report.

### Culture Of The Company

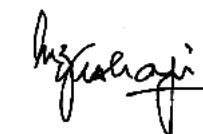
The Company's code of conduct is governed by our Company's Values (Consumer First, Integrity,

Respect and Transparency), Expectations (Courage, Accountability, Development and Teamwork) and Behaviours (Keep it Human, Do What Matters Most and Go Beyond). Our strong belief in these values helps us to cultivate a conducive work environment for our employees. Every employee and complimentary worker is required to complete mandatory trainings on the Code of Conduct annually, as well as other trainings pertaining to 'Living Our Values'. For your Company, people are the biggest asset. This is why, we strongly believe in offering individual development opportunities to employees and recognize them for their achievements. We want everyone at the Company to feel proud of the work they do, with a strong belief in the Company's Purpose of delivering 'Better Everyday Health with Humanity'.

### Acknowledgment

Looking back, 2022 was an unprecedented year – and considering the many challenges still present in the business environment expect the, year 2023 also to be a difficult one. .

I thank the Board of Directors who have always remained dedicated to deliver on our mission. I also sincerely thank our employees for all their efforts - we count on your experience and commitment day in, day out. Last, but not the least, thank you to our consumers, shareholders, customers, suppliers and all other stakeholders for their confidence in us. Your invaluable support is the catalyst for our dedication to deliver better everyday health with humanity.



**Mr. M.Z. Moin Mohajir**  
Chairperson

14 March 2023

## Directors' Report

The Directors of your Company are pleased to present the Annual Report, including the Company's audited financial statements for the year ended December 31, 2022, in accordance with Section 223 of the Companies Act, 2017. This Directors' Report has been prepared in accordance with section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019, as amended from time to time.

### Principal Activities

The Company is engaged in the manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. During the year, the Company changed its registered office to Sandoz Nagar, Petaro Road, Jamshoro, Sindh. Subsequent to year end, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

### Business / Economic Review

GlaxoSmithKline Consumer Healthcare Pakistan Limited (GSKCH), is the largest Fast Moving Consumer Healthcare (FMCH) company, with leading Over the Counter (OTC) portfolio in Pakistan and deals in products that are either considered as the initial level of medication or preventive care. Most of this portfolio is price controlled by the Government of Pakistan. Your Company has been diligently working towards ensuring availability of quality medicines; our best in class OTC and Oral Healthcare (OH) products are widely available to the consumers, customers and patients.

However, the Company operates in a high-risk market where the exceptionally high inflation together with high energy prices and a series of supply chain shocks has resulted in unfavourable conditions. The year 2022 brought a substantial rise in cost of doing business for your Company. Due to the debilitating increase in the price of the raw material of Paracetamol, the Company requested various regulators and policymakers to approve adjustments to the selling price(s) of Panadol range of products to enable the company to continue its operations, not only ensuring access to quality medicine for patients, but also providing livelihood to thousands of associated stakeholders and their families.

Due to pricing challenges, the Company was forced to declare force majeure on the production of Panadol Tablets, Panadol Extra Tablets and Children's Panadol Liquid Range. Subsequent to negotiations with the Government, the Company resumed production of its products which was a step taken in the larger interest of consumers and patients in Pakistan, although the price revisions granted did not fully mirror the sharp increase in the raw material prices of Paracetamol.

### Review Of Operating Results

The core business (excluding toll and exports) posted double digit growth of 14% versus the same period last year (SPLY). Despite challenging demand patterns and suppressed consumption trends, our best-in-class supply chain and in-market teams ensured that we were able to meet the consumer needs across all categories.

Within the Over the Counter (OTC) portfolio; Pain Management and Respiratory segments grew by 12% and 55% respectively whereas, Nutrition & Digestive Health and Skin Health registered a growth of 15%. Although Oral Healthcare business recorded an increase of 6%, major launches in Sensodyne and Parodontax at the end of the year have shown promising results. Similarly, our toll manufacturing business of Rs 2.5 billion and

the export business of Rs 1.0 billion continued to contribute towards revenue. Exports expected to post healthy growth trajectory in 2023 with aggressive efforts of the management supported by the Group. %'s are given with respect to the same period last year.

Gross profit margin at 17.4% of sales depicts a decline of 10.3% versus SPLY. Consequent to the closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol), Paracetamol prices have been constantly increasing since January 2021, which has impacted profitability. In addition to this, devaluation of Pakistani Rupee has added to cost pressures during financial year 2022 and may continue to do so in the near future.

Considering the above cost increases, we have been able to exercise due control on our cost levers. Total expenses to net sales ratio in the 2022 has improved from 15% to 14% as compared to SPLY. We aim to fuel our growth momentum through continuing A&P investment. However, rapid, large and unsustainable levels of cost appreciations, we have reassessed our investment behind our brands. Further, financial charges increased by Rs. 219 million mainly due to exchange losses resulting from settlement and revaluation of foreign liabilities.

### Reasons For Not Declaring Dividend

The uncertain politico-economic situation prevalent in the country and challenge in sourcing import has taken a toll on Companies profitability and expansion plans. The Company's plan to secure better shareholders return through investment in capacity building of its core brands including Panadol and CaC-1000 Plus is still under assessment and we are hopeful that the macroeconomic situation will improve, and we will be able to deliver on our potentials. In addition to this, the final dividend pertaining to foreign shareholders from FY 2018 to FY 2020 amounting to Rs. 1.5bn remained unpaid due to

non-registration of shares with the State Bank of Pakistan (SBP) which is still part of our working capital. Going forward these factors, will result in significant cash outflows and accordingly the Board of Directors, as a measure of considered prudence, has decided against recommending dividend for the year ended 2022.

## Holding Company

As at December 31, 2022, GlaxoSmithKline Consumer Healthcare B.V., Netherlands held 100,423,259 ordinary shares of Rs. 10 each, representing 85.79% of the total shares of the Company. Pursuant to the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), the ultimate parent Company has changed from GlaxoSmithKline plc to Haleon plc. Consequent to this, name of the Company has changed to Haleon Pakistan Limited from GlaxoSmithKline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

## Pattern of Shareholding

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2022 and other related information is set out on page nos. 221 to 222 of the Annual Report.

## Chairperson's Review

The Chairperson's message to the shareholders on page nos. 84 to 85 of the Annual Report contains information regarding:

- Board evaluation for the year 2022;
- Board committees which include the Audit Committee, Human Resource and Remuneration Committee, and Integration and Supply Network Optimization Committee; and
- The culture of the Company.

The Directors of the Company endorse the contents of the same.

## Basic And Diluted Earnings Per Share

Basic and diluted earnings per share after taxation was Rs. 2.78 as compared to Rs 18.23 earnings per share in 2021.

## Corporate Social Responsibility (CSR)

Your Company realizes its commitment to the community beyond just business and therefore "Corporate Social Responsibility" has always been a vital element integrated in the way we operate and contribute to the wellbeing of the populace in Pakistan.

During the period under report, the Company embarked on various initiatives for the betterment of society which are detailed on page no. 255 of the Annual Report.

## Human Resources and Succession Planning

Our commitment to 'Deliver Better Everyday Health with Humanity' is at the forefront of everything we do at Haleon. Haleon's Employer Value Proposition is to ensure that our values reflect in our people policies and everyday behavior.

## Go Beyond

Our passion and irresistible energy drives us to be better, move with pace and outperform competitors.

## Do What Matters Most

We prioritize the important and challenge the unnecessary.

## Keep it Human

Our dedication to consumers, customers and each other demands unmatched understanding and empathy.

We continue to ensure that as an organization we continue to develop our talent to enable them to Go Beyond and empower our people to Do What Matters Most when it comes to providing Health with Humanity.

Our competitive remuneration, performance management systems and succession planning focus on challenging our people, providing with a wide range of robust development opportunities including, international assignments, cross functional secondments, personalized development plans, which ensure that employees are well-aligned with our ideology and equipped to succeed.

## Consumer / Patient Safety

The health of consumers is a top priority for your Company, therefore, we are always seeking improvement opportunities in order to provide highest quality products that are safe for use. At your Company, we strictly implement and follow strict guidelines that control both manufacturing and supply of the trusted brands. Our manufacturing practices are in accordance with all applicable local and international regulations and our products are manufactured in compliance with the current Good Manufacturing Practices (cGMP) and GSK internal Quality Management System.

As a team, we have been working to identify ways in which we can maintain and improve the trust of our consumers at the end of our supply chain. The consumer voice is important for us, and we make sure it is heard at all stages to nurture our relationship and to understand the views, needs and expectations of our consumers. We are Customer & Consumer obsessed and this passion helps us to sustain and strengthen our mission.

## Environment, Health and Safety (EHS)

Our focus on Keeping it Human also led to new and exciting initiatives, focused both on mental as well as physical well-being, because we know how important it is for us to support our employees in every way possible. Haleon's myWellBeing portal allows free access to each employee to customize their content to suit their well-being needs, whether its forming healthy habits or reflecting on how do what matters most. Our myWellBeing Portal, Employee Assistance Programme and newly introduced Mental Health Therapy reimbursement policy ensure our employees wellbeing is not just theirs, but our top priority too. Our Employee, Health & Safety Compliance Framework also ensures our standards go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business operations which ensures safe and inclusive workplace, healthy environment, and energy efficient processes.

## Occupational Safety and Health

Your Company continues its legacy to promote the health and well-being of its employees by implementing strict control over occupational health & safety. To achieve these objectives, a systematic approach is established to achieve these goals.

In order to improve Occupational Safety and Health at our Jamshoro site, some significant measures have been successfully taken which are explained in the Sustainability and Corporate Social Responsibility sections on page nos. 252 to 254 of the Annual Report.

## Ethics, Compliance and Risk Management

As a Company operating in a regulated industry in a high risk market, we are presented with several legal, regulatory, reputational, operational

and strategic risks. We manage these risks using our internal methodology i.e. Internal Control Framework, which is based on recognized international risk management standards.

The Ethics and Compliance function is responsible for supporting the development and implementation of practices that facilitate compliance with laws and global company policies.

The Compliance function partners with the business to effectively managing risk, simplifying controls, promoting the Company's Values and securing our Mission to make a positive impact on the lives of patients and consumers.

The risks of the Company are managed through various compliance programmes specified below:

### **Risk Management and Compliance Board**

Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the RMCB, which promotes the 'tone from the top', establishes the culture regarding risk, and oversees internal controls. The RMCB has formed a structure through which designated Functional Heads are responsible for identifying and treating significant risks and each Functional Head then performs a review of their respective key risks, takes corrective and presentative approach to ensure appropriate controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Function facilitates in instilling a risk-based approach to establishing a robust internal controls system. This eventually makes risk management an integral part of decision making and business operations. The RMCB meeting is held at least once in a quarter or more frequently when required.

### **Anti-Bribery and Anti-Corruption (ABAC) and Data Privacy**

The Company's ABAC programme is developed to help ensure that neither the Company nor its third parties bribe (or are bribed by) by any entity or individual under any and all circumstances. It reinforces its zero tolerance towards all forms of corruption and its commitment to maintaining accurate records of all business dealings. It is also to ensure that no undue influence is exerted in engagements, that no personal benefit is gained and that no corruption occurs in letter and spirit.. Corruption can include fraud, money laundering and tax evasion. Put simply, it helps to ensure ethical business, aligned to the Company's Values. Privacy is concerned with how we manage the personal information we hold on individuals – such as patients, healthcare professionals, consumers, employees and complementary workers. Personal information is any information that can identify, or reasonably be used to identify someone. The Company has strict policies in place when it comes to Data Privacy and there is zero tolerance for data breaches.

### **Third Party Oversight (TPO) Programme**

To achieve our organizational objectives, we often work in partnership with third parties, who bring skill, expertise or scale to help us deliver our mission. We strive to conduct business only with those suppliers, distributors, equity stake holdings and other business partners / third parties who share our commitment to high ethical standards and operate in a responsible way. The Company has implemented a comprehensive Third Party Oversight (TPO) programme to strengthen its management of risk. The aim is to ensure that all third parties are risk assessed against the enterprise-wide risks and accordingly, fully compliant contracts are entered into.

### **Values and Expectations**

We deliver clear and integrated compliance solutions that embed the Company's values

(Consumer focused, Respect, Integrity, and Transparency) and Expectations (Courage, Accountability, Development, and Teamwork) in order to build trust.

### **Written Standards**

The Company has various policies and other written standards which helps in effectively managing the risks associated with operating in a heavily regulated industry.

### **Speak Up Programme**

As your Company believes in conducting business with honesty, fairness and integrity, it has a "Speak Up" programme in place through which it encourages its employees and business partners to report any genuine concerns about misconduct or unlawful conduct. The Company has strict policies in place against any kind of retaliation against the person raising the concern.

### **Governance of Legal Agreement (GOLA)**

The Company's GOLA SOP ensures that its risks and liabilities are mitigated appropriately and to ensure that the Company's expectations and requirements from third parties (including their performance and compliance with GSK policies) are clearly stated by documenting the rights and responsibilities of GSK and each third party in a legally enforceable agreement.

### **Related Party Transactions**

The Company ensures compliance with Code of Corporate Governance for all the related party transactions. The details of these transactions are provided in note no. 36 of the annexed financial statements available at page no. 201 of this Annual Report.

### **Auditors**

The Board of Directors and the Audit Committee have proposed the appointment of M/s KPMG

Taseer Hadi & Co. Chartered Accountants in place of retiring auditors M/s Yousuf Adil, Chartered Accountants financial year ending 31 December 2022, at a mutually agreed fee.

### **Value Of Investments Of Provident, Gratuity And Pension Funds**

The Company maintains retirement benefit plans for its employees. The value of investments of provident and gratuity funds as at 31 December 2022 was as follows:

**Provident fund  
Rs. 220 million**

**Gratuity fund  
Rs. 164 million**

### **Contribution To National Exchequer and Economy**

Your Company made a total contribution of Rs. 2,440 million to the National Exchequer by way of custom duties, income tax, sales tax and employees' tax during the year 2022. Your Company's contribution through sales tax amounted to Rs. 463 million, income tax Rs. 982 million, customs duty Rs. 834 million and Rs. 161 million through employee related taxes.

### **Adequacy of Internal Financial Controls**

Effective internal financial controls across all functions have been set up by the Board of Directors. The independent Internal Audit function of your Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework. Refer audit Committee report on page no. 107 of the Annual Report.

### **Compliance With The Listed Companies (Code of Corporate Governance) Regulations, 2019**

The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken

relevant steps to ensure compliance with the same, along with Management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## Capital Expenditure

The capital expenditure for the year 2022 amounted to Rs. 503 million. The expenditure was made mainly for expansion of capacity, increasing efficiency and improving quality.

In order to expand capacity, projects like "Racking" were initiated during the year which will serve the purpose of meeting the demand in future. As far as the efficiency is concerned, the Company invested heavily on key machineries to benefit from the economies of scale and prevent any breakdown in future. The Company has also invested to improve quality and to cater the requirements of Drug regulatory authorities for future.

The Company is planning to invest Rs. 1.17 billion on Panadol insourcing and Capacity enhancement in CAC-1000 PLUS for future local and export requirements.

## Future Outlook and Challenges

The period under report was a challenging year for the pharmaceutical sector of Pakistan. At the time of writing this report, the internal political instability, flooding catastrophe and massive devaluation of Pakistani Rupee have worsened the environment of businesses in the country. Pakistan has hit record-high inflation which is likely to continue in 2023 and the combination of all these factors will perhaps result in the greatest economic challenge Pakistan will ever see. Despite these, the Company remains focused about staying on course, capitalizing on strong brand equity and a highly committed workforce supported by continuous initiatives for operational excellence.

The year 2023 is a new opportunity for us as we transition from "GlaxoSmithKline Consumer Healthcare" to "Haleon" with the brands known, loved and trusted in Pakistan. As a standalone company, Haleon will be a new world-leader in consumer healthcare, offering a compelling proposition – to bring deep human understanding together with trusted science – to deliver better everyday health with humanity. Although we face a difficult pricing environment, the selfcare innovations we will bring this year, will allow us to continue our journey of high growth.

Nevertheless, a conducive regulatory framework access is a vital enabler to fast-track availability of innovation solutions in the country. We believe that sustainable pricing and timely regulatory approvals are key pre-requisites, especially when innovations require high capital investments. As the overall environment becomes more complex, there is an increasing need for the regulators to devise an effective mechanism for timely approval of hardship cases. Absence of such a mechanism will further decrease the ease of doing business in Pakistan which could ultimately pose a serious risk towards access to high quality and low-priced essential medicines as well as provision of jobs to thousands of people.

CEO's Presentation Video on the Company's Performance, Strategy and Outlook can be seen at the Company's website: [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com).

## Remuneration Policy

The Company has a formal policy and transparent procedures for remuneration of its Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. The purpose of this procedure is to determine and recommend the remuneration of directors (both executive and non-executive directors including independent directors) to the Board, ensuring that the remuneration remains market-based in accordance with their experience.

## The salient features of the policy and procedure are:

- Determining that the remuneration is by market benchmarking against other key players of Fast-Moving Consumer Healthcare Companies and other similar types of business and remuneration is not at a level that could be perceived to compromise the independence of the Directors.
- No Director is involved in deciding own remuneration
- Non-Executive Independent Directors are entitled to remuneration for their services, as decided by the Board, for attending Board and Committee meetings.
- A director shall be provided or reimbursed all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

## Remuneration of The Chief Executive Officer, Director and Executives

A detailed note on the remuneration of the Chief Executive Officer, Directors and Executives for the year 2022 are provided in note no. 35 of the annexed financial statements reproduced on page no. 200 of the Annual Report.

## Board Evaluation

The Board has opted for an in-house assessment with the support of the Secretary of the Human Resources Remuneration and Nomination Committee and the Company Secretary to evaluate the performance of the Board in 2022. Upon the completion of evaluation, the future strategies and action plans were formulated to address the identified challenges / issues.

## Composition And Committees of The Board

The total number of Directors are seven (7) as per the following:

**Male: 5 Female: 2**

Category	Name
Independent Directors	Mr. M. Z. Moin Mohajir Syed Anwar Mahmood Ms. Ayesha Aziz
Executive Directors	Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Non – Executive Directors	Mr. Oussama Abbas Ms. Sumru Atalay Besceli*

\*Ms. Ozlem Oz Miyanyedi, Non-Executive Director, resigned on 28 September 2022 and was replaced by Ms. Sumru Atalay Besceli, Non-Executive Director on 15 November 2022

The Board's composition and the details of its committees are provided on Page 94 to 95 and 106.

## Acknowledgment

The Board of Directors acknowledge and appreciate the dedicated efforts and valuable contribution made by all the employees of the Company in delivering Better Everyday Health with Humanity. The Board wishes to place on record its gratitude to all stakeholders, shareholders, suppliers and partners for their cooperation and support in achieving the Company's results.

By the order of the Board

Sincerely,



**Farhan M. Haroon**  
Chief Executive Officer  
and General Manager



**Dilawar Meghani**  
Chief Financial Officer



## Corporate Governance

### Role of Board of Directors

The Board of Directors is responsible for governing the organization by establishing Board policies, setting goals, objectives and strategies. The Board exercises all powers granted to it by the Companies, Act 2017 with responsibility, diligence, and in compliance with the legal framework after due deliberations in its meetings. These include, but are not limited to, ensuring the Company's prosperity by collectively monitoring and directing the Company's affairs, whilst protecting the appropriate interests of its shareholders and stakeholders. The Board is responsible for the Company's system of internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is also accountable to the shareholders for ensuring that the Company is appropriately managed and achieves its business objectives. The Board remains committed to the highest standards of corporate governance and integrity.

Business is focused on an established framework which assists to deliver the main objectives of the Company i.e. increase growth, deliver results and simplify performance, as well as to create a long-term value for shareholders. At the Company, we have a Board that follows a coherent corporate governance framework with clearly defined responsibilities and accountabilities.

The Board of Directors meets approx. 4-5 times a year to consider the Company's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments, licensing decisions and evaluates and monitors the Company's performance. The Board comprises of seven (7) Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected. There are five (5) non-executive directors on our Board, three (3)

of whom are independent directors. In view of the Company's policy on Inclusion and Diversity and compliance with applicable law, the Company maintains female representation on the Board with two (2) Directors being a female.

The Board also formulates corporate strategies and Company objectives. The Company pays bench-marked remuneration to the Non-Executive Directors for attending the meetings of the Company, which includes the Board Meetings and the meetings of the Board Committees. In order to adequately delegate, the Board has constituted Board Committees. Each Committee has its charter with goals and responsibilities. The Committees report on their activities and results to the Board.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the executive and operational management of the Company to the Chief Executive Officer's office and Management Team.

### Decisions Taken by The Board

The Board has defined its policy of materiality and such matters are accordingly placed before the Board for its decision(s). The Board convenes at least 4-5 times in a year on a quarterly basis at a minimum where material decisions are taken. In between, the Board is readily available for consultation and decisions for urgent matters circulated to them.

### Our Board Composition

There are five\* (5) non-executive directors on our Board, three\* (3) of whom are independent directors, out of which two (2) chair the Board Audit Committee and Human Resource, Remuneration and Nomination Committee. The Chairperson is also an Independent Director.

All Independent Directors have been appointed / elected in accordance with the requirements of Section 166 of the Companies Act, 2017 and all applicable law. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications, and comprises of individuals actively ensure that all shareholders and stakeholder's interests are fully protected.

Our Board composition is mainly governed by Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and other good corporate governance practices, ideologies available locally and internationally.

The Company values and ensures effective, efficient and independent decision making. The Board as a group includes competencies and diversity considered relevant to operations of a public limited company. Our Board comprises of members who have local and international experience, giving the Board a competitive edge for effectively managing the complexities of our business. Our Board of Directors comprise of highly qualified professionals from varied disciplines, including pharmaceutical, finance, investment, financial institutions, and business management.

The composition of the Board and the names of Members of Board sub-committees are disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Company on pages 155 to 157.

### Changes in The Board Composition

There has only been one change in the Board composition during the year 2022 i.e. The resignation of Ms. Ozlem Oz Miyanyedi, Non-Executive Director, on 28 September 2022 who was replaced by Ms. Sumru Atalay Besceli, Non-Executive Director on 15 November 2022.

For further details regarding the above, please refer to pages 155 to 157 of this Report.

### Evaluation of The Chief Executive Officer

The performance of the Chief Executive Officer is evaluated through the Company's internal performance evaluation system, which is based upon the Company's objectives. This is further deliberated upon by the Board.

### Annual Evaluation of The Board and Its Committees

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals. As per the requirements of Listed Companies (Code of Corporate Governance), 2019 and S.R.O 301(I)/2020 dated 9 April 2020, the Chairperson of the Board of Directors opted for an in-house assessment with the support of the Secretary of the Human Resources Remuneration and Nomination Committee and the Company Secretary to evaluate the performance of the Board in 2022. Qualitative and quantitative criteria were used in the evaluation form as follows:

- Appropriate composition of the Board and its quality of skills.
- Compliance with all applicable law, particularly the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Memorandum and Articles of Association of the Company.
- Execution in supporting and upholding the Company's Values and Expectations
- Adherence to the Company's Code of Conduct.
- Advising the management on developing appropriate strategies and ensuring that operations are in line with the same.
- The effectiveness and efficiency of the operation of the Board and its committees.
- Oversight of the Financial Reporting Process, including Internal Controls.
- Contributions to ensure robust and effective risk management and monitoring the Company's performance against its objectives.
- Adequate and constructive execution of the Chairperson's role.

Furthermore, the criteria for this year were presented in simple language for the ease of the members of the Board. The evaluation was conducted on a digital platform for the convenience of all Board members, as well as for the ease of computation of the outcomes, setting of future KPIs and metrics. Upon the completion of evaluation, the future strategies and action plans are formulated to address the identified challenges / issues were shared with the Chairperson and the members of the Board and with the SECP.

### Directors' Training(s)

The Board is kept up to date on legal, regulatory and governance matters through regular papers and briefings from the Company Secretary and presentations by internal and external advisers. Directors are responsible for upholding the corporate governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company

The Company conducts various training programmes to make sure the Board is aligned with the Company's missions and governance.

Five out of seven (5/7) Directors on the Board have successfully completed the Directors' Training Programme certification from SECP approved institutions, as specified below.

- Mr. Farhan Muhammad Haroon
- Mr. M. Z. Moin Mohajir
- Mr. Dilawar Meghani
- Mr. Oussama Abbas
- Ms. Ayesha Aziz

All the other directors possess sufficient skills and experience as prescribed by the Listed Companies (Code of Corporate Governance) Regulations, 2019 or have a similar certificate from a foreign institution.

The Company Secretary also conducted a refresher training of the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Board of Directors during Q3-2022.

### Directors' Training Program Attended by Female Executives And Head(s) of Department and/or Exemptions

The Company has successfully complied with the encouraged requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding training of at least one head of department and one female executive every year. Ms. Ensherah Khan has successfully completed the Director Training Program in the year 2022.

### Board Induction and Orientation

The Company Secretary assists the Chairperson in designing and facilitating individual induction programmes for new Directors. They are designed with the purpose of orienting and familiarizing new Directors with the industry the Company operates in, organisation, governance and objectives of the Company.

All new Directors receive a general induction from the Company Secretary, which includes their duties and responsibilities as a Director of a listed company, the Company's Corporate Governance structure and undertake training on the Company's Code of Conduct.

The induction programme for Executive Directors inter alia includes an explanation of the role of an Executive Director, if appropriate, building relationships with the Chairperson and the Board and arranging to fill any capability gaps the new Director may have.

The induction programme for Non-Executive Directors inter alia includes explanations of the Company's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.

To ensure that our Board of Directors develop and maintain a greater insight and understanding of the business and key stakeholders, they:

- Are familiarised with the industry and the Company.
- Review the Board's operations, legal requirements and duties, committee structures and relevant charters.
- Peruse and understand the Board Chairperson and Committee Chairperson roles along with the CEO's roles and responsibilities.
- Are made aware of statutory director duties.
- Provided company policies for their review, including any policy that impact the directors such as conflict of interest, whistle blowing, health and safety, environment, corporate social responsibility.
- Review any recent investor presentations such as the corporate briefing sessions.
- Visit our business operations and different manufacturing sites, which are also a feature of the Directors' induction programme.
- Receive documents explaining the following:
  - The Company's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.
  - Role and responsibility of Directors under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law.
  - Investor relations and stakeholder reports to maintain awareness of investor and stakeholder views and competitors' performance and strategy.
  - Directors and officers (D&O) insurance and indemnification documents.
  - Yearly meeting schedules of the Company.
  - Latest financial statements.
  - Important minutes of past meetings.
  - Major litigations status.

### Directors' Remuneration Policy

The Company has a formal policy and transparent procedures for remuneration of its Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. In view of its objectives, the Company operates an independent and transparent method to fix Directors' remuneration. The purpose of this procedure is to determine the remuneration of directors (both executive and non-executive directors including independent directors). HRR&NC recommends remuneration package of the Directors to the Board. The Company ensures that the remuneration of the Board of Directors remain market-based in accordance with their experience.

The key element of determining the remuneration is by market benchmarking against other key players of Fast-Moving Consumer Healthcare Companies and other similar types of business and remuneration is not at a level that could be perceived to compromise the independence of the Directors. For the purposes of clarity, no Director is involved in deciding their own remuneration.

Non-Executive Independent Directors are entitled to remuneration for their services, as decided by the Board, for attending Board and Committee meetings. They are also entitled to reimbursement of expenses including boarding / lodging and travel expenses incurred in connection to attendance of the Board and its Committees meeting and Annual / Extraordinary General Meetings.

Accordingly, such remuneration paid during the year is specified in Note No. 35 of the annexed financial statements.

## Security Clearance of Foreign Directors

All foreign Directors on our Board are required to submit relevant documents, including declarations and/or undertaking and any document required to facilitate security clearance undertaken by the Ministry of Interior. Relevant documents of all foreign directors are submitted to SECP within the prescribed time and further documents to assist the clearance from Ministry of Interior are made available as and when needed. All appointments of foreign Directors are subject to provision of security clearance certificate from the Ministry

## Governance Practices Exceeding Legal Requirements

The Company strives to operate transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in proactively complying with many additional legal requirements which are not mandatory.

In addition to all the mandatory requirements of the laws and regulations of Pakistan, some examples are given below:

- The Listed Companies (Code of Corporate Governance) Regulations, 2019 encourages at least half of the directors on the Board of a Company to have completed the Directors' Training Programme trained by 30 June 2020. As at 31 December 2022, more than 70% of the Directors are trained through SECP approved institutions. The remaining Directors are either trained through a foreign institution or exempted.
- Reporting requirements enhanced to best practice guidelines issued by ICAP & ICMAP, SAFA and the Pakistan Stock Exchange's Top 25 Companies requirements.
- The Listed Companies (Code of Corporate Governance) Regulations, 2019 also encourages at least one (1) female executive to complete the Directors' Training Programme in a year, which the Company has complied

with in the year 2022 to ensure best practices in corporate governance, despite this being an encouraged stipulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

- The Company has had two (2) female directors on its Board prior to the Listed Companies (Code of Corporate Governance) Regulations, 2019 mandating female representation on boards. The Company has continued its commitment to inclusion and diversity and continues to have two (2) female directors on its Board.

## Our Purpose and Behaviours

We are a world-leading company 100% focussed on everyday health. Our leading brands are built on science, innovation and human understanding and are trusted by millions of consumers globally. Our purpose is to deliver better everyday health with humanity, which is complemented by our behaviours of keep it human, do what matters most and go beyond. These are included in the Company's Code of Conduct and its training, which every employee and complementary worker is required to complete annually. As explained in our Code of Conduct, this is why we show up, every day, to always do the right thing. With a restless energy to go beyond, to do what matters most and to keep it human

## Inclusion & Diversity Policy

Inclusion and Diversity (I&D) continues to be a big priority for the Company, which has always prided itself on being an equal opportunities employer. The Company believes that I&D unleashes the enormous potential of its people, which in turn helps the Company to strengthen its ability to meet the needs of its consumers.

The Company believes that everyone has a part to play in creating a fair and inclusive work environment. Currently, the Company has 15% female representation within its workforce. In the year 2022, the Company accelerated its progress on I&D. One of the first steps the Company took

during the year was to ensure the approval of the I&D Policy by the esteemed Board of Directors. Consequently, the Company took resolute measures to increase representation of females on the Company's Sales and Expert teams. The Company has aspirations to further accelerate their approach to I&D over the course of the year.

The Company has a zero-tolerance approach to harassment, bullying, unwelcome / unreasonable / offensive behaviour, and/ or discrimination of any kind. This policy is driven by home by several face to face awareness sessions further to the Women's Leadership Initiative, Protection against Harassment of Women at the Workplace Act, 2010 as well as the Company's Code of Conduct. The Company cascades several e-learning modules to its employees as well on, covering its Code of Conduct, and on Inclusion and Diversity on an annual basis.

## Inclusion and Diversity on The Board and C-Suite Executives

Conscious of its commitments as a modern employer, the Company pledges to do more in its approach to inclusion and diversity. The Board of Directors is certainly no exception to the same and takes a progressive approach to inclusion and diversity. The Company commits to provide equal opportunities across all boundaries of race, ethnicity, gender, religion and so on. Appointments on the Board are strictly based upon value addition and exclusive of any discriminatory elements. This is evidenced by female non-executive directors on the Board before female representation became mandatory by law, two female directors currently on the Board, a female former chairperson, and several c-suite female executives, including but not limited to, the Company Secretary and the Head of Internal Audit.

## Women Employed (Permanent / Non-Contractual) at C Minus-1 Level in Percentage

15% of women are employed at a C Minus-1 level in the Company as of 31 December 2022.

## Policy Of Related Parties

The Company has a formal policy of Related Parties' Transactions which has been approved by the Board of Directors. The Policy covers the procedures with regard to Related Party Transactions for reviewing, approving and ratifying related party transactions and in providing disclosures as required under section 208 of Companies Act 2017 and other applicable law. The Policy also covers all Related Party transactions between the Company and any of its related parties.

The Company maintains a party wise record of transactions and ensures that it includes the minimum information as prescribed by the law. All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions. If the Company enters into a transaction or agreement which is not at arm's length, the Company must ensure that the terms are in the best interest of the Company. Further, where majority of Directors of the Company are interested, the transaction is referred to shareholders in a general meeting for ratification and approval.

Records of all related party transactions are placed before the Board Audit Committee on a quarterly basis. Upon recommendation of the Board Audit committee all related party transactions are placed before the Board of Directors for their review and approval.

Names of all such related parties along with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note No. 36 and detailed disclosure regarding related party transactions has been presented in Note No. 36 of the Financial Statements.

## Inside Information Register

In compliance with regulatory requirements, the Company ensures that it maintains an Inside Information Register, which is updated on a regular basis. For efficiency and ease, the Inside Information Register is managed digitally, in addition to being available in hardcopy form.

## Conflict of Interest among Board Members

The Company has a clear policy on conflict of interests which are inter alia contained in the Code of Conduct duly approved by the Board of Directors. As per the Listed Companies (Code of Corporate Governance), 2019, every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters. Further, complete details of all transactions with related parties are submitted to the Board Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company. All Directors are reminded of insider trading and avoid in the dealing of shares during the closed period every quarter.

The Board has been constituted in compliance with the provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance), 2019. The members of the Board, including Non-Executive and Independent Directors, exercise full independence and are expected to highlight and recuse themselves in case of any possible conflict of interest. All observations / suggestions of Board members during their proceedings are accordingly recorded.

## Policy for Safeguarding of Records

Under the Company's Global Records Retention Policy and Schedule, all staff in all business units, regions, areas and functions must follow approved

retention periods in managing their records. The Company's Global Records Retention Schedule applies to all media and formats. The Company believes that documentation practices have a direct impact on product quality and consumer safety, and it implements the highest standards of record safeguarding through our document management and control policy. The Company has strict data lifecycle management guidelines in place which are implemented across all its activities and processes. These guidelines outline procedures for data approvals, use, access and retention as well as the use of third-party archive service. This helps ensure document accuracy, consistency, integrity, availability and legibility.

In line with regulatory requirements and the Code of Conduct, the Company ensures documentation practices meet its requirements for design, management and control of instructions, reports and master documents. The Company also has checks in place that cover archiving requirements for all stored data, both physical and electronic.

The Company continues to invest in technology and software to ensure the safekeeping for documents which includes its contract management repository, and other forms of document management applications. This includes the running of software to delete data beyond its retention period in soft form as well. Further, Legal and Procurement have led the implementation of SAP Ariba in the Company to be used as a repository of contracts entered into with third parties.

## Our Corporate Governance Statement

The Company's governance structure operates from the Board of Directors and underpins its ability to deliver the Company's strategy and create long-term value and benefit for shareholders and stakeholders. The Company's Purpose and Values have always been a source of great pride for the Board and employees. It is a powerful force in attracting and retaining talented people who, as individuals, want to be part of a company that contributes meaningfully to society.

## Compliance with Best Corporate Practices

The Company is fully compliant with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Report issued by the auditors confirming the Listed Companies (Code of Corporate Governance) Regulations, 2019 is contained on page 154. The Directors of the Company confirm compliance with the below mentioned:

- Financial statements accurately represent the current standing of the Company, its operations, cash flows and changes in equity.
- Books of accounts of the Company have been properly maintained.
- Internal control has been implemented and monitored by the Internal Audit function led by the Head of Internal Audit and supported by Ernst & Young, Pakistan.
- The Company has followed the International Financial Reporting Standards (IFRS) in preparation of financial statements
- Departures from the IFRS, if any, have been adequately disclosed and explained throughout this Annual Report.
- There is no material departure from the best practices of corporate governance as per the Code of Corporate Governance.

## Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same along with management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## Brief Roles and Responsibilities of The Chairperson

The Board of Directors has appointed a Chairperson from amongst non-executive directors. The Chairperson and the Chief Executive have separate and distinct roles. The Board has defined the respective roles and responsibilities of the Chairperson and Chief Executive Officer.

The Chairperson has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and presides over all Board meetings. The primary role of the Chairperson is to ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy, entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings. He is also responsible for ensuring that the Board plays an effective role in fulfilling its responsibilities, besides assessing and making recommendations on the efficiency of the Committees and individual Directors in fulfilling their responsibilities and avoidance of conflicts of interests.

## Chairperson's Significant Commitments

The Chairperson's significant commitments during the year included:

- Effective conducting of meetings and decision making virtually as well as face to face.
- Maximising value and safeguarding of interests of shareholders.
- Focused attention to the intersection between the business and society in the face of country's economic hardship.
- Delivery of value by the Company to its customers.
- Monitoring the Company's supply of its products and ensuring access to of the same patients and consumers, all the more under difficult economic circumstances.
- Review of the Company's progress in strategic matters, risk management, technological advancements and financial performance.
- Working with the management to foster a conducive culture.
- The Chairperson's engagements other than with the Company have been disclosed on page no. 105 of this Report.

## Brief Roles and Responsibilities of The Chief Executive Officer

The Chief Executive Officer performs his duties under the powers vested by the law and the Board, recommends and implements the business plans and is responsible for overall control and operation of the Company. The CEO of the Company is to whom all business and functional heads directly or indirectly report. He is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

The responsibilities of the Chief Executive Officer include:

- To plan, develop, implement and direct the organization's operational and fiscal function and performance.

- Act as a strategic partner by developing and implementing the Company's plans and programs.
- Analyze and make recommendation on the impact of long-range growth initiatives, planning, and introduction of new strategies and regulatory actions.
- Create, improve, implement and enforce policies and procedures of the organization that will improve operational and financial effectiveness of the company.
- Communicate effectively and establish credibility throughout the organization and with the Board of Directors as an effective developer of solutions to business challenges.
- Matters recommended and/or reported by the Board Audit Committee and other committees of the Board.
- Improve the planning and budgeting process on a continual basis by educating departments and key members of corporate leadership.
- Provide strategic input and leadership on decision making issues affecting the organization; specifically relating to the evaluation of potential mergers, acquisitions or partnerships.
- Optimize the handling of banking relationships and work closely with CFO to foster and grow strategic financial partnerships.
- Work with the finance team to develop a solid cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs.
- Report on governance, risk management and compliance issues.
- Evaluate the Company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

## Presence of The Chairperson of The Board Audit Committee and The Chairperson of The Board at The AGM

In view of Company's priority of being transparent with all of its shareholders and stakeholders, members of the Board, senior management, the Chairperson of the Board, Mr. M. Z. Moin Mohajir and the Chairperson of the Board Audit Committee, Ms. Ayesha Aziz were present at the Annual General Meeting of the Company held on 21 March 2022, at the Extraordinary General Meeting held on 5 December 2022 and as well as

at the Annual General Meeting held on 27 April 2023, in order to address all concerns and queries raised by shareholders.

## External Search Consultancy - Appointment of Directors

No external search consultancy has been used in the appointment of the Chairperson or a Non-Executive Director. The Company, however, relies upon PICG's databank to identify candidates holding relevant expertise, experience and skill set.

## Board Of Directors Meetings

The Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a platform to realize the Group's strategy through the Company's long-term priorities of Innovation, Performance and Trust, that is consistent with its Culture, Values and Expectations. For our Board to operate effectively and to consider key matters, Board Committees have been established as set out below.

Further, the Board of Directors calendar is approved annually, in which Board Meetings, Human Resource, Remuneration and Nomination Committee and the Board Audit Committee Meetings are scheduled for the upcoming year. Board Members are issued meeting notices within statutory timelines. The board folder is prepared with material and concise information and is sent to the Board for its consideration seven (7) days prior to the meetings, in compliance with the law.

The attendance of the members of the Board at board meetings and sub-committee meetings held in 2022 was as follows:

### Attendance at the Board of Directors Meetings 2022

Name	Q4-2021 9 February 2022	Q1-2022 22 April 2022	Q2-2022 23 August 2022	Q3-2022 21 October 2022	Budget BoD Meeting 5 December 2022	Q4-2022 14 March 2023
Mr. M. Z. Moin Mohajir	Present	Present	Present	Present	Present	Present
Syed Anwar Mahmood	Present	Present	Present	Present	Present	Present
Mr. Farhan Muhammad Haroon	Present	Present	Present	Present	Present	Absent
Ms. Ozlem Oz Miyanyedi	Present	Present	Absent	N/A	N/A	N/A
Mr. Oussama Abbas	Present	Present	Leave of Absence	Present	Present	Present
Mr. Dilawar Meghani	Present	Present	Present	Present	Present	Present
Ms. Ayesha Aziz	Present	Present	Present	Present	Present	Present
Ms. Sumru Atalay Besceli	N/A	N/A	N/A	Present	Present	Present

### Attendance at the Board Audit Committee Meetings 2022

Name	Q4-2021 9 February 2022	Q1-2021 22 April 2022	Q2-2022 22 August 2022	Q3-2022 21 October 2022	Q4-2022 14 March 2023
Ms. Ayesha Aziz (Chairperson)	Present	Present	Present	Present	Present
Mr. M. Z. Moin Mohajir	Present	Present	Present	Present	Present
Syed Anwar Mahmood	Present	Present	Present	Present	Present
Mr. Farhan Muhammad Haroon	Present	Present	Present	Present	Absent

### Attendance at Human Resource, Remuneration and Nominations Committee Meetings 2022

Name	Q1-2022 9 February 2022	Q3-2022 22 August 2022	Q4-2022 13 March 2023
Mr. Syed Anwar Mahmood	Present	Present	Present
Mr. M.Z. Moin Mohajir	Present	Present	Present
Ms. Ayesha Aziz	Present	Present	Present

### Attendance at the ISNO Meeting 2022

Name	Q1-2022 6 April 2022
Mr. Oussama Abbas	Present
Mr. Farhan Muhammad Haroon	Present
Mr. Dilawar Meghani	Present

### Board meetings held outside Pakistan

No Board meetings were held outside Pakistan during the year.

### Other Directorships

Directors	Organizations
Mr. M.Z. Moin Mohajir	Loads Limited
Ms. Ayesha Aziz	Pak Brunei Investment Company Awwal Modaraba Management Limited (Subsidiary) KSB Pumps Company Limited Engro Polymer and Chemicals Limited Primus Leasing Limited (Subsidiary) AlfalahGHP Investment Management Limited

## BOARD COMMITTEES

The Board has formed the following Committees in line with best practices and requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019:

### Board Audit Committee

The Board Audit Committee comprises of three (3) members, all of whom are Independent Directors including the Chairperson of the Board Audit Committee.

The Board Audit Committee comprises of two (2) members, who are Chartered Accountants, while one (1) member has a M.Sc. in Finance and Economics. The Board Audit Committee members have extensive experience in the fields of financial management, accounting, business, and economics.

The Board Audit Committee annually reviews the financial aspects and appropriateness of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and the external and internal audit process.

The Head of Internal Audit reports to the Board Audit Committee and acts as the Secretary of the Board Audit Committee. The Internal Audit Function utilises the services of an independent audit firm to continuously examine Company's records and operations, ensuring fair financial reporting processes, compliance with applicable laws and adherence with internal control systems.

The Board Audit Committee meets once every quarter of the financial year. These meetings are held prior to the approval of the interim results of the Company by its Board of Directors and after completion of external audit.

The Board Audit Committee held four (4) Meetings in 2022 and met once with the Head of Internal Audit and other members of the Internal Audit function without the CFO and the external auditors being present.

The Board Audit Committee also met the external auditors without the presence of the CFO and Head of Internal Audit.

### Terms of Reference of the Board Audit Committee

The Company regularly monitors the implementation of financial controls, whereas the Board Audit Committee reviews the effectiveness of the internal control framework.

The Board Audit Committee terms of reference state the following:

- The Internal Audit department carried out its audits in accordance with the approved audit plan which is presented annually to the Board Audit Committee.
- The Committee has ensured that the Internal Audit department is well equipped with personnel possessing financial and business acumen according to the criteria defined in the Companies Act, 2017.
- The Head of Internal Audit has the required qualifications as prescribed under the Regulations.
- The Internal Audit department has direct access to the Chairperson of the Board Audit Committee. The performance appraisal of the Head of Internal Audit is also carried out directly by the Board Audit Committee.
- Internal Audit function plays a vital role in improving the overall control environment. It also acts as an advisor to other functions for streamlining processes and ensuring implementation of the Company's policies.
- Board Audit Committee has provided a proper platform to the management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Board Audit Committee also undertook an overall review of the business risks to ensure that the existing control environment identified any emerging risks post COVID-19.

The summary of the risks together with the mitigation plan was presented to the Board for its review.

### Audit Committee Report

It is the Company's pleasure to present the Annual Audit Committee's report which records the Committee's activities during the year ended 31 December 2022.

### Composition of The Committee

While all board directors have a duty to act in the interests of the company the audit committee has a particular role, acting independently from the executives, to ensure that the interests of shareholders are properly protected in relation to financial reporting and the risk management and internal controls over that reporting are operating effectively.

In terms of the Committee's membership, the Audit Committee comprises of three members, all of whom are Non-Executive and Independent Directors. Ms. Ayesha Aziz, the Chairman of the Committee, was appointed on 3rd March 2021 as Non-Executive Independent Director. She brings over 20 years of experience in Structured Finance, Private Equity & Strategic Advisory businesses. Syed Anwar Mahmood graduated with honors in Economics and later obtained a master's degree in the same discipline. Mr. M. Z. Moin Mohajir, is the other member of the Audit Committee and he is considered as "financially literate" as per the Listed Companies (Code of Corporate Governance) Regulations, 2021.

A detailed profile of the directors is mentioned on pages 76 to 82.

The Audit Committee met on four occasions during the year. The Committee also updated the Board on the work of the Committee and discussed some of the major challenges ahead. Meetings were also held with the External Auditors and Internal Auditors, and these provided the Committee with assurances regarding the work carried out to help strengthen internal controls in the Company.

## Evaluation of The Committee

Evaluation of the committees of the Company is mentioned in detail on page 95.

## Internal Audit and Risk Management

- Risk Management continues to be an area of significant focus for the Committee. During 2022, the Committee engaged with the Chief Executive Officer and Chief Financial Officer on the risk management systems and processes in place across the Company and obtained satisfactory assurances. The Committee reviewed the significant risks highlighted for key functions during the year, focusing on the new and heightened risks being managed by the Company post pandemic environment.
- The Company's system of internal controls is sound in design and is continually evaluated for effectiveness and adequacy. The Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function.
- The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required. The Committee confirms that adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.

## External Audit

- The external auditors were allowed direct access to the Committee and also met the Audit Committee once a year without the presence of the management, where significant issues in relation to the financial statements and external audit were discussed in detail.
- The Committee facilitates coordination between the internal and external audit of the Company to ensure they contribute effectively towards the achievement of company's objectives and to promote a transparent financial reporting mechanism.
- All internal audit reports were made available for review to the external auditors during the year.
- The external auditors M/s Yousuf Adil, Chartered Accountants have been engaged as the external auditors of the Company since \_\_\_\_ and have completed their audit assignment and review of the Statement of Compliance with the Regulations. They shall retire on the conclusion of the \_\_\_\_ Annual General Meeting.
- The Company does not obtain any non-audit services from Deloitte Yousuf Adil, Chartered Accountants.
- The Audit Committee has recommended the appointment of M/s KPMG Taseer Hadi and Co., Chartered Accountants as external auditors of the Company for the year ending December 31, 2023.

## Terms of Reference of The Audit Committee

The terms of reference of the audit committee are mentioned in detail on page 106.

## Compliance with The Listed Companies (Code of Corporate Governance) Regulations, 2019

The Company has complied with the mandatory requirements specified under the Regulations.

The Committee would like to state that:

- The Company has issued a Statement of Compliance with the Regulations which has also been reviewed and certified by the external auditors of the Company
- They have reviewed the effectiveness of the Ethics and Compliance function
- The Company's Code of Conduct has been disseminated across the organization
- The Committee reviewed the Annual Report and concluded that it is fair, balanced, and understandable.
- The Committee reviewed the integrity of the financial statements, including annual reports, half-year reports, and quarterly financial statements; and recommended them for approval of the Board
- These Financial statements present a true and fair view and provide all necessary information to assess the Company's position and performance, business model and strategy. Further, the committee has reviewed all related party transactions carried out during the year. Both were subsequently approved by the board.

The Committee also reviewed the preliminary announcements of results prior to publication. The Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board and as stipulated under the Regulations.



**Ayesha Aziz**  
Chairman Audit Committee

## Human Resource, Remuneration and Nomination Committee

The Company has established the HRR&N Committee in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The HRR&N Committee assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of

Human Resource policies and the appointment and remuneration of the CEO, CFO, Company Secretary, and Head of Internal Audit. It also considers and approves recommendations on matters related to succession planning of CEO, CFO, Company Secretary, and Head of Internal Audit and ensuring proper compensation to the Company's employees. The HRR&N Committee meets at least once in a year.

## Terms of Reference of the Human Resource, Remuneration and Nomination Committee

This Committee shall conduct its activities ensuring the achievement of its objectives & scope of work as set out above and to this end shall have the following specific responsibilities:

- Satisfy itself and report to the Board that the Company's leadership development, talent planning, organization structure and compensation policies are consistent with the Company's objectives and strategies as approved by the Board.
- Ensure supply of high calibre talent at senior management position to lead the business now and into the future.
- Ensure adequate training and development of senior employees with the skill and knowledge to effectively perform their duties.
- Establish achievement of high-performance culture and employee engagement that will drive the organizational success.
- Ensure that the management remains committed to adequate talent management.
- Coordinate with the majority shareholders and recommend to the Board the selection, evaluation, compensation, authorities, and accountabilities of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
- In respect of other direct reports of the CEO, the Committee will approve the appointment and compensation and will inform the Board accordingly.
- Ensure that an adequate succession plan of the CEO and other senior executives remains

in place.

- Satisfy itself that the CEO has a process in place for performance assessment including business ethics and code of conduct for all employees.
- Schedule formal meetings with the direct reports of the CEO.
- Review the annual increment of staff including any bonus and recommend the same to the Board.
- Evaluation and selection of potential candidate(s) as Director(s) of the Board

\*Updated and recommended by HRR&N Committee members and approved in the Board Meeting held on 9 February 2022.

## Integration and Supply Network Optimization Committee

The Integration and Supply Network Optimization Committee comprises of three (3) members of the Board. The purpose of this committee is to explore significant Supply Network opportunities and facilitate a smooth Integration process.

## Management Committee

The Management Committee comprises of twelve (12) senior members of the Company's Leadership Team who are external facing and who meet and discuss significant business plans, issues, progress and updates of their respective functions. Significant matters to be put forth in the Board as per the Listed Companies (Code of Corporate Governance) Regulations, 2019 are also discussed for onward approval. The Management Committee meets once very quarter.

The role of the Management Committee is to review, implement and monitor:

- Business risks.
- Business strategy.
- Business plans.
- Issues pertaining to respective functions.
- Improvements to policies/ procedures.



# Composition of The Management Committee

**Mr. Farhan  
Muhammad Haroon**  
Chief Executive Officer



**Mr. Dilawar  
Meghani**  
Chief Financial Officer



**Ms. Mashal  
Mohammad**  
Legal Director and  
Company Secretary



**Ms. Marrium Ahmed**  
Head of Internal Audit and  
Compliance



**Mr. Salman Altaf**  
Marketing Director



**Mr. Syed Abrar Ali**  
Sales Director



# Composition of The Management Committee

**Mr. Khurram H. Khan**  
Head of Commercial Excellence



**Mr. Moein Ahmed Khan**  
Pakistan E2E SC and  
Jamshoro Site Lead



**Ms. Ensherah Khan**  
Head of HR



**Mr. Faisal Rafiq**  
Head of Expert



**Ms. Sadaf Malik**  
Head of Corporate Affairs



**Mr. Mazhar Shams**  
Head of Regulatory



## Calendar of Major Financial Events Held in Calendar 2022

<b>Q4-2021</b> 9 February 2022	<b>AGM-2021</b> 21 March 2022	<b>Q1-2022</b> 22 April 2022
<b>Q2-2022</b> 23 August 2022	<b>Q3-2022</b> 21 October 2022	<b>Corporate Briefing Session 2022 - 21 November 2022</b>



## Financial Calendar 2023\*

<b>Q4-2022</b> 14 March 2023	<b>Q1-2023</b> 24 April 2023	<b>AGM-2022</b> 27 April 2023
<b>Q2-2023</b> 24 August 2023	<b>Q3-2023</b> 23 October 2023	<b>Corporate Briefing Session 2023 - 27 November 2023</b>

*\* Approved by the Board of Directors in their meetings held on 21 October 2022 and 5 December 2022.*

## Communication of Financial Results

Periodic financial statements of the Company were circulated to Directors duly endorsed by the CEO and the CFO. Half-yearly and annual financial statements were initialled by the external auditors their presentation to the Board Audit Committee and the Board of Directors for approval.

Furthermore, quarterly unaudited financial statements of the Company along with Director's Review, were approved, published and circulated to shareholders on a timely basis. Half-yearly financial statements were subjected to a limited scope review by the statutory auditors. This annual financial statement has been audited by the external auditors and approved by the Board and will be presented to the shareholders at the AGM for approval. The said financial statements have been circulated on PUCARS well within the statutory prescribed timelines and posted on the Company's website accordingly.

## Reporting and Investigating Concerns

The Company encourages people to speak up if they have any concerns relating to unethical conduct etc – or if they simply want to ask a question about how to apply the Company’s Code of Conduct. Anyone within or outside the Company can raise concerns or speak to an independent third party through our integrity lines, confidentially or anonymously if they prefer. The Company takes every reported concern very seriously and each complaint is reviewed to understand whether a formal investigation is warranted. If investigations show that an employee has breached Company policies, appropriate disciplinary action is taken.

## Whistle Blowing / Speak Up Policy

The Company has global procedures on reporting misconduct and safeguarding people who report these concerns. We believe that ethical business conduct is the responsibility of everyone working for and on behalf of the Company. It is the foundation for building trust in the Company and protects its license to operate. The Company expects everyone to live its Values and Expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. The Company also extends these ethical expectations to the third parties it works with.

## Zero Tolerance for Retaliation

At the Company, anyone can report concerns without fear of reprisal. The Company prohibits retaliation against anyone who raises, or reports concerns and will take disciplinary action up to and including dismissal (in accordance with local labour laws) against any employee who threatens or engages in retaliation, bullying and/or harassment of someone who has reported, or is considering reporting, a concern in good faith. Similarly, we will report an agency worker who retaliates against anyone raising a report or concern to the worker’s employment agency and terminate their assignment with the Company.

The Company treats all questions and issues confidentially, where possible, while investigating fairly, cooperating with governments and complying with legal obligations. When someone reports a concern in good faith, the Company will support that individual.

All Company employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches of the Company’s Code of Conduct, and other Company policies and procedures. Further, any suspected violations of country laws and regulations must also be reported. Contingent workers working on behalf of the Company are also required to report misconduct concerns, with ‘Speak Up’ integrity line information provided in the Company’s Code of Conduct.

## Speak Up Instances During The Year

During 2022, there were no instances that qualified as that of material nature.

## Disaster Recovery Mechanism

The Company has an effective disaster recover mechanism in place to ensure a smooth and expeditious transition to a backup mode of operations to minimize any disruption to the business.

## IT Continuity Plan Key Objectives:

- Identify IT Recovery Team- roles and responsibilities and to identify escalation and disaster recovery steps.
- To have continuity procedures in place for core IT Infrastructure including WAN &, LAN.
- To highlight application recovery procedures- for all major applications critical to business continuity.
- To list backup retention policies and information on critical storage locations for backup tapes and servers.

- To list ITCP review results and details of testing schedules.

IT Continuity Team- Key responsibilities include:

- To restore, maintain and secure the critical business systems of the Company.
- Establish and maintain regular progress reporting for duration of incident.
- Take ownership of IT continuity plan (maintain, review and update).
- Prepare ITCP outcome report.
- Key responsibility is to ensure that the IT Escalation Process is adhered to.
- The IT continuity coordinator of the Company will inform the respective BU Head of IT who will then escalate the incident to the Area IT Head or his designated area IT staff. The Area IT Head and the International IT point of contact will decide on whether to record the incident in the IT Escalation database.

## Business Continuity Planning

The Company routinely monitors the compliance of external manufacturing suppliers to identify and manage risks in our supply base in case of any natural calamity or force majeure. Where practical, the Company minimizes its dependence on single sources of supply for critical items. Where alternative sourcing arrangements are not possible, our inventory strategy aims to protect the supply chain from unanticipated disruption.

The Company has always used effective crisis management and business continuity planning to provide for the health and safety of our people and to minimise impact to us, by maintaining functional operations following a natural or man-made disaster, or a public health emergency. A corporate policy requires each business and functional area head to ensure effective crisis management and business continuity plans are

in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes, before any business disruption occurs. Corporate Security supports the business by coordinating crisis management and business continuity training; facilitating simulation exercises; assessing our preparedness and recovery capability; and providing assurance oversight of our central repository of plans supporting our critical business processes.

The above enabled the Company to swiftly deploy technology to ensure business continuity and to offset the disruptions caused by the COVID-19 induced lockdown. The Company acted with speed and agility to ensure the continual movement of our supply chain, balanced with the safety of its workforce. Keeping in view the proactive approach of the Company regarding its advanced business continuity planning, its responsibility as a diligent corporate citizen, and our consumer focused approach, the Company ensured access of its OTC medicines and products to Consumers through the year. Progress was, and continues to be, monitored weekly in a Crisis Management Team meeting consisting of the Company’s leadership team and regular updates were provided to the Board of Directors. The disruption brought about by COVID-19 also had the Company implement a flexible way of working for employees with office-based roles called ‘Performance by Choice’, which enabled employees to perform their best based on their role, team, and personal circumstances.

# Performance

and Position



# Analysis Of Financial And Non-Financial Performance

## Non-Financial Performance

Bring differentiated, high-quality and needed healthcare products	Balanced business growth	Focusing on three priorities – Innovation, Performance and Trust.
<b>Strategy</b>		
We invest in scientific and technical excellence to develop and launch a pipeline of new products that meet the needs of the patients, payers and customers.	Putting our values and expectations at the heart of everything we do, we become a high performing team.	We aim to achieve industry leading growth by investing effectively in our business and ensuring the quality and reliable supply of our products.

## Capital

Manufactured Capital	Human and Intellectual Capital	Intellectual Capital
<b>Strategy</b>		
Market share, Ranking as per IQVIA.	Market share, Channel Share and Innovation Sales	Employee Engagement

## Analysis

The Company continuously monitors all KPIs to ensure that its objectives are being achieved.

# Financial Performance At A Glance

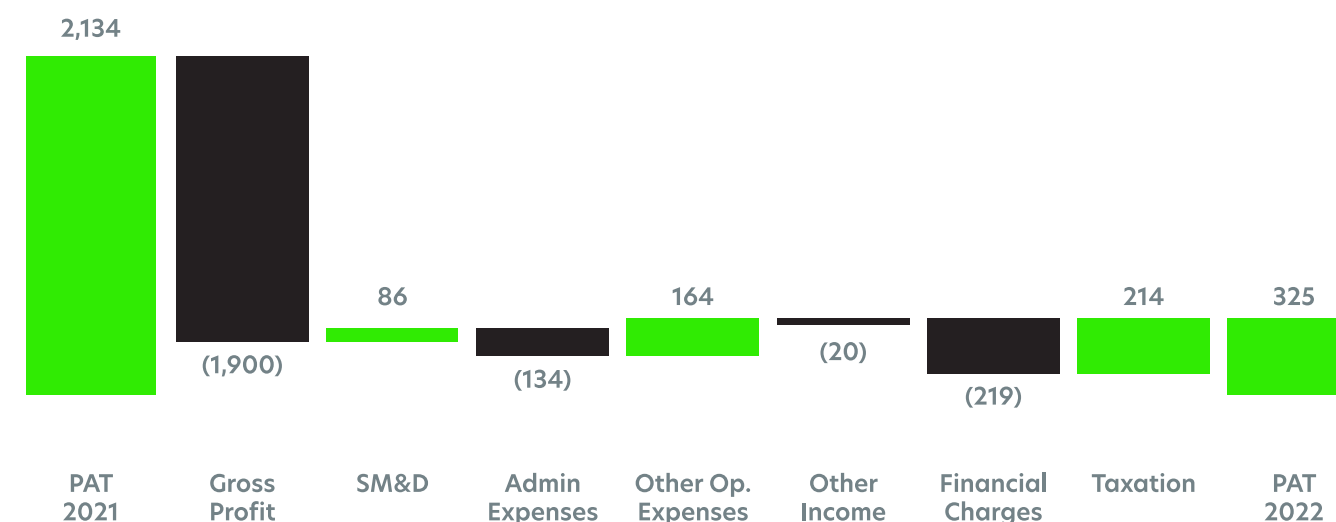
Rupees in millions

	2022	2021	2020	2019	2018	2017	2016
Net Sales	27,507	24,163	19,846	16,317	14,875	8,298	5,376
Gross Profit	4,785	6,685	5,328	4,986	4,404	3,101	1,509
Operating Profit	1,299	3,103	1,832	1,892	1,688	1,179	858
Profit Before Tax	993	3,016	1,774	1,700	1,463	1,171	856
Taxation	(667)	(882)	(512)	(442)	(388)	(464)	(311)
Profit after taxation	325	2,134	1,262	1,258	1,075	707	545
Earnings per share Rs.	2.78	18.23	10.78	10.74	9.18	7.39	7.60
Dividend per share	-	-	5.00	5.00	5.00	5.00	-
Return on equity	4.62%	31.78%	24.44%	27.94%	28.02%	30.77%	34.16%
Market capitalisation	19,185	28,217	31,035	30,015	31,182	30,986	-
Paid-up Capital	1,171	1,171	1,171	1,171	1,171	956	956

## Explanation of Negative Changes in Performance

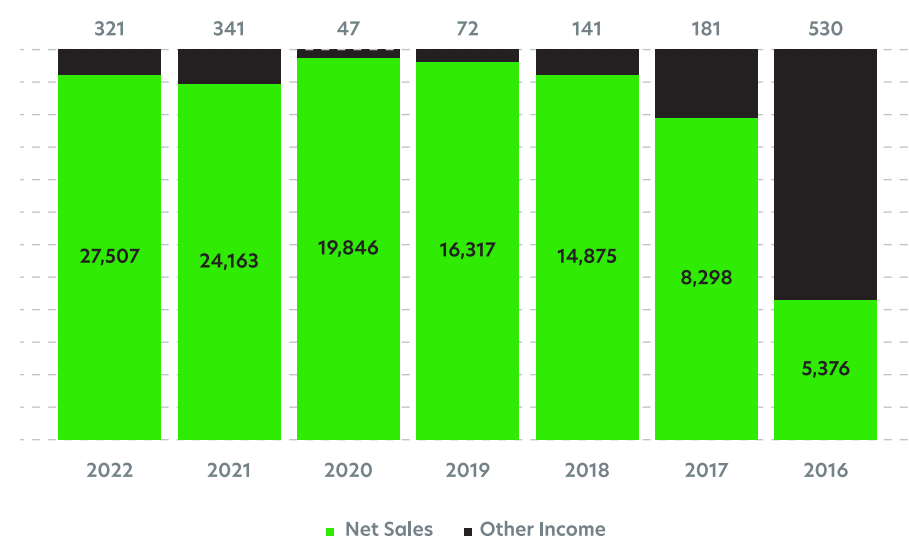
Gross profit margin at 17.4% of sales depicts a decline of 10.3% versus SPLY. Consequent to the closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol), Paracetamol prices have been constantly increasing since January 2021, which has impacted the profitability. In addition to these unsustainable levels of paracetamol prices hitherto, devaluation of Pakistani Rupee has added to the cost pressures during financial year 2022 and may continue to do so in the near future.

## Statement of Profit or loss Variance Analysis - PKR in millions

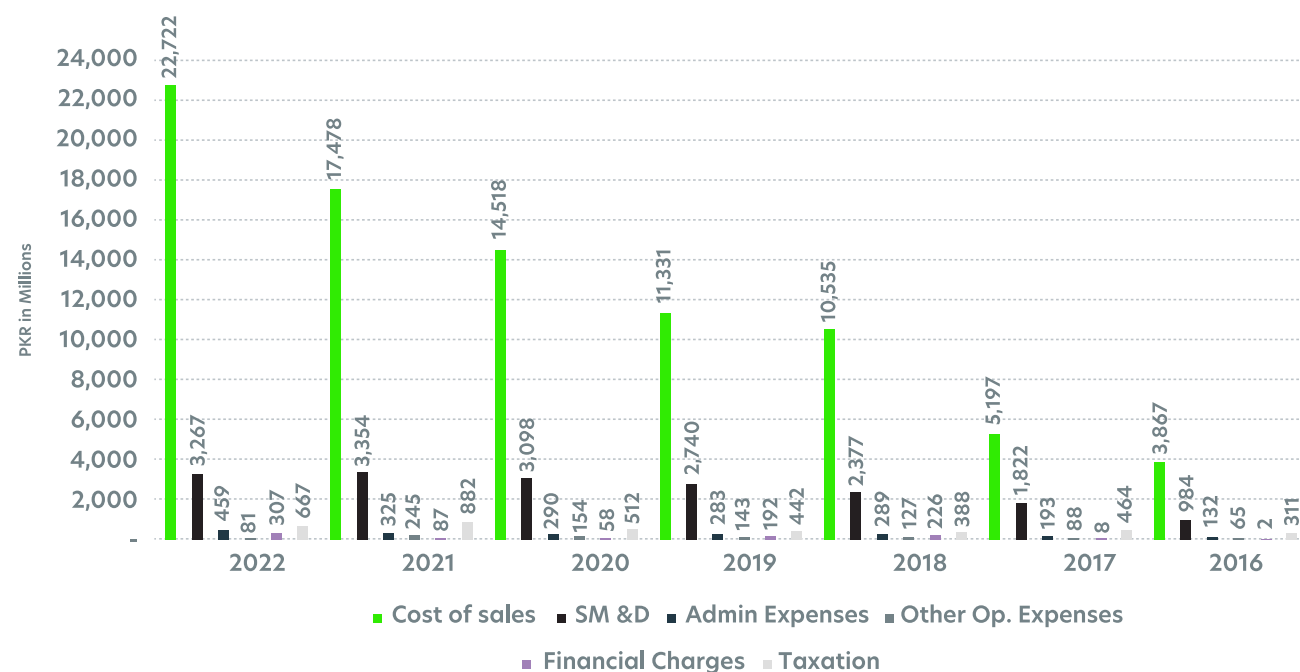


## Key Operating Financial Data & Ratios

Net Sales Vs Other Income



Statement of Profit or Loss - Expenses



### Rupees in millions

#### Statement of Financial Position

##### Assets employed

	2022	2021	2020	2019	2018	2017	2016
Fixed Assets - property, plant and equipment	3,990	3,706	3,493	2,915	2,650	125	132
Intangible asset - Goodwill	128	128	128	128	128	-	-
Deferred taxation	-	-	-	-	-	8	17
Long-term loans and deposits	34	18	17	17	11	1	1
Net current assets	3,250	3,157	1,765	1,628	1,174	2,183	1,456
	<b>7,401</b>	<b>7,010</b>	<b>5,404</b>	<b>4,687</b>	<b>3,962</b>	<b>2,316</b>	<b>1,605</b>

##### Less: Non-Current Liabilities

Staff retirement benefits - Staff gratuity	106	97	88	54	38	20	9
Deferred taxation	134	197	152	131	90	-	-
Lease liabilities	119	-	-	2	-	-	-
	<b>359</b>	<b>294</b>	<b>240</b>	<b>187</b>	<b>127</b>	<b>20</b>	<b>9</b>

##### Net assets employed / Shareholders fund

	<b>7,042</b>	<b>6,715</b>	<b>5,164</b>	<b>4,501</b>	<b>3,835</b>	<b>2,297</b>	<b>1,597</b>
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##### Financed by

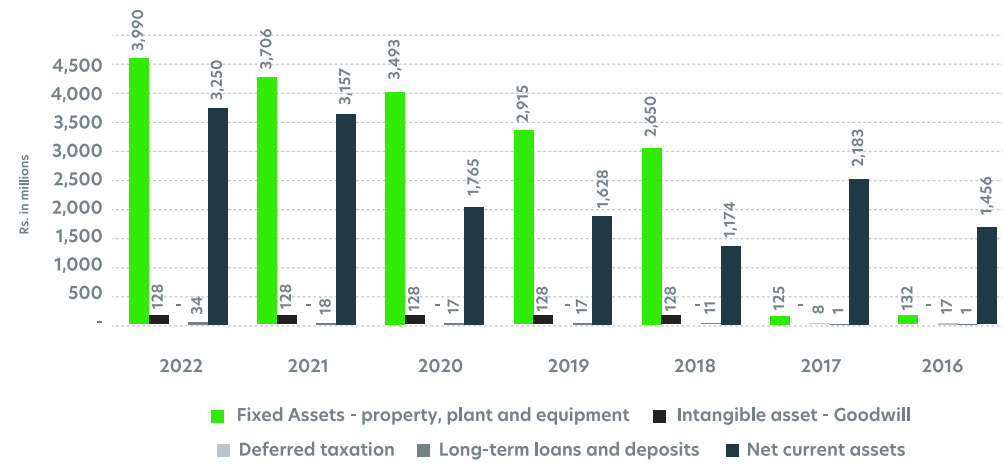
Issued, subscribed and paid-up capital	1,171	1,171	1,171	1,171	1,171	956	956
Reserves	5,871	5,544	3,993	3,330	2,664	1,341	641
Shareholders' Equity	<b>7,042</b>	<b>6,715</b>	<b>5,164</b>	<b>4,501</b>	<b>3,835</b>	<b>2,297</b>	<b>1,597</b>

### Rupees in millions

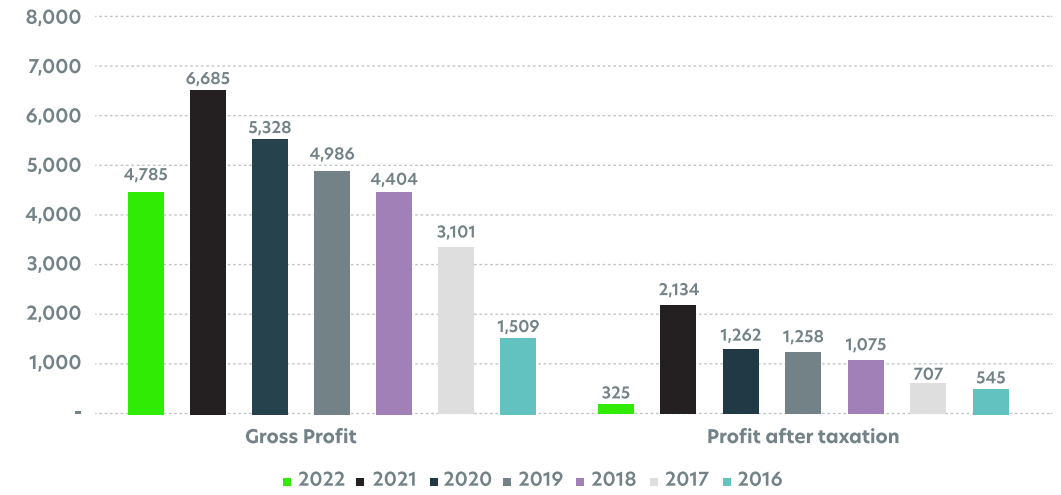
#### Turnover and profit

	2022	2021	2020	2019	2018	2017	2016
Net sales	27,507	24,163	19,846	16,317	14,875	8,298	5,376
Gross profit	4,785	6,685	5,328	4,986	4,404	3,101	1,509
Operating profit	1,299	3,103	1,832	1,892	1,688	1,179	858
Profit before taxation	993	3,016	1,774	1,700	1,463	1,171	856
Taxation	(667)	(882)	(512)	(442)	(388)	(464)	(311)
Profit after taxation	325	2,134	1,262	1,258	1,075	707	545
EBTIDA	1,659	3,405	2,101	2,146	1,899	1,202	866
Cash Dividend including bonus shares	-	-	585	585	585	478	-
Sales per employee	58	53	40	33	31	132	98

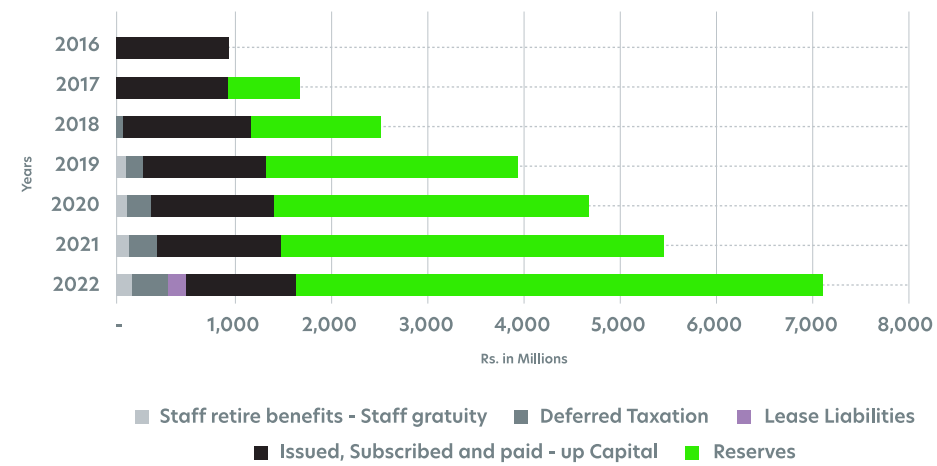
Statement of financial position - Assets employed



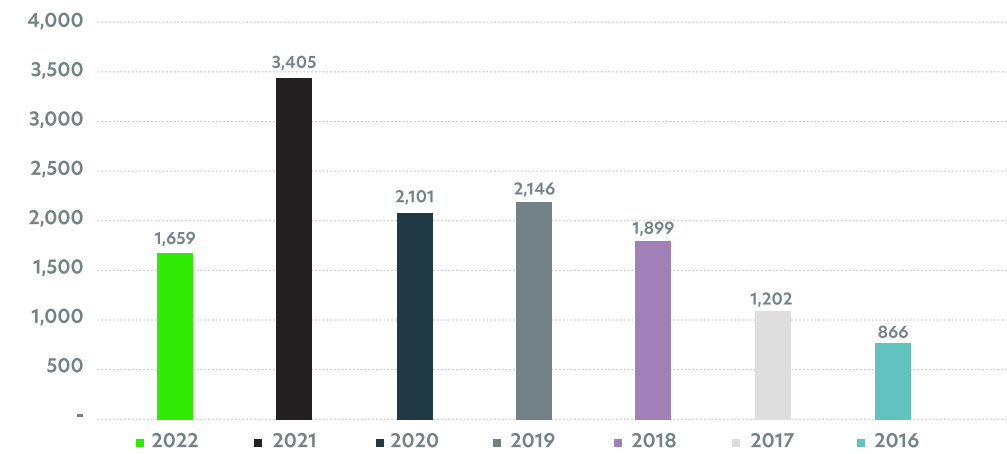
Gross Profit Vs Profit after taxation



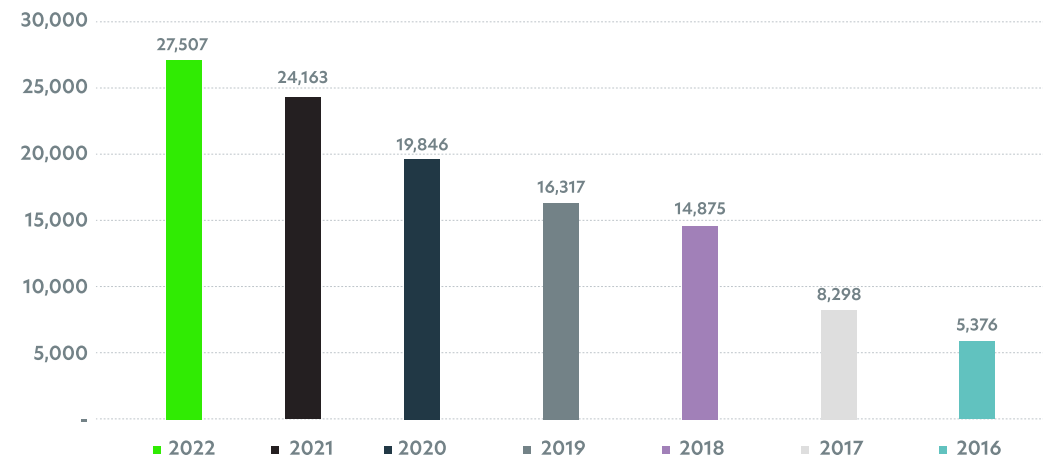
Statement Of Financial Position - Non Current Liabilities & Shareholder's equity



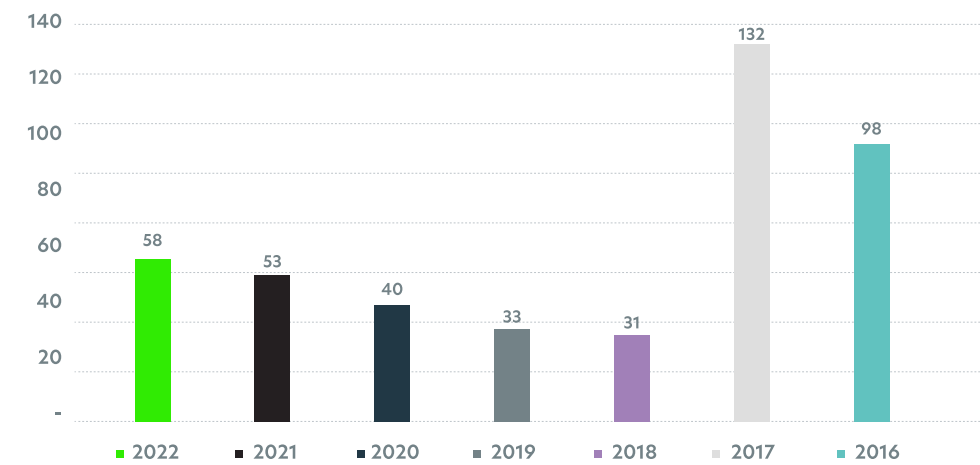
EDITIDA - Rs in Million



Net Sales - Rs in Million



Sale per employee - Rs in Million





Cashflows		2022	2021	2020	2019	2018	2017	2016
Operating Activities	Rs. in million	974	1,594	2,914	1,334	(426)	559	950
Investing Activities	Rs. in million	(221)	(322)	(814)	(487)	(223)	72	(1,049)
Financing Activities	Rs. in million	(405)	(82)	(82)	(83)	(78)	-	-
Changes in Cash equivalents	Rs. in million	348	1,190	2,018	764	(727)	631	(99)
Cash & equivalents - Year end	Rs. in million	3,436	3,088	1,898	(120)	(884)	1,302	670

Financial Highlights		2022	2021	2020	2019	2018	2017	2016
Cash dividend per share	Rupees	-	-	5.0	5.0	5.0	5.0	-
Bonus shares	%	-	-	-	-	-	-	-
Market value per share - year end	Rupees	163.90	241.06	265.13	256.42	266.39	324.29	-
Market value per share - high	Rupees	274.99	295.85	330.03	353.53	529.00	365.00	-
Market value per share - low	Rupees	163.00	210.00	199.56	164.10	258.00	100.63	-
Market capitalization	Rs.in million	19,185	28,217	31,035	30,015	31,182	30,986	-

Profitability Ratios		2022	2021	2020	2019	2018	2017	2016
Profit before tax ratio	%	3.61	12.48	8.94	10.42	9.83	14.11	15.92
Gross Yield on Earning Assets	%	7.49	5.99	1.51	2.98	8.76	8.14	3.53
Gross Spread ratio	Times	0.07	0.32	0.24	0.25	0.24	0.23	0.36
Cost / Income ratio	Times	0.75	0.56	0.66	0.63	0.63	0.64	0.58
Return on Equity / return on shareholders fund	%	4.62	31.78	24.44	27.94	28.02	30.77	34.16
Return on Capital employed	%	4.40	30.45	23.35	26.83	27.12	30.51	33.98
Gross Profit ratio	%	17.40	27.67	26.85	30.56	29.61	37.37	28.07
Net Profit to Sales	%	1.18	8.83	6.36	7.71	7.22	8.52	10.15
EBITDA Margin to Sales	%	6.03	14.09	10.59	13.15	12.77	14.48	16.14
Operating leverage ratio	Times	-4.2	3.2	-0.1	1.2	0.5	0.7	0.0
Return on assets ratio	%	2.16	15.39	11.50	14.00	13.51	17.88	19.06
Ownership ratio	%	46.76%	48.43%	47.06%	50.10%	48.21%	58.09%	55.80%

Investment / Market Ratios		2022	2021	2020	2019	2018	2017	2016
Earnings per share (EPS)	Rupees	2.78	18.23	10.78	10.74	9.18	7.40	7.60
Price Earnings ratio	Times	58.96	13.22	24.59	23.88	29.02	43.88	2.20
Price to Book ratio	Times	2.77	4.28	6.16	6.86	8.41	13.49	-
Dividend Yield ratio	%	-	-	1.89	1.95	1.88	1.54	-
Dividend Payout ratio	Times	-	-	0.46	0.47	0.54	0.68	-
Dividend Cover ratio	Times	-	-	2.16	2.15	1.84	1.48	-
Break-up Value per share - (no revaluation or investment impact)	Rupees	59.07	56.28	43.02	37.36	31.67	24.04	16.71

Capital Structure Ratios		2022	2021	2020	2019	2018	2017	2016
Earning assets to total assets ratio	%	23.07	23.10	19.43	7.16	8.89	32.9	23.4
Net assets per share	Times	57.09	54.85	42.07	36.85	31.67	41.2	29.9
Debt to Equity ratio	Times	-	-	-	0.03	0.24	-	-
Financial leverage ratio	Times	0.01	-	0.00	0.18	0.43	-	-
Weighted average cost of debt	%	0%	0%	0%	11%	6%	0%	0%
Interest Cover ratio	Times	-	-	66.63	15.65	11.18	281.0	856.1

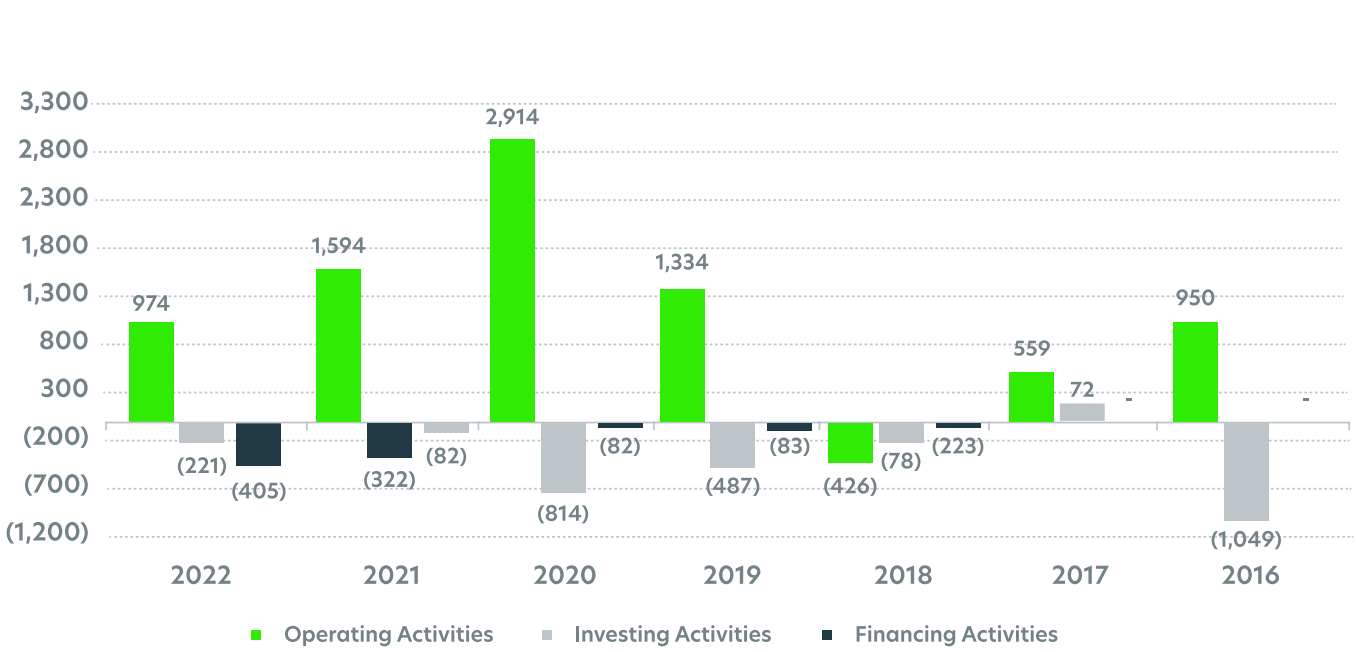
Liquidity Ratios		2022	2021	2020	2019	2018	2017	2016
Advances to Deposits ratio	Times	4.2	5.9	11.4	5.1	3.4	23.5	-
Current ratio	Times	1.42	1.46	1.32	1.38	1.29	2.3	2.16
Quick / Acid test ratio	Times	0.81	0.87	0.78	0.72	0.72	1.8	1.72
Cash to Current Liabilities	Times	0.45	0.47	0.38	0.15	0.18	0.8	0.53
Cash flow from Operations to Sales	%	3.54	6.60	14.68	8.17	(2.86)	6.7	17.67

Activity / Turnover Ratios		2022	2021	2020	2019	2018	2017	2016
Inventory turnover ratio	Times	5.2	5.0	5.0	4.4	6.8	7.5	7.0
No. of Days in Inventory	Days	71	74	73	83	55	49	53
Debtor turnover ratio	Times	31.7	27.3	25.8	20.1	29.0	28.3	17.0
No. of Days in Receivables	Days	12	14	15	19	13	13	22
Creditor turnover ratio	Times	16.2	19.4	20.0	15.4	17.1	14.3	14.4
No. of Days in Creditors	Days	23	19	19	24	22	26	26
Total Assets turnover ratio	Times	1.83	1.74	1.81	1.82	1.87	2.1	1.9
Fixed Assets turnover ratio	Times	6.9	6.5	5.7	5.60	5.61	66.5	40.8
Operating Cycle	Days	60	69	69	78	46	36	49

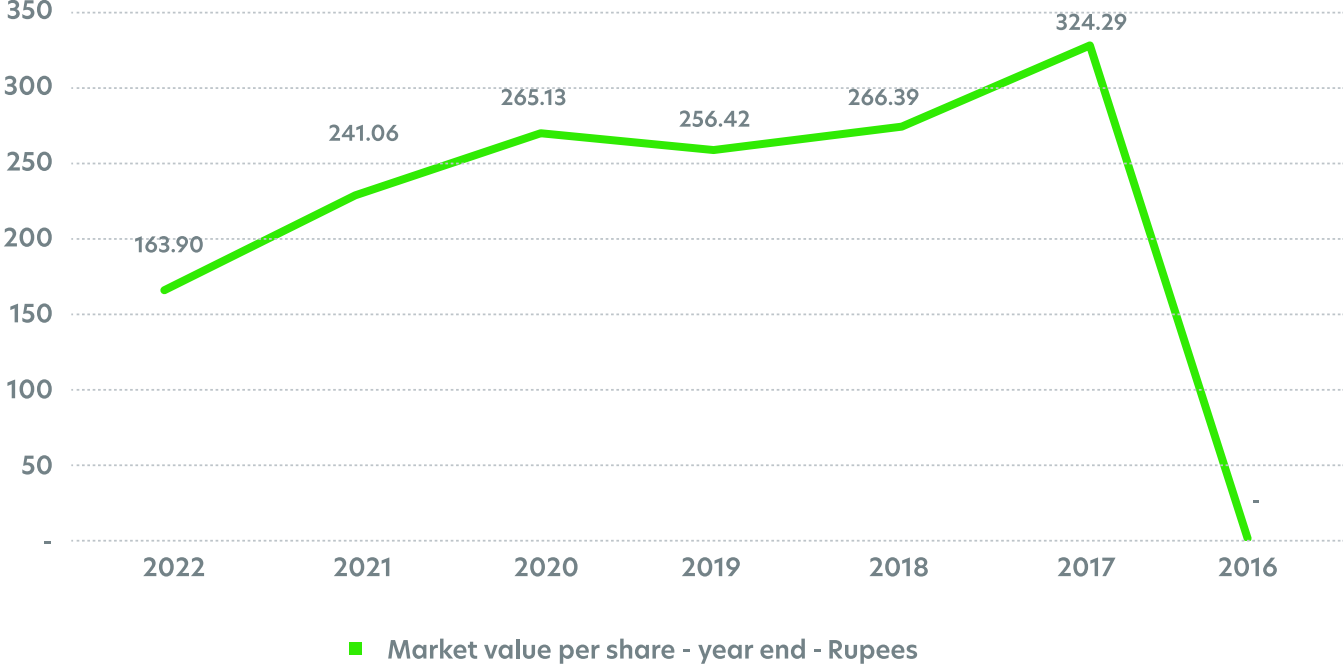
#### Methods and assumptions used in compiling the indicators.

Financial indicators are computed using formulae which are widely used in the industry and are relevant to different stakeholders such as shareholders, bankers and regulators. The data used is generated through our internal management information systems, together with audited financial statements.

**Statement of cash flows-Rs. in millions**



**Market value per share - Rs**

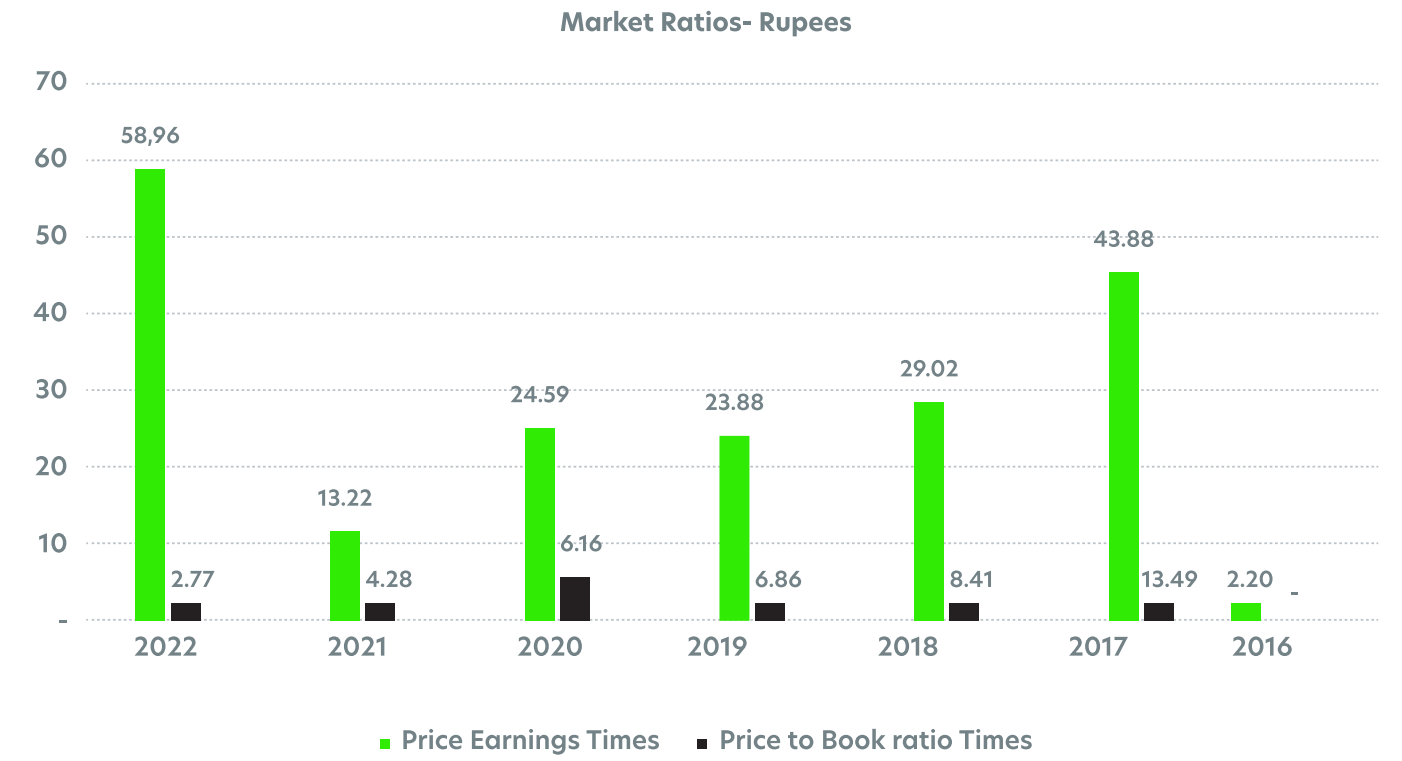
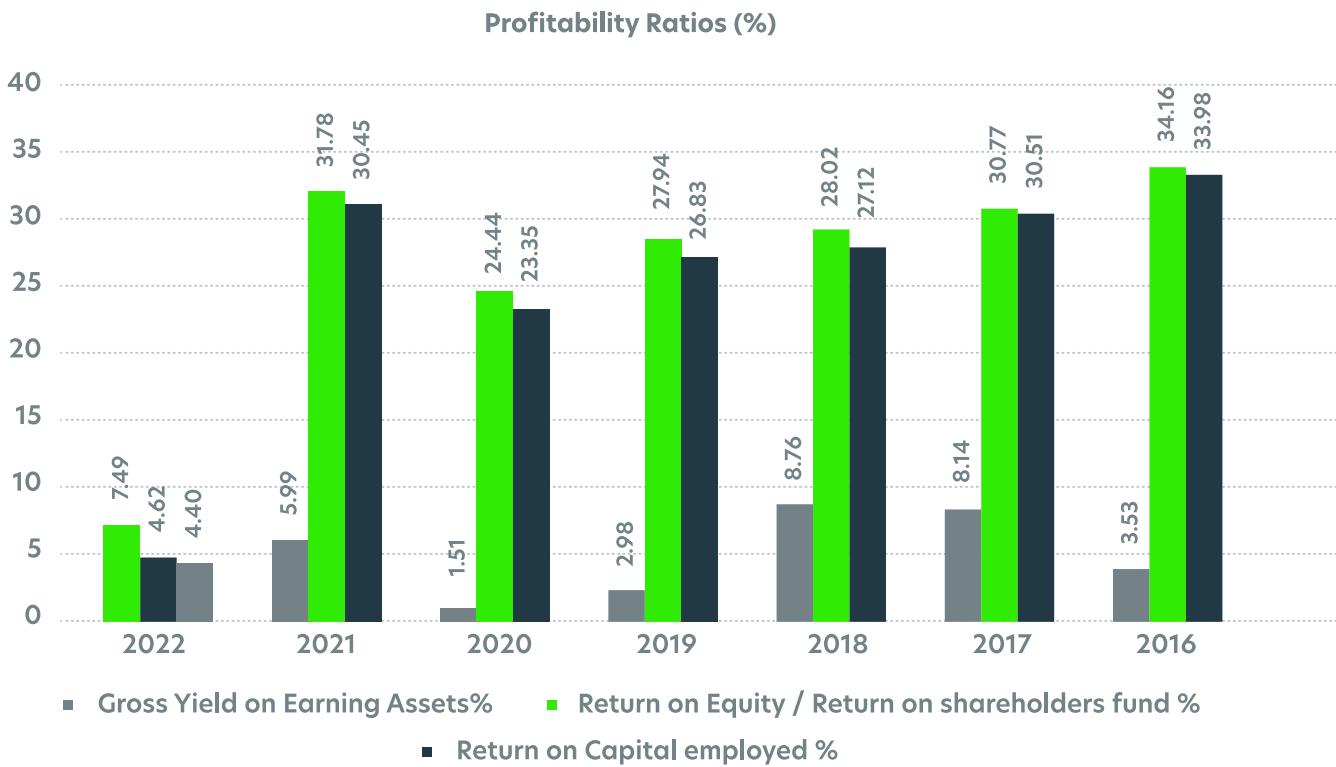
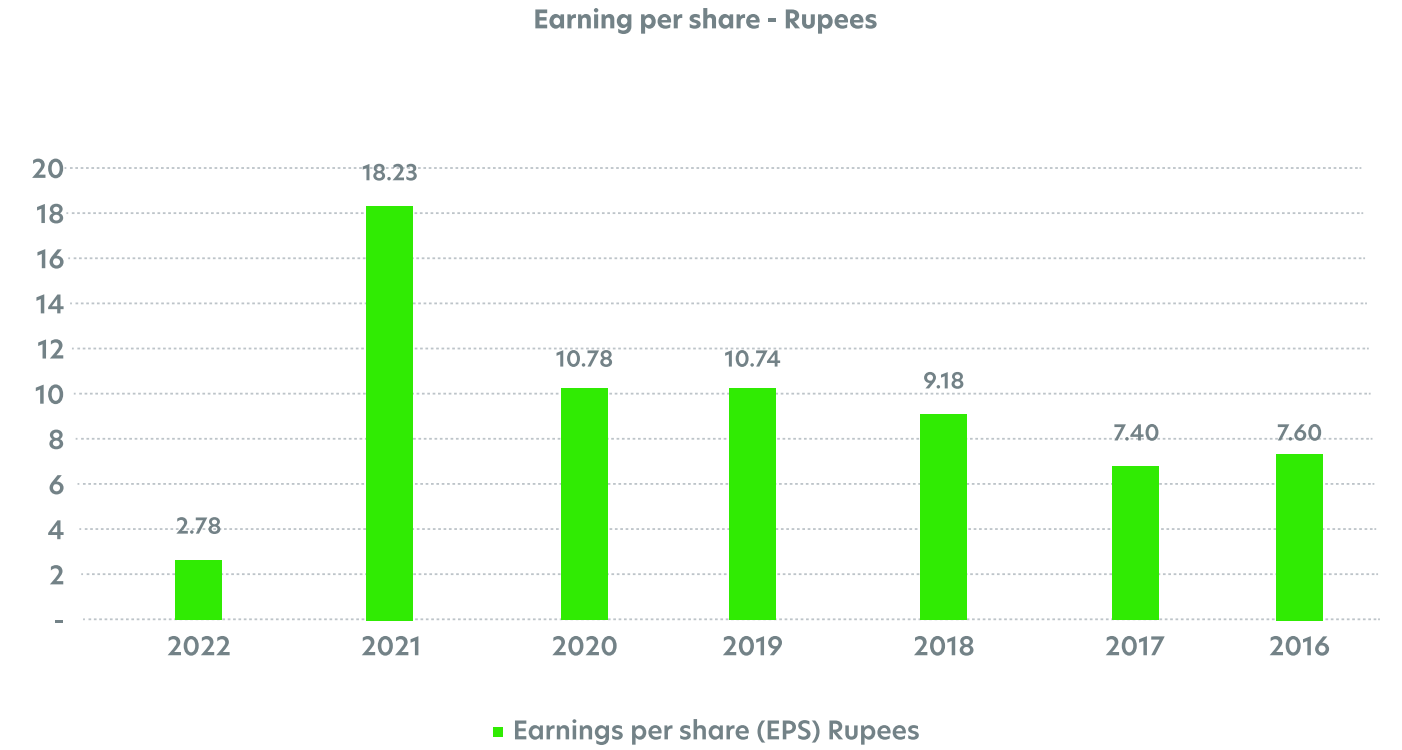
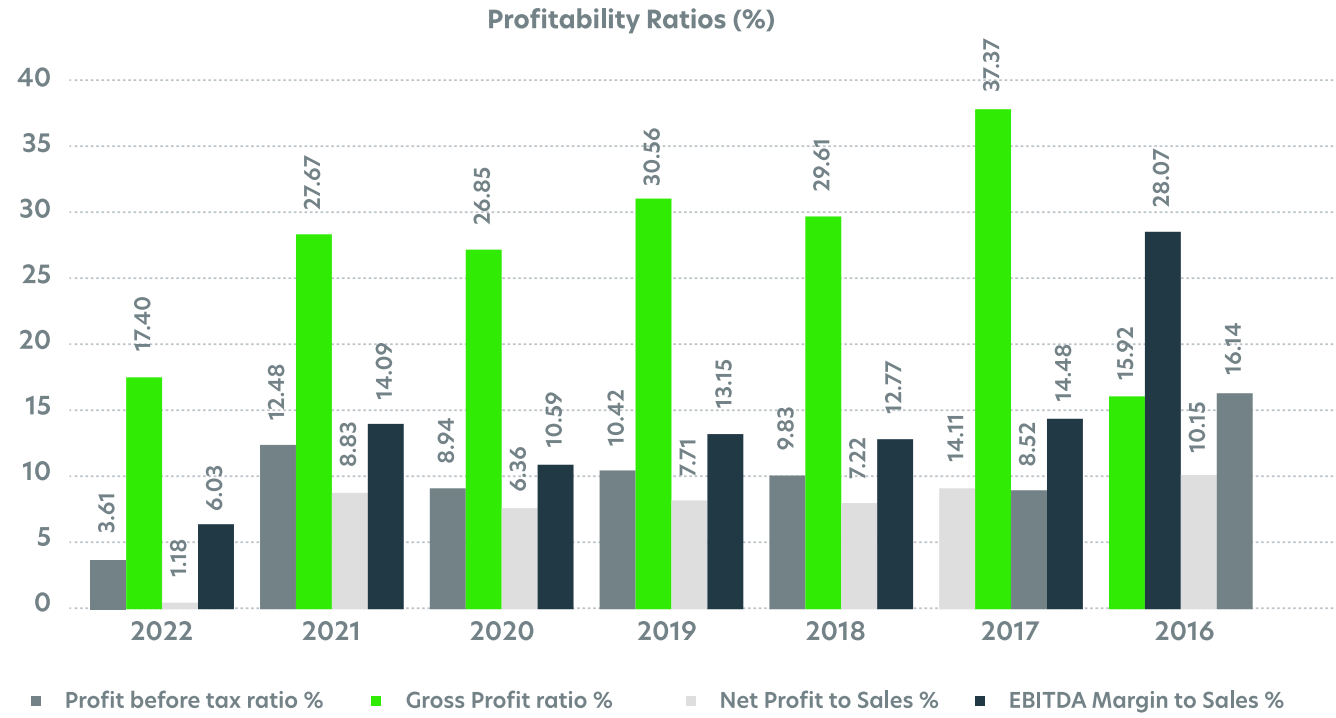


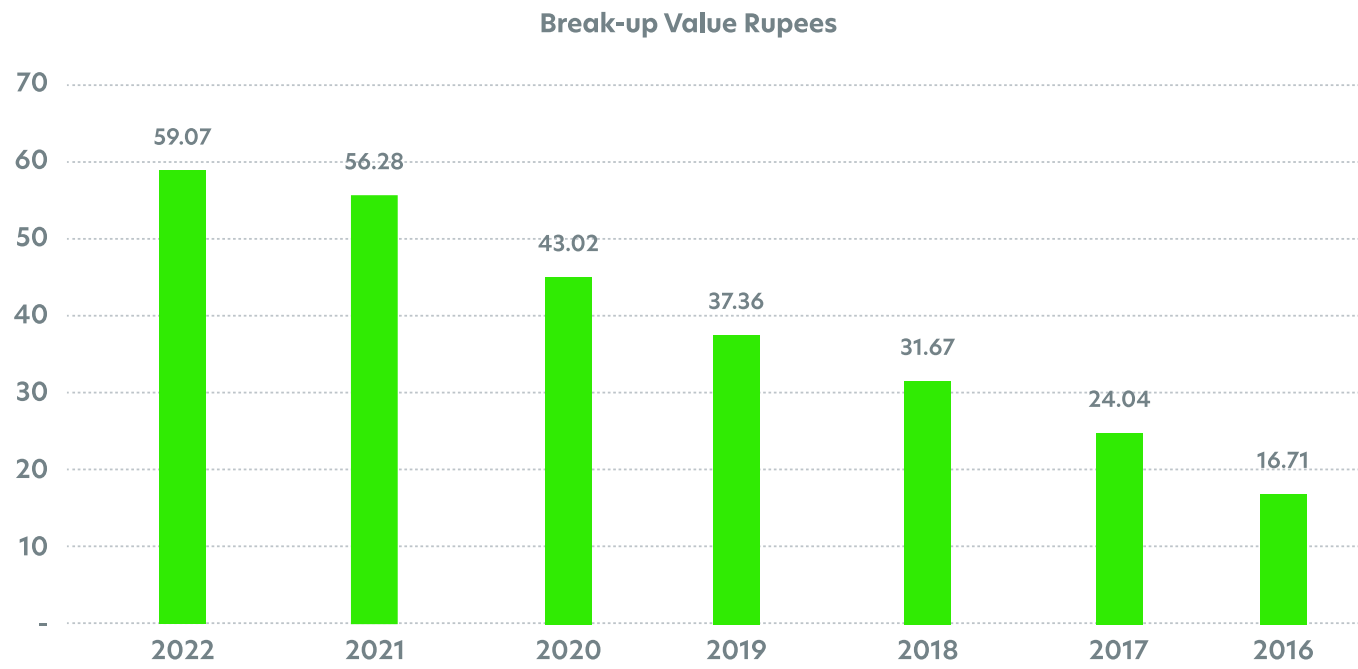
**Cash & equivalents**



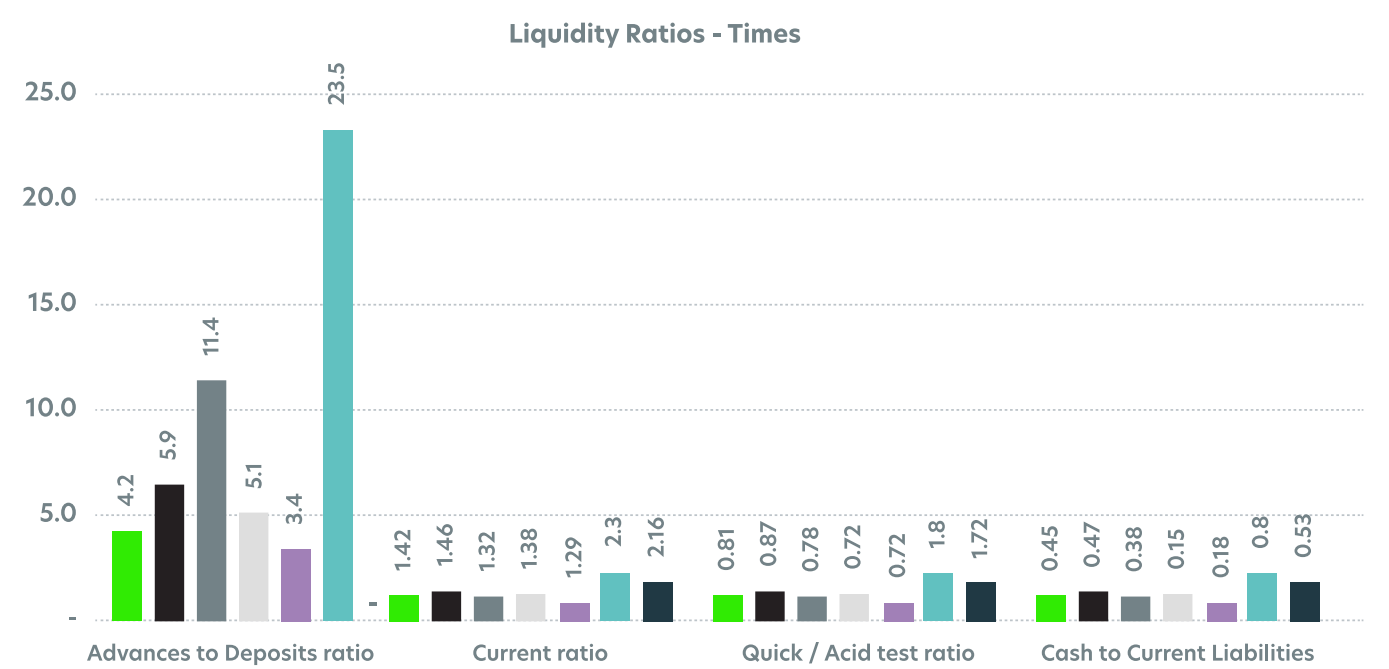
**Market capitalization - Rs. in million**



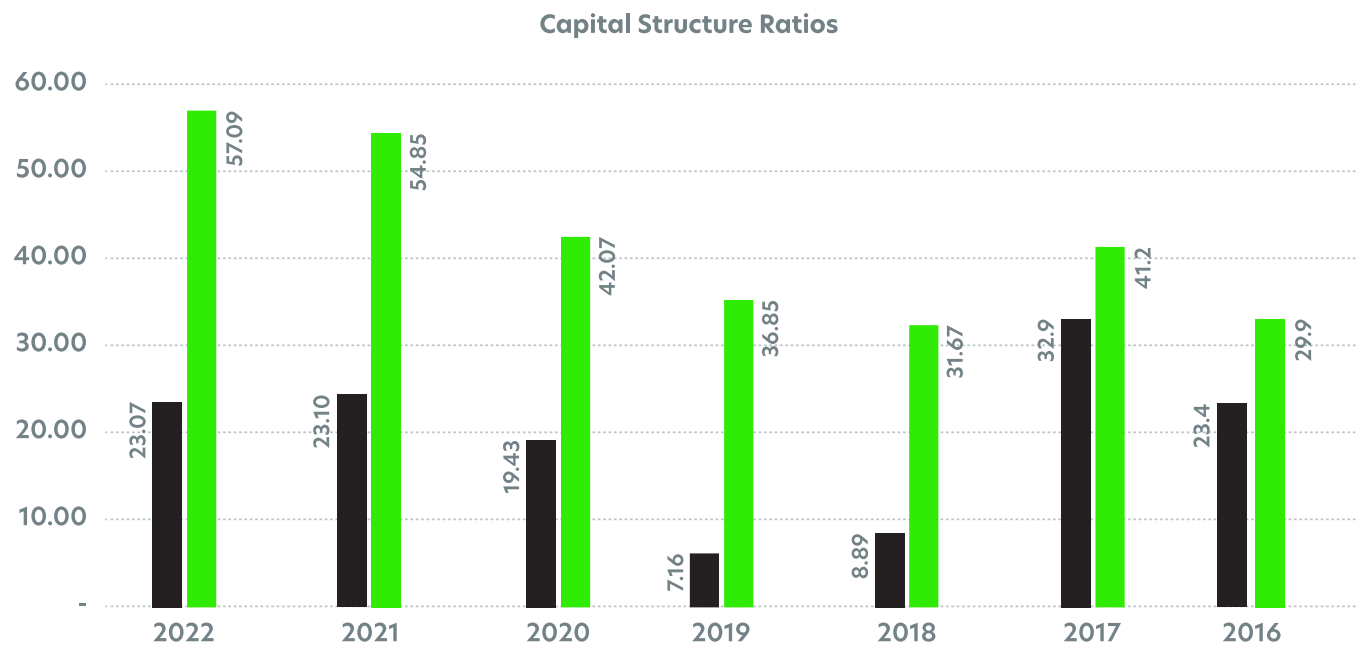




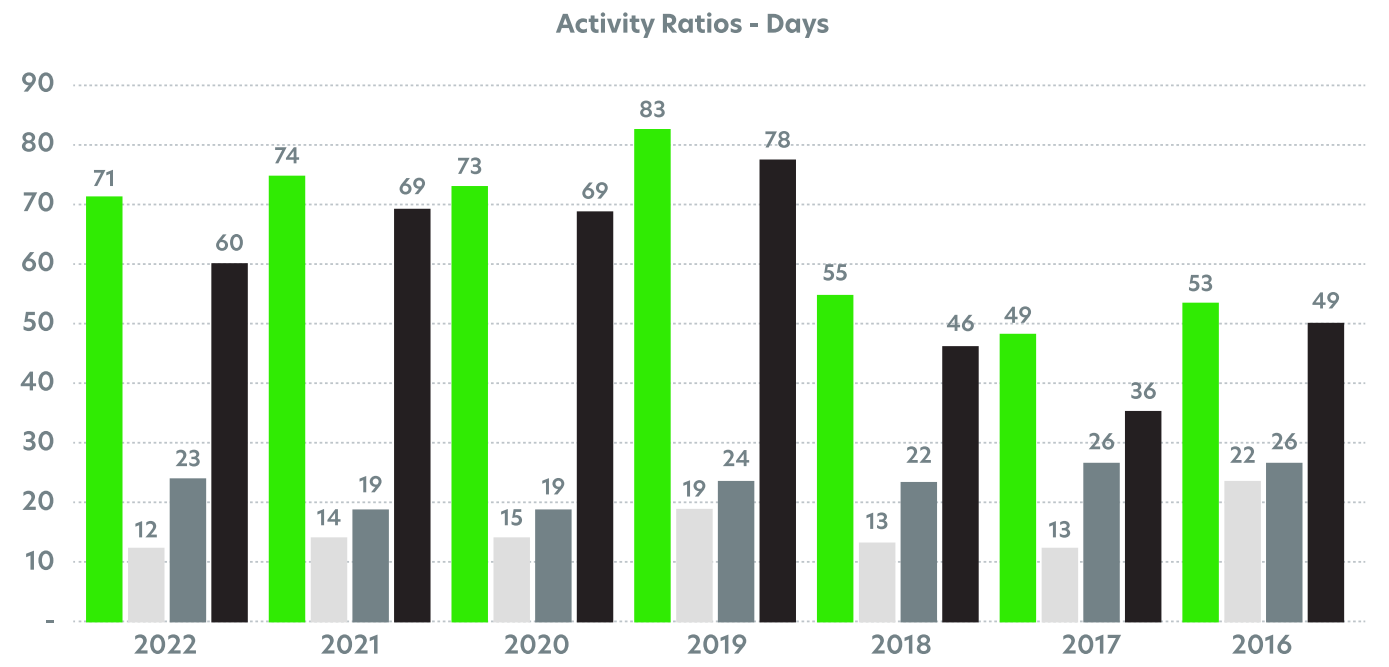
Break-up Value per share - (no revaluation or investment impact) Rupees



■ 2022 ■ 2021 ■ 2020 ■ 2019 ■ 2018 ■ 2017 ■ 2016



■ Market capitalization Rs. in million



■ No. of Days in Inventory Days ■ No. of Days in Receivables Days  
■ No. of Days in Creditors Days ■ Operating Cycle Days

## Comments On Financial Ratios

### PROFITABILITY RATIOS

Profitability ratios of the Company have decreased significantly versus last year, although the sales were high but the material cost increased and rupee devaluation played a significant factor, and the portfolio mix also varied vs last year.

Profit after Tax decreased by 85% compared to prior year.

Gross profit margin dropped to 17.4% versus 27.7% last year. Net profit margin in 2022 was 1.18% versus 8.83% due to the reasons mentioned above.

### LIQUIDITY RATIOS

The Company remains sufficiently liquid and has Rs. 3,436 million of cash and cash equivalents as at 31 December 2022 to meet its investment and operational cash requirements.

Quick / acid test ratio (2022: 0.81, 2021: 0.87), current ratio (2022: 1.42, 2021: 1.46) and cash to current liabilities (2022: 0.45, 2021: 0.47) remained almost the same as last year.

### ACTIVITY / TURNOVER RATIOS

Operating cycle is maintained at 60 days in 2022 as compared to same period last year.

Total assets turnover ratio (average assets) increased to 1.83 in 2022 from 1.74 in 2021 mainly due to increase in turnover during the year.

Fixed assets turnover ratio (average assets) increased to 6.9 in 2022 from 6.5 in 2021 mainly due to significant increase in sales during the year.

### INVESTMENT / MARKET RATIOS

**Earnings per share** fell to Rs. 2.78 in 2022 from Rs. 18.23 in 2021 as a result of decrease in profit after tax by 85% as mentioned above.

**Price Earnings ratio** has increased to 58.96 in 2022 from 13.22 in 2021, mainly due to decrease in earnings per share.

**Dividend yield ratio** is 0% in current year due to non-declaration of dividend.

**Dividend pay-out ratio** is 0% in current year due to non-declaration of dividend.

**Break-up value per share** has increased to Rs. 59.07 in 2022 from Rs. 56.28 in 2021 due to increase in total equity by Rs. 327 million as compared to prior year.

**Market capitalisation** has reduced to Rs. 19,185 million in 2022 from Rs. 28,217 million in 2021 due to decrease in market price per share to Rs. 163.90 in 2022 from Rs. 241.06 in 2021.

### CAPITAL STRUCTURE ADEQUACY ANALYSIS

Total equity increased by 5% to Rs. 7,042 million comprising of share capital amounting to Rs. 1,170.55 million which consists of issued share capital of 117,054,508 shares of Rs. 10.00 each. GlaxoSmithKline Consumer Healthcare B.V. and its nominees is the major shareholder of the Company, having 100,423,259 shares being 85.79% of total paid-up capital.

## Comments On Financial Statements

### STATEMENT OF PROFIT OR LOSS

#### SALES

Looking at the overall market conditions, the Company managed to achieve 14% growth as compared to last year, which was supported by the increase in OTC and FMCG portfolio by 16% and 5% (excluding divestments) respectively. The exports crossed 1 billion mark.

#### COST OF SALES

Cost of sales of the Company increased primarily on account of price increases of major APIs causing the profitability to deteriorate. Rest of the increase is attributed to inflation and currency devaluation.

#### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year decreased by 3% which is mainly attributable to restricted advertising spend.

#### ADMINISTRATIVE EXPENSES

The increase in administrative expenses of 41% is mainly driven by higher resource cost and one-off legal and professional expenses.

#### OTHER CHARGES

Decrease in other charges during the current year by 67% is primarily on account of decrease in statutory charges (WPPF, WWF and CRF) which is in line with the decrease in profitability of the Company.

### STATEMENT OF FINANCIAL POSITION

#### NON-CURRENT ASSETS

Property, plant and equipment have witnessed an increase over prior year due to investment in production facilities and infrastructure to support growing scale of business. Another reason for increase is due to the recognition of right-of-use assets relating to head office.

#### CURRENT ASSETS

The increase in current assets can be substantiated by the increase in inventories levels amounting to Rs. 613 million which is mainly due to the cost increases of major APIs. Trade debts decreased by Rs. 466 million due

to recoveries made during the year, refunds due from Government and Taxation - payments less provision have cumulatively increased by 293 million. The Company's cash and cash equivalent has increased by 271 million.

#### CURRENT LIABILITIES

Current liabilities are depicting an increase of 12% which is mainly attributable to stock building to prepare for the upcoming season.

#### EQUITY

Equity increased from prior year primarily due to allocation of total comprehensive income for the year.

### STATEMENT OF CASH FLOWS

#### CASH FLOWS FROM OPERATING ACTIVITIES

Company's cash flows decreased significantly versus last year mainly on account of lower profitability and investment in stock building to prepare for the upcoming season.

#### CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities have decreased from prior year primarily due to decrease in capital expenditure.

#### CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflow from financing activities have increase as compared to same period last year.

## Quarterly Analysis

For the year ended December 31, 2022

	Q1	Q2	Q3	Q4	Total
Revenue from contracts with customers - net	7,127,151	7,087,103	6,593,614	6,699,344	27,507,212
Cost of sales	(5,210,086)	(5,887,244)	(6,216,390)	(5,408,079)	(22,721,799)
<b>Gross profit</b>	<b>1,917,065</b>	<b>1,199,859</b>	<b>377,224</b>	<b>1,291,265</b>	<b>4,785,413</b>
Selling, marketing and distribution expenses	(1,006,741)	(880,263)	(734,266)	(645,993)	(3,267,263)
Administrative expenses	(80,007)	(110,603)	(95,244)	(173,581)	(459,435)
Other operating expenses	(65,766)	(9,348)	43,413	(48,980)	(80,681)
Other income	90,747	64,700	50,385	115,467	321,299
<b>Operating profit</b>	<b>855,298</b>	<b>264,345</b>	<b>(358,488)</b>	<b>538,178</b>	<b>1,299,333</b>
Financial charges	(54,321)	(145,495)	(148,849)	42,123	(306,542)
<b>Profit before taxation</b>	<b>800,977</b>	<b>118,850</b>	<b>(507,337)</b>	<b>580,301</b>	<b>992,791</b>
Taxation - net	(244,378)	(398,163)	162,124	(186,963)	(667,380)
<b>Profit after taxation</b>	<b>556,599</b>	<b>(279,313)</b>	<b>(345,213)</b>	<b>393,338</b>	<b>325,411</b>

### Comments on Quarterly Analysis

Looking at the overall market conditions, the Company managed to achieve 14% growth as compared to last year which was supported by the increase in OTC and FMCG portfolio sales by 16% and 5% respectively.

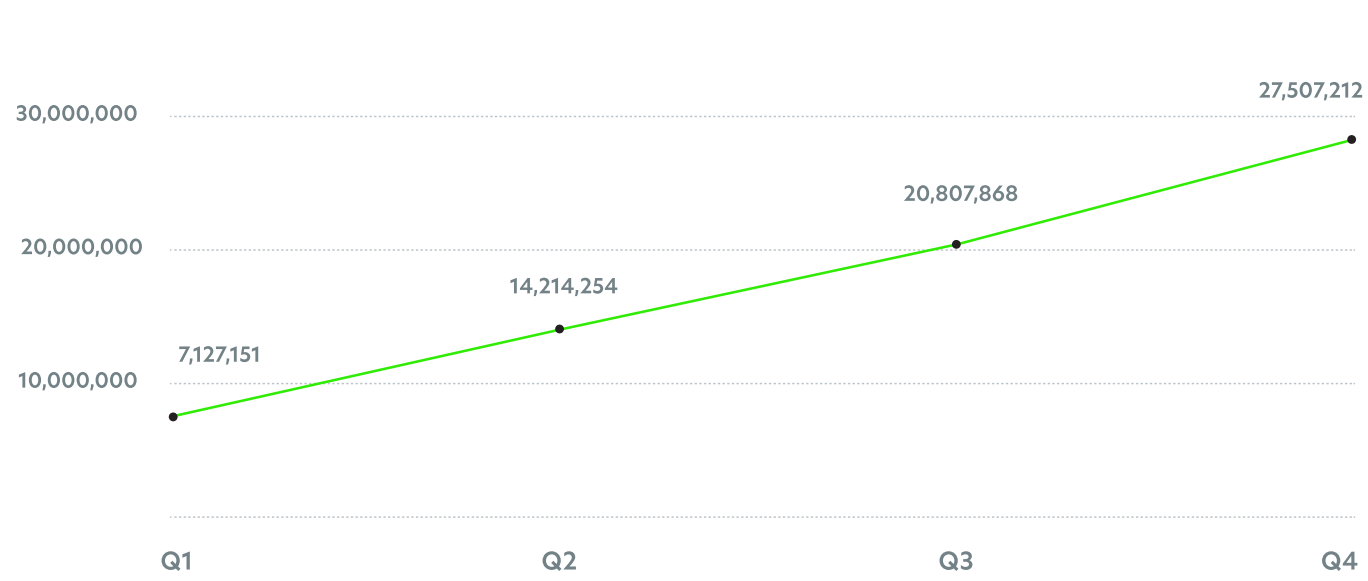
In terms of quarters, Sales during the first quarter was 25.8% (highest) but remained evenly distributed throughout the year, whereas profits were made in Q1 after which the Company operated in loss for next two quarters which was controlled in Q4. Gross profit made during the year was majorly earned in Q1 which contributed 40% from where the decline started and Q3 only contributed 7.9% in the year. This was mainly due to pricing and supply issues, along with inflation, currency devaluation and unstable economic and political situation.

### Analysis of Variation in Interim Results and Final Accounts

The revenue reported in H1 - 2022 was slightly higher as compared to revenue reported in H2-2022. The core business in H1 2022 (excluding toll) grew by 21% versus the same period last year (SPLY). The performance was mainly driven by increase in demand, focused commercial efforts, and strong route-to-market to drive growth of our flagship portfolio. Company posted a strong growth of 36% in H1-2022 over the corresponding period last year. In terms of categories; Oral Healthcare registered a growth of 10.%, while OTC category registered a growth of 24% as compared to the corresponding period last year. Similarly, our toll manufacturing business witnessed a growth of 13% in revenue.

Whereas in full year, the core business (excluding toll and exports) posted double digit growth of 14% versus the same period last year (SPLY). Over the Counter (OTC) portfolio; Pain Management and Respiratory segments grew by 12% and 55% respectively whereas, Nutrition & Digestive Health and Skin Health registered a growth of 15%. Although Oral Healthcare business recorded an increase of 6% over the corresponding period. Similarly, our toll manufacturing business of Rs 2.5 billion and the export business of Rs 1.0 billion continued to contribute towards revenue.

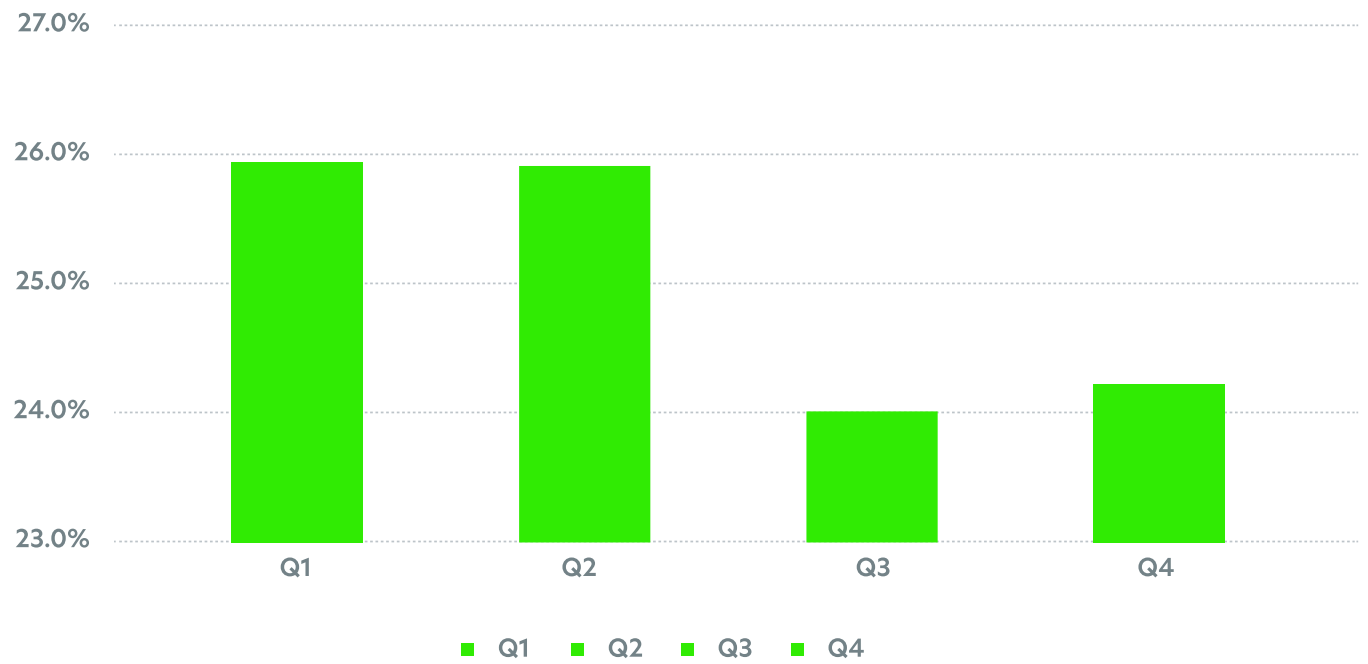
Revenue from Contracts with Customers - Net



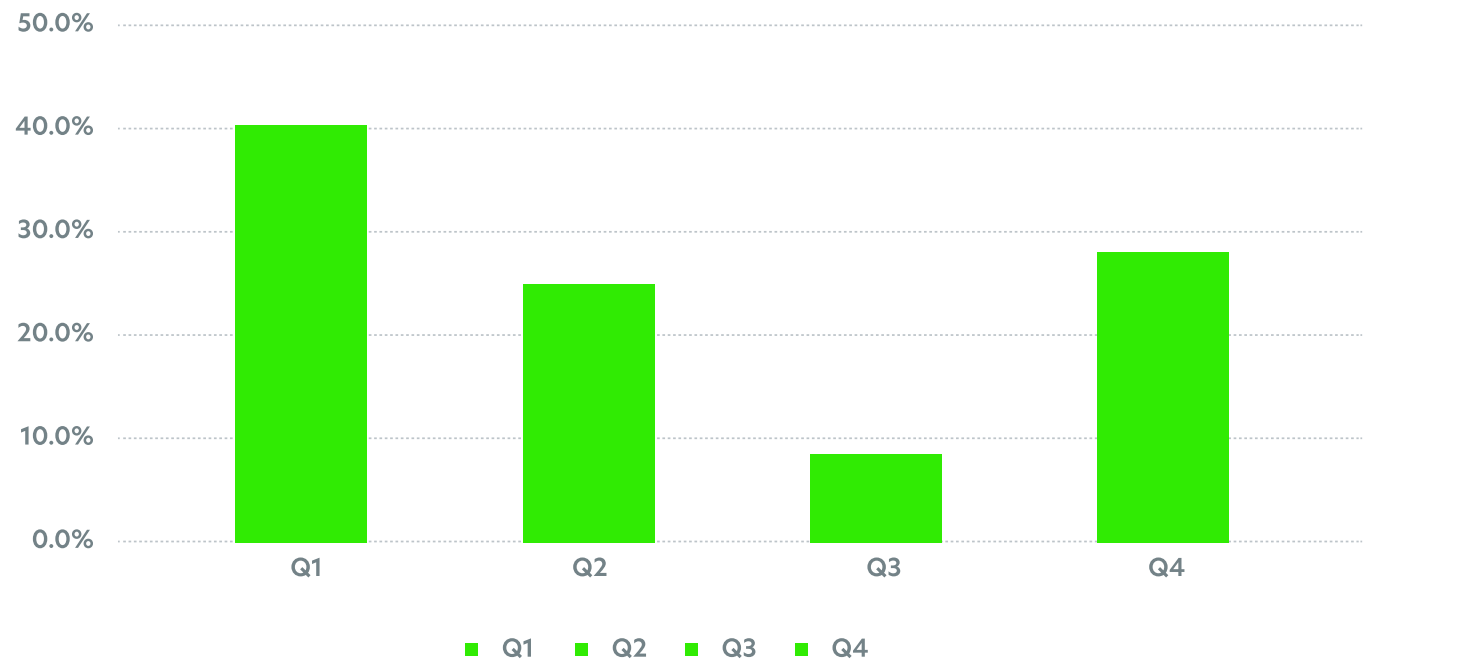
Gross Profit



Revenue from Contracts with Customers - Net



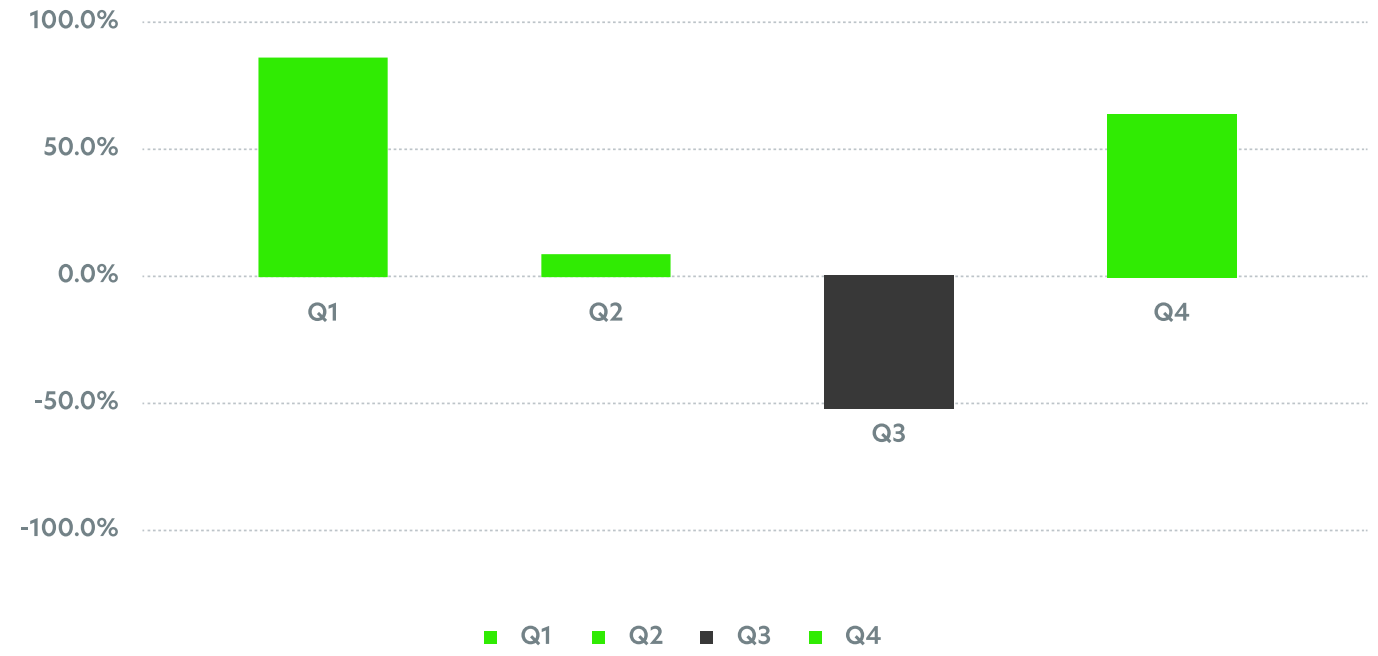
Gross Profit



Profit Before Taxation



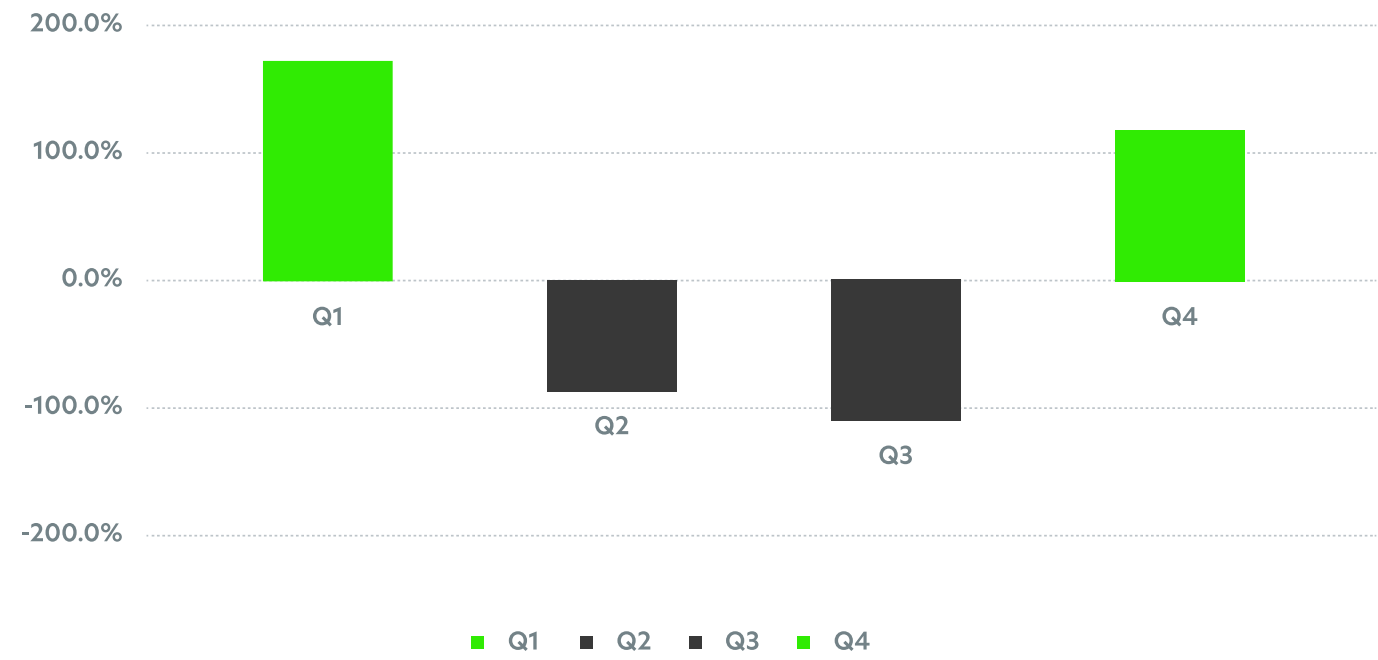
Profit Before Taxation



Profit After Taxation



Profit After Taxation



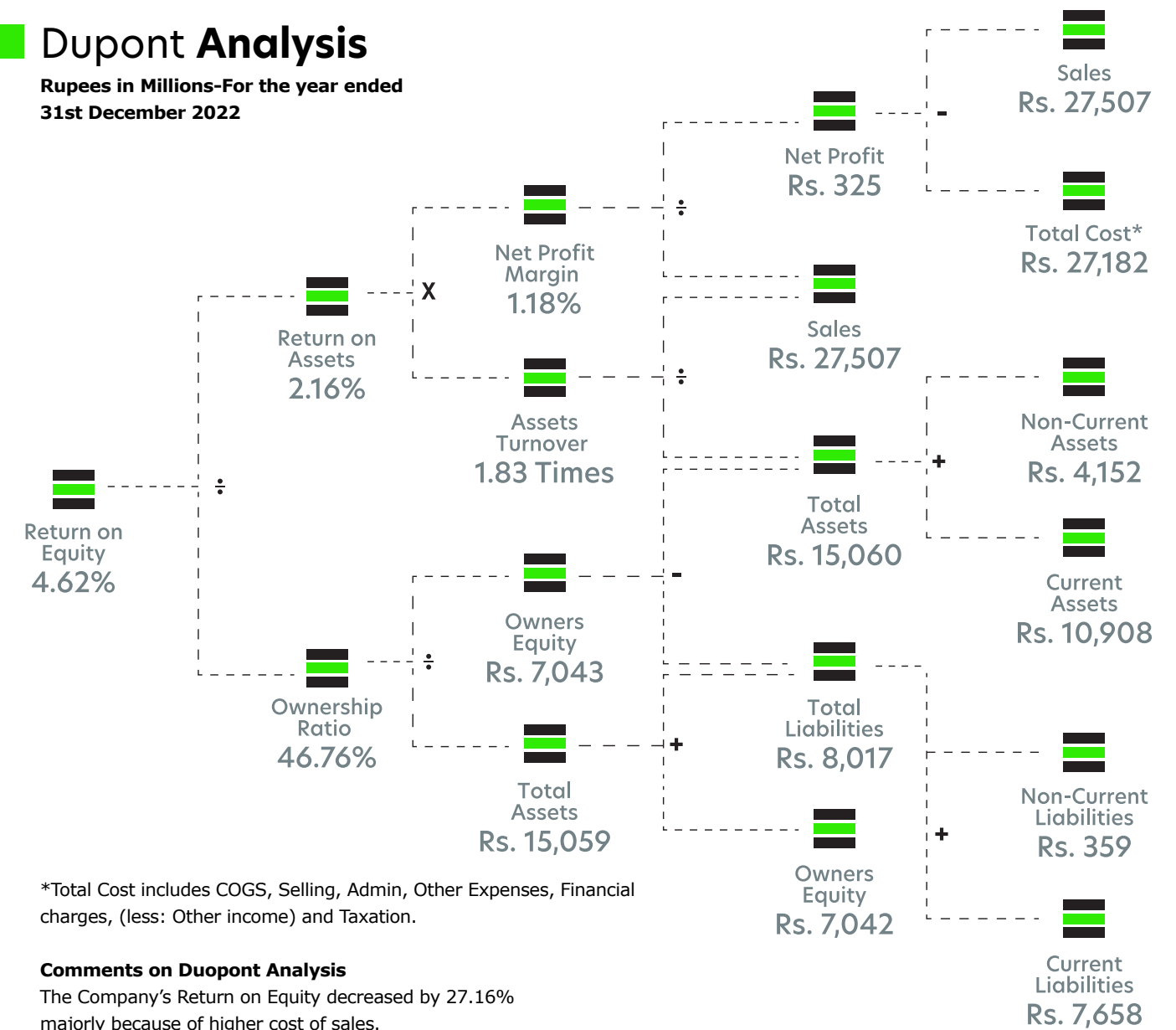


# Dupont Analysis



## Dupont Analysis

Rupees in Millions-For the year ended  
31st December 2022

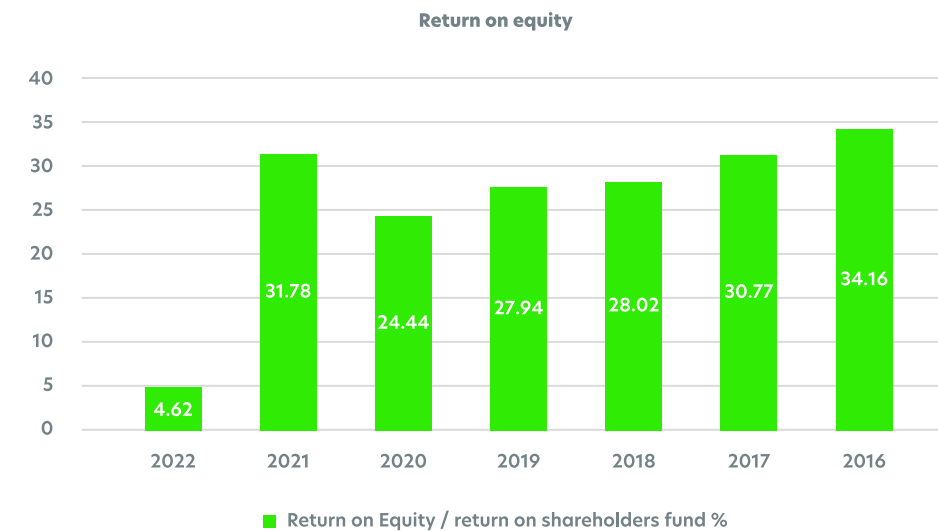


\*Total Cost includes COGS, Selling, Admin, Other Expenses, Financial charges, (less: Other income) and Taxation.

### Comments on Duopont Analysis

The Company's Return on Equity decreased by 27.16% majorly because of higher cost of sales.

### Graphical Presentation



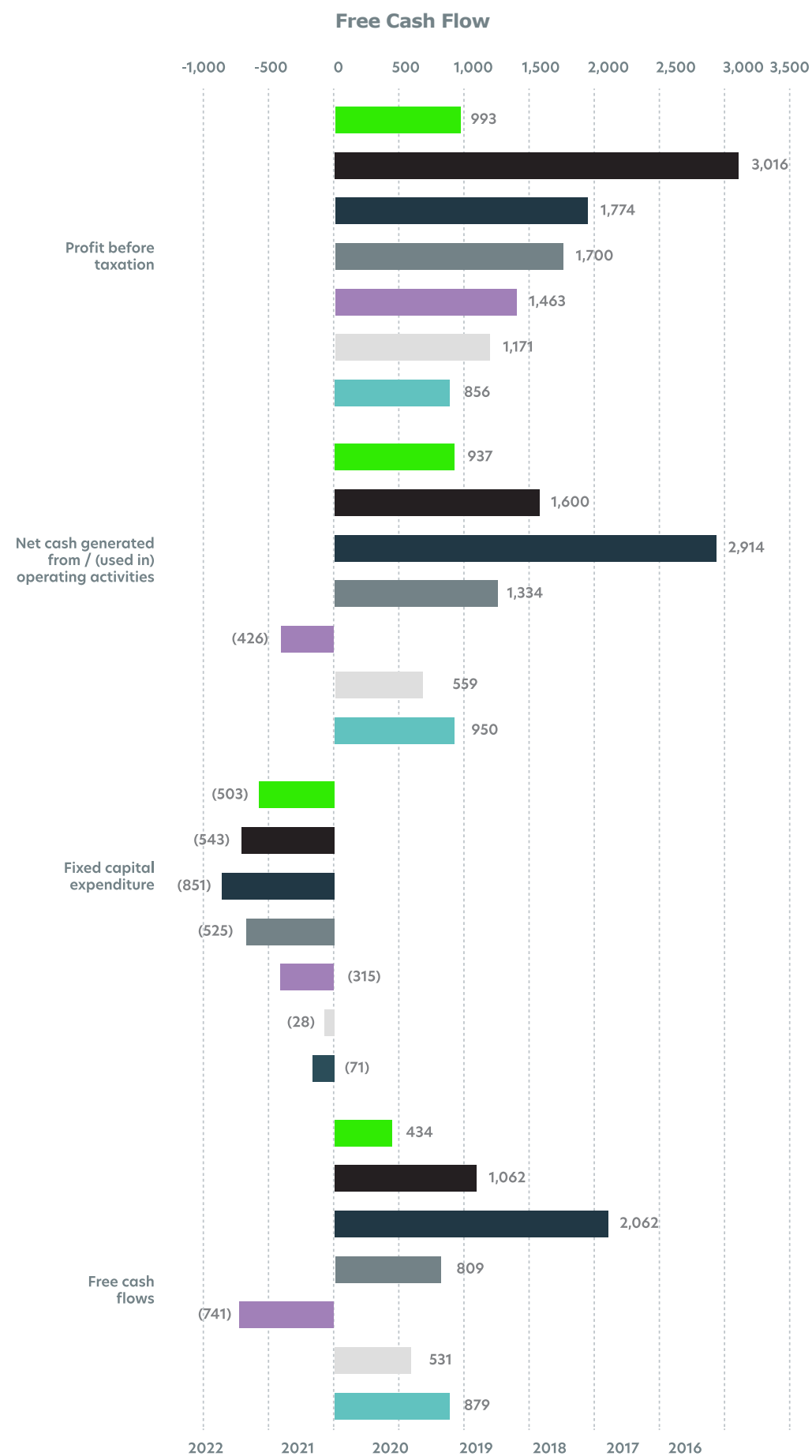
# Cash Flows

## Free Cash Flows

	December 31,						
	2022	2021	2020	2019	2018	2017	2016
	Rupees in '000						
Profit before taxation	992,791	3,016,104	1,774,292	1,699,778	1,462,692	1,170,839	856,064
<b>Adjustment for non-cash items:</b>							
Depreciation and amortization	332,722	301,237	268,412	231,401	210,635	22,965	10,148
Operating assets written off	-	-	-	-	-	1,642	-
Interest expense	5,655	159	37,067	123,894	143,996	-	-
Gain on disposal of operating assets	(18,925)	(707)	(1,526)	(7,907)	(2,414)	(2,511)	(279)
Interest income	(260,240)	(191,947)	(32,091)	(19,147)	(61,985)	(105,970)	(23,671)
Provision for slow moving, obsolete and damaged stock and stock written-off	117,649	172,854	197,658	130,631	114,025	4,340	(2,112)
Provision against advances	84,099	-	-	-	-	-	-
Allowance for impairment of trade debts	4,592	-	3,706	23,929	23	158	152
Provision for impairment of fixed assets	27,000	-	-	22,500	-	-	-
Provision for staff retirement benefits	102,508	90,619	77,061	67,944	57,046	9,107	5,202
	395,060	372,215	550,287	573,245	461,326	(70,269)	(10,560)
Working capital changes	634,442	(868,382)	1,334,414	(165,330)	(1,411,637)	(264,856)	430,983
Staff retirement benefits paid	(86,548)	(78,328)	(60,898)	(61,189)	(52,738)	(7,492)	(5,020)
Mark-up paid	-	(2,769)	(59,863)	(140,971)	(139,780)	-	-
Income taxes paid	(982,452)	(832,340)	(624,481)	(565,409)	(743,789)	(268,656)	(321,666)
Decrease in long-term loans to employees	1,674	1,591	1,334	(3,233)	(1,841)	(216)	56
Increase in long-term deposits	(17,889)	(2,360)	(1,574)	(3,106)	-	-	-
	(450,773)	(1,782,588)	588,932	(939,238)	(2,349,785)	(541,220)	104,353
<b>Net cash generated from / (used in) operating activities</b>	<b>937,078</b>	<b>1,605,731</b>	<b>2,913,511</b>	<b>1,333,785</b>	<b>(425,767)</b>	<b>559,350</b>	<b>949,857</b>
Fixed capital expenditure	(503,448)	(543,264)	(851,268)	(524,793)	(314,786)	(28,388)	(71,004)
<b>Free cash flows</b>	<b>433,630</b>	<b>1,062,467</b>	<b>2,062,243</b>	<b>808,992</b>	<b>(740,553)</b>	<b>530,962</b>	<b>878,853</b>

### Comments on Free Cash Flows

Company's free cash flows decreased significantly versus last year mainly on account of lower profitability due to increase in raw material prices. Furthermore, investment in working capital also impacted the cash flows.



## Direct Cashflow

FOR THE YEAR ENDED DECEMBER 31, 2022

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers  
 Cash paid to suppliers / service providers  
 Cash paid to employees  
 Payment of indirect taxes and other statutory duties  
 Staff retirement benefits paid  
 Mark-up paid  
 Income taxes paid

### Net cash generated from operating activities

### CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditures  
 Proceeds from disposal of operating assets  
 Interest received

### Net cash used in investing activities

### CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid  
 Lease rental paid

### Net cash used in financing activities

### Net increase in cash and cash equivalents

### Cash and cash equivalents at the beginning of the year

### Cash and cash equivalents at the end of the year

	2022	2021
----- Rupees in '000 -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	28,204,167	23,730,142
Cash paid to suppliers / service providers	(24,428,960)	(19,769,803)
Cash paid to employees	(1,573,783)	(1,431,325)
Payment of indirect taxes and other statutory duties	(158,158)	(19,436)
Staff retirement benefits paid	(86,548)	(78,328)
Mark-up paid	-	(4,711)
Income taxes paid	(982,452)	(832,340)
<b>Net cash generated from operating activities</b>	<b>974,266</b>	<b>1,594,199</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(503,448)	(543,264)
Proceeds from disposal of operating assets	37,881	29,581
Interest received	244,240	191,361
<b>Net cash used in investing activities</b>	<b>(221,327)</b>	<b>(322,322)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(395,851)	(79,406)
Lease rental paid	(9,000)	(2,460)
<b>Net cash used in financing activities</b>	<b>(404,851)</b>	<b>(81,866)</b>
<b>Net increase in cash and cash equivalents</b>	<b>348,088</b>	<b>1,190,011</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,087,785</b>	<b>1,897,774</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,435,873</b>	<b>3,087,785</b>

## Horizontal Analysis

Statement of Financial Position Analysis	2022	2021	2020	2019	2018*	2017	2016
Share Capital and Reserves	4.9	30.0	14.7	17.4	67.0	43.9	100.0
Non Current Liabilities	22.1	22.8	28.5	46.6	552.0	128.5	100.0
Current Liabilities	11.7	23.1	29.7	7.6	143.8	30.3	100.0
<b>Total Equity and Liabilities</b>	<b>8.6</b>	<b>26.4</b>	<b>22.2</b>	<b>12.9</b>	<b>101.2</b>	<b>38.2</b>	<b>100.0</b>
Non Current Assets	7.8	5.9	18.9	9.7	1,983.7	(10.6)	100.0
Current Assets	8.9	36.5	23.9	14.7	35.2	40.9	100.0
<b>Total Assets</b>	<b>8.6</b>	<b>26.4</b>	<b>22.2</b>	<b>12.9</b>	<b>101.2</b>	<b>38.2</b>	<b>100.0</b>

Statement of Profit or Loss Analysis	2022	2021	2020	2019	2018*	2017	2016
Net sales	13.8	21.8	21.6	9.7	79.3	54.4	100.0
Cost of sales	30.0	20.4	28.1	8.2	101.5	34.4	100.0
<b>Gross profit</b>	<b>(28.4)</b>	<b>25.5</b>	<b>6.9</b>	<b>13.2</b>	<b>42.0</b>	<b>105.6</b>	<b>100.0</b>
Selling, marketing and distribution expenses	(2.6)	8.2	13.1	12.2	34.0	85.1	100.0
Administrative expenses	41.3	12.2	2.3	(1.9)	49.7	46.2	100.0
Other operating expenses	(67.0)	58.5	8.2	12.1	43.8	35.8	100.0
Other operating income	(5.9)	627.6	(34.5)	(49.3)	(22.0)	(65.8)	100.0
<b>Operating profit</b>	<b>(58.1)</b>	<b>69.4</b>	<b>(3.2)</b>	<b>12.1</b>	<b>43.2</b>	<b>37.5</b>	<b>100.0</b>
Financial charges	251.0	50.6	(69.8)	(14.8)	2,676.1	423.2	100.0
<b>Profit before taxation</b>	<b>(67.1)</b>	<b>70.0</b>	<b>4.4</b>	<b>16.2</b>	<b>24.9</b>	<b>36.8</b>	<b>100.0</b>
Taxation	(24.3)	72.1	15.8	13.9	(16.4)	49.4	100.0
<b>Profit after taxation</b>	<b>(84.8)</b>	<b>69.1</b>	<b>0.4</b>	<b>17.0</b>	<b>52.0</b>	<b>29.6</b>	<b>100.0</b>

\*The Horizontal analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

## Comments On Horizontal Analysis - Statement Of Financial Position

Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves increased by 4.9% as compared to 30% last year. The increase is mainly attributable to higher sales which has resulted in an increase in profit after tax and other comprehensive income.	Non-current liabilities have increased by 22.1%. The increase is mainly driven by lease liability booked as per IFRS 16 for new head office amounting to Rs. 155 million.	Current liabilities are depicting an increase of 11.7% owing to the higher purchases.	There is an increase in non-current assets percentage as compared to same period last year. This can be attributed to the significant capital expenditure being done in FY 2022 and right-of-use assets being recognised for new office.	The increase is current assets can be substantiated by the increase in Stock levels amounting to Rs. 0.6 billion due to build up of inventories. Rest can be attributed to increase in cash and cash equivalent.

## Comments On Horizontal Analysis - Statement Of Profit Or Loss

Sales	Cost of Sales	Selling, marketing and distribution expenses	Administrative expenses
Looking at the overall market conditions, the Company managed to achieve 14% growth as compared to last year which was supported by the increase in OTC and FMCG portfolio sales by 16% and 5% respectively.	Cost of sales of the Company increased primarily on account of closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol) causing the prices to go up. Rest of the increase is attributed to inflation and currency devaluation.	Selling, marketing and distribution expenses during the year declined by 3% which is mainly attributable to restricted advertising spend.	The increase in administrative expenses of 41% is mainly attributable to high resource cost and one-off legal expenses.

Other operating expenses	Other income	Financial Charges	Taxation
Decrease is mainly attributable to profitability	A slight decrease in other income is mainly due liquidity crunch in the first half of the year.	The decrease of Rs. 219 million is mainly on account of foreign exchange losses.	Decrease in tax expense during the current year by 24% is primarily on account of decrease in profitability of the Company.

## Vertical Analysis

Statement of Financial Position Analysis (%)	2022	2021	2020	2019	2018*	2017	2016
Share Capital and Reserves	46.8	48.4	47.1	50.1	48.2	58.1	55.8
Non Current Liabilities	2.4	2.1	2.2	2.1	1.6	0.5	0.3
Current Liabilities	50.9	49.4	50.8	47.8	50.2	41.4	43.9
<b>Total Equity and Liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Non Current Assets	27.6	27.8	33.2	34.1	35.1	3.4	5.2
Current Assets	72.4	72.2	66.8	65.9	64.9	96.6	94.8
<b>Total Assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Profit and Loss Analysis (%)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
Net sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(82.6)	(72.3)	(73.2)	(69.4)	(70.4)	(62.6)	(71.9)
<b>Gross profit</b>	<b>17.4</b>	<b>27.7</b>	<b>26.8</b>	<b>30.6</b>	<b>29.6</b>	<b>37.4</b>	<b>28.1</b>
Selling, marketing and distribution expenses	(11.9)	(13.9)	(15.6)	(16.8)	(16.4)	(22.0)	(18.3)
Administrative expenses	(1.7)	(1.3)	(1.5)	(1.7)	(1.9)	(2.3)	(2.5)
Other operating expenses	(0.3)	(1.0)	(0.8)	(0.9)	(0.9)	(1.1)	(1.2)
Other operating income	1.2	1.4	0.2	0.4	1.0	2.2	9.9
<b>Operating profit</b>	<b>4.7</b>	<b>12.8</b>	<b>9.2</b>	<b>11.6</b>	<b>11.4</b>	<b>14.2</b>	<b>16.0</b>
Financial charges	(1.1)	(0.4)	(0.3)	(1.2)	(1.5)	(0.1)	(0.0)
<b>Profit before taxation</b>	<b>3.6</b>	<b>12.5</b>	<b>8.9</b>	<b>10.4</b>	<b>9.8</b>	<b>14.1</b>	<b>15.9</b>
Taxation	(2.4)	(3.6)	(2.6)	(2.7)	(2.6)	(5.6)	(5.8)
<b>Profit after taxation</b>	<b>1.2</b>	<b>8.8</b>	<b>6.4</b>	<b>7.7</b>	<b>7.2</b>	<b>8.5</b>	<b>10.1</b>

\*The Vertical analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

## Comments On Vertical Analysis - Statement Of Financial Position

Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves as a percentage of equity have decreased from 48.4% in 2020 to 46.8% at the close of 2022 owing to lower profits generated i.e. (85%) decrease in profit after tax and other comprehensive income.	Non-current liabilities have increased by 0.3% vs SPLY. The increase is mainly driven by lease liability booked as per IFRS 16 for new head office amounting to Rs. 155 million.	Current liabilities are depicting an increase of 1.40% owing to the higher purchases.	They are majorly in line with last years ratio.	They are majorly in line with last years ratio.

## Comments On Vertical Analysis - Statement Of Profit Or Loss

Gross profit	Taxation
The turnover increased by 14% whereas gross profit ratio has declined by 10.3% only. A declining trend in gross profit margin is mainly due to closure of a major Chinese supplier of Paracetamol (i.e. the key raw material of Panadol) causing the prices to go up.	Decrease in tax expense during the current year by 1.2% is primarily on account of decrease in profitability of the Company.

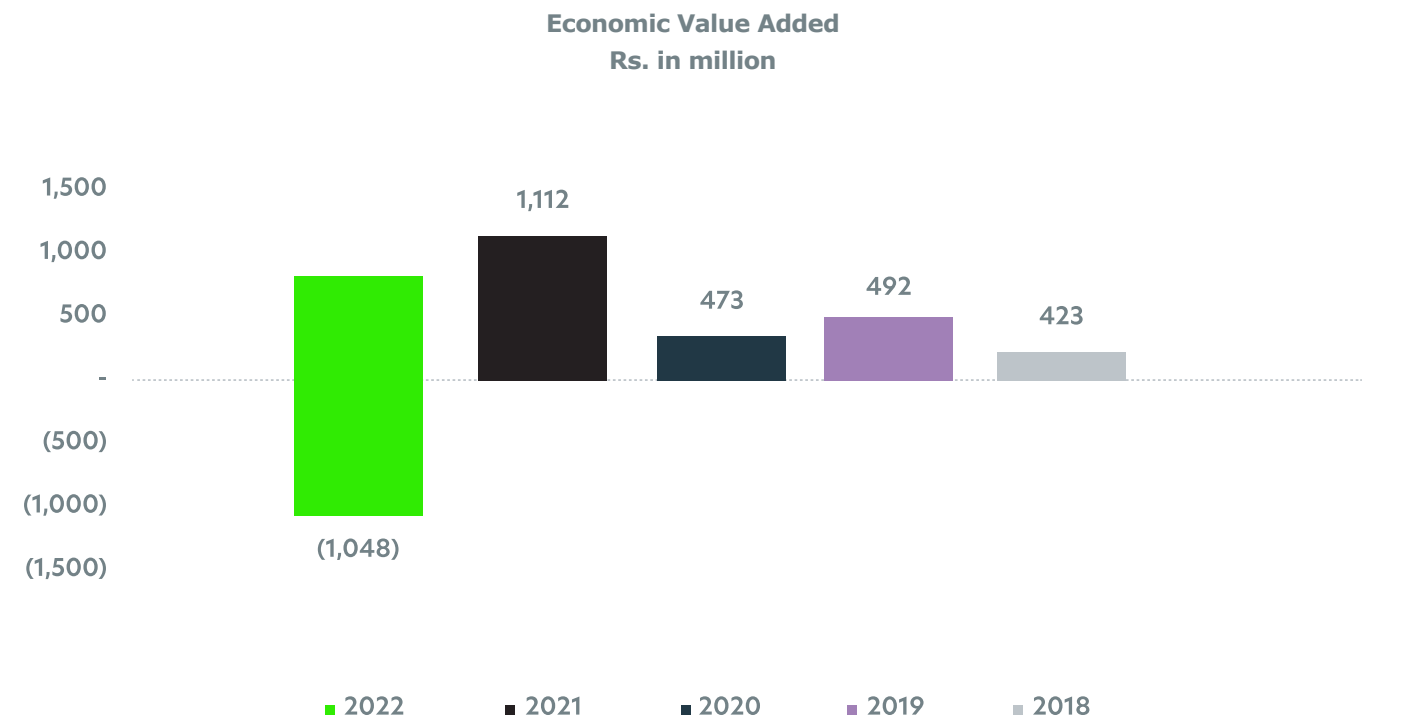
## Statement Of Value Added

2021		2022
Revenue Rs. 25,263		Revenue Rs. 29,109
-		-
Purchases Rs. 16,575		Purchases Rs. 21,770
=		=
<b>Wealth Generated</b> Rs. 8,688	➤ <b>Wealth Distributed</b> ➤	<b>Wealth Generated</b> Rs. 7,339
	⌵	
Rs. 2,886 11.4%	<b>Selling, Marketing and Distribution Expenses</b>	Rs. 2,767 9.5%
Rs. 262 1.0%	<b>Administrative Expenses and Financial Charges</b>	Rs. 522 1.8%
Rs. 1,885 7.5%	<b>To Government as taxes and duties</b>	Rs. 2,029 7.0%
Rs. 1,521 6.0%	<b>To Employees as remuneration</b>	Rs. 1,681 5.8%
Rs. 0.4 0.001%	<b>To Society</b>	Rs. 15.7 0.054%
-	<b>To Shareholders as Dividend</b>	-
Rs. 2,134 8.4%	<b>Retained in the Business</b>	Rs. 325 1.1%
<b>Rs. 8,688 100%</b>		<b>Rs. 7,339 100%</b>

## Economic Value Added

Net Operating Profit After Tax (NOPAT) - Rs. In million  
 Capital Invested (Share capital and reserves) - A  
 Weighted Average Cost of Capital - % - B  
 A\*B  
**Economic Value Added**

2022	2021	2020	2019	2018
<b>325</b>	2,134	1,262	1,258	1,075
<b>7,042</b>	6,715	5,164	4,501	3,835
<b>19.50%</b>	15.22%	15.27%	17%	17%
<b>1,373</b>	1,022	789	765	652
<b>(1,048)</b>	<b>1,112</b>	<b>473</b>	<b>492</b>	<b>423</b>



# Independent Auditor's Review Report on the Audit of the Financial Statements

To the members of GlaxoSmithKline Consumer Healthcare Pakistan Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company) for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

*Yousef Adil*

Chartered Accountants

Place: Karachi

Date: March 30, 2023

UDIN: CR202210091GpP6WOSH5

# Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

GlaxoSmithKline Consumer Healthcare Pakistan Limited\*  
Year ending 31 December 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') in the following manner:

1. The total number of Directors are seven (7) with the following diversity:

a. Male	Five (5)
b. Female	Two (2)

2. The composition of the Board is as follows:

Category	Name
<b>Independent Directors</b>	<ul style="list-style-type: none"> <li>Syed Anwar Mahmood</li> <li>Mr. M. Z. Moin Mohajir</li> <li>Ms. Ayesha Aziz</li> </ul>
<b>Executive Directors</b>	<ul style="list-style-type: none"> <li>Mr. Farhan Muhammad Haroon</li> <li>Mr. Dilawar Meghani</li> </ul>
<b>Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>Mr. Oussama Abbas</li> <li>Ms. Sumru Atalay Besceli</li> </ul>
<b>Female Directors</b>	<ul style="list-style-type: none"> <li>Ms. Sumru Atalay Besceli</li> <li>Ms. Ayesha Aziz</li> </ul>

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the particulars of the significant policies along with the date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('Act') and these Regulations.

7. The meetings of the Board were presided over by the Chairperson and in his absence, by a Director elected by the Board for this purpose. The Board has complied with requirements of the Act and the Regulations with respect to the frequency, recording and circulating minutes of the meetings of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Six out of seven of the Board members have attained training under the Directors' Training Program either from a local or a foreign institution and one director meets the exemption criteria as provided in the Regulations. During the year, the Board arranged Directors' Training Program for the following:

- a) Mr. Oussama Abbas – Non-Executive Director
- b) Ms. Ensherah Khan – HR Business Partner

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before obtaining the approval of the Board.

12. The Board has formed committees comprising of members specified below:

**a) Board Audit Committee**

- i. Ms. Ayesha Aziz - Chairperson
- ii. Mr. M. Z. Moin Mohajir
- iii. Syed Anwar Mahmood

**b) Human Resource, Remuneration and Nomination Committee**

- i. Syed Anwar Mahmood - Chairperson
- ii. Mr. M. Z. Moin Mohajir
- iii. Ms. Ayesha Aziz

**c) Integration and Supply Network Optimization Committee**

- i. Mr. Oussama Abbas - Chairperson
- ii. Mr. Farhan Muhammad Haroon
- iii. Mr. Dilawar Meghani

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the said committee for compliance.

14. The frequency of the meetings (quarterly / half yearly / yearly) of the committees were as per the following:

- a) Board Audit Committee - Quarterly
- b) Human Resource, Remuneration and Nomination Committee - Quarterly
- c) Integration & SNO Committee - 1st and 3rd Quarter

15. The Board has outsourced the internal audit function to Ernst & Young Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that

they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

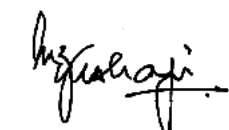
19. Explanations with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

S. No	Requirement	Explanation	Regulation No.
1.	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Terms of Reference for Risk Committee are covered by the Board of Directors and the Risk Management Compliance Board** which meets quarterly to review the effectiveness of the Company's risk management procedures and timely appraises the Board with results, therefore a separate committee is not considered necessary.	30

\*\*For Further Details Regarding the Risk Management Compliance Board, please refer pages 70-71 of the Annual Report.

20. \*The Company name was changed from 'GlaxoSmithKline Consumer Healthcare Pakistan Limited' to 'Haleon Pakistan Limited'. The change of name of the Company is to reflect that the Company is now a group company of Haleon plc, an independent listed (LSE and NYSE) company formed as a result of the demerger of the consumer healthcare business from GSK plc on 18 July 2022 and 20 July 2022 respectively. In this regard the Company, after its shareholders' approval on 5 December 2022, has obtained clearance on the change of name and a Certificate of Incorporation on Change of Name has been issued by the Securities and Exchange Commission of Pakistan dated 3 January 2023.

Karachi  
Date: 14 March 2023



**Mr. M. Z. Moin Mohajir**  
Chairperson



# Independent Auditor's Report

To the members of GlaxoSmithKline Consumer HealthCare Pakistan Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<b>Valuation of inventories</b>	
	Refer notes 3.4 and 7 to the financial statements relating to valuation of inventories.	In this respect, we performed the following audit procedures:
	As at December 31, 2022, the Company held inventories of Rs. 4,528.67 million, which is 30% of total assets and against which provision for slow moving, obsolete and damaged inventory of Rs. 122.48 million has been recorded.	<ul style="list-style-type: none"> <li>- Obtained an understanding of policies and procedures followed by the Company with respect to valuation of inventories;</li> <li>- Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;</li> <li>- On a sample basis, verified supporting documents for purchases of inventories and the production costs;</li> <li>- Obtained working of variances recorded by management and tested the amounts, which were incurred and retained to actualise the standard cost of inventories at year end;</li> <li>- Obtained an understanding and assessed reasonableness of management's process for determination of net realisable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis;</li> <li>- Compared the NRV, on a sample basis, to the carrying value of inventories to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; and</li> <li>- Tested provision recorded for obsolete inventory to ensure that whether it was as per the policy of the Company.</li> </ul>
	We focused on inventories as it is a significant portion of Company's total assets and it requires management judgement with respect to standard costs (including capitalisation of variances), determination of net realisable value and determination of obsolescence of inventories.	

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended December 31, 2022, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

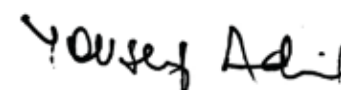
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b. the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d. zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



#### **Chartered Accountants**

**Place:** Karachi

**Date:** March 30, 2023

**UDIN:** AR2022100915W8SndmNI

# Statement of Financial Position

AS AT DECEMBER 31, 2022

		2022	2021
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,989,754	3,706,466
Intangible	5	127,674	127,674
Long-term loans to employees	6	5,995	7,669
Long-term deposits		28,319	10,430
		4,151,742	3,852,239
<b>Current assets</b>			
Stores and spares		143,019	121,594
Inventories	7	4,528,669	3,916,050
Trade debts	8	635,519	1,101,726
Loans and advances	9	418,682	412,863
Trade deposits and prepayments	10	99,756	69,596
Interest accrued		17,227	1,227
Refunds due from Government - Sales Tax		144,373	39,015
Other receivables	11	531,826	485,056
Taxation - payments less provision		915,200	663,992
Investment at amortised cost	12	965,302	747,935
Bank balances	13	2,508,361	2,454,867
		10,907,934	10,013,921
<b>Total assets</b>		15,059,676	13,866,160
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	14	1,170,545	1,170,545
Reserves	15	5,871,410	5,544,627
		7,041,955	6,715,172
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Staff retirement benefits	16	106,371	97,244
Deferred taxation	17	133,798	197,102
Lease liabilities	18	119,164	-
		359,333	294,346
<b>Current liabilities</b>			
Trade and other payables	19	6,102,666	4,941,078
Unpaid dividend	20	1,519,713	1,915,564
Current portion of lease liabilities	18	36,009	-
		7,658,388	6,856,642
<b>Total liabilities</b>		8,017,721	7,150,988
<b>Total equity and liabilities</b>		15,059,676	13,866,160
Contingencies and commitments	21		

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Statement of Profit or Loss and Other Comprehensive Income

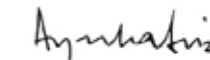
FOR THE YEAR ENDED DECEMBER 31, 2022

		2022	2021
	Note	----- Rupees in '000 -----	
Revenue from contracts with customers - net	22	<b>27,507,212</b>	24,163,150
Cost of sales	23	<b>(22,721,799)</b>	(17,477,875)
<b>Gross profit</b>		<b>4,785,413</b>	6,685,275
Selling, marketing and distribution expenses	24	<b>(3,267,263)</b>	(3,353,640)
Administrative expenses	25	<b>(459,435)</b>	(325,084)
Other operating expenses	26	<b>(80,681)</b>	(244,517)
Other income	27	<b>321,299</b>	341,403
<b>Operating profit</b>		<b>1,299,333</b>	3,103,437
Financial charges	28	<b>(306,542)</b>	(87,333)
<b>Profit before taxation</b>		<b>992,791</b>	3,016,104
Taxation - net	29	<b>(667,380)</b>	(881,770)
<b>Profit for the year</b>		<b>325,411</b>	2,134,334
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of staff retirement benefits	16.1.8	<b>1,932</b>	3,075
Impact of taxation	17.1	<b>(560)</b>	(892)
		<b>1,372</b>	2,183
<b>Total comprehensive income</b>		<b>326,783</b>	2,136,517
Earnings per share - basic and diluted (Rupees)	30	<b>2.78</b>	18.23

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2022

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement	Reserve arising on amalgamation under the Scheme of Merger	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2021	1,170,545	101,914	728,726	3,162,743	5,163,928
<b>Transactions with owners recorded directly in equity - distribution</b>					
Final dividend for the year ended December 31, 2020 @ Rs. 5 per share	-	-	-	(585,273)	(585,273)
<b>Total comprehensive income</b>					
Profit for the year	-	-	-	2,134,334	2,134,334
Other comprehensive income	-	-	-	2,183	2,183
<b>Balance as at December 31, 2021</b>	<b>1,170,545</b>	<b>101,914</b>	<b>728,726</b>	<b>4,713,987</b>	<b>6,715,172</b>
<b>Transactions with owners recorded directly in equity - distribution</b>					
<b>Total comprehensive income</b>					
Profit for the year	-	-	-	325,411	325,411
Other comprehensive income	-	-	-	1,372	1,372
<b>Balance as at December 31, 2022</b>	<b>1,170,545</b>	<b>101,914</b>	<b>728,726</b>	<b>5,040,770</b>	<b>7,041,955</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

## Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022	2021
		----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	31	<b>2,059,481</b>	2,508,405
Staff retirement benefits paid		<b>(86,548)</b>	(78,328)
Mark-up paid		-	(2,769)
Income taxes paid		<b>(982,452)</b>	(832,340)
Decrease in long-term loans to employees		<b>1,674</b>	1,591
Increase in long-term deposits		<b>(17,889)</b>	(2,360)
<b>Net cash generated from operating activities</b>		<b>974,266</b>	1,594,199
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		<b>(503,448)</b>	(543,264)
Proceeds from disposal of operating assets		<b>37,881</b>	29,581
Interest received		<b>244,240</b>	191,361
<b>Net cash used in investing activities</b>		<b>(221,327)</b>	(322,322)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<b>(395,851)</b>	(79,406)
Lease rental paid		<b>(9,000)</b>	(2,460)
<b>Net cash used in financing activities</b>	33	<b>(404,851)</b>	(81,866)
<b>Net increase in cash and cash equivalents</b>		<b>348,088</b>	1,190,011
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,087,785</b>	1,897,774
<b>Cash and cash equivalents at the end of the year</b>	32	<b>3,435,873</b>	3,087,785

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

# Notes to the Financial Statements

## 1. THE COMPANY AND ITS OPERATIONS

**1.1** GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company) was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on March 31, 2015 principally to effect the demerger of consumer healthcare business of GlaxoSmithKline Pakistan Limited (GSK Pakistan) under a Scheme of Arrangement (the Scheme), which was approved by the Honourable High Court of Sindh (SHC) and its order was submitted to the Registrar of Companies on April 01, 2016. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. During the year, the Company has changed its registered office to Sandoz Nagar, Petaro Road, Jamshoro, Sindh. Subsequent to year end, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

As at December 31, 2022, the Company is a subsidiary of GlaxoSmithKline Consumer Healthcare B.V. In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), the ultimate parent Company has changed from GlaxoSmithKline plc to Haleon plc. Consequent to this, name of the Company has changed to Haleon Pakistan Limited from GlaxoSmithKline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

**1.2** Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GSK Pakistan, for and on behalf of the Company is engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GSK Pakistan.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act, differ from the requirements of IFRS or IFAS, the provisions of and directives issued under the Act, have been followed.

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

### 2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant which have been disclosed in the relevant notes to the financial statements are:

- i. Impairment of intangibles (note 3.2 and note 5);
- ii. Provision for staff retirement benefits (note 3.7 and note 16);
- iii. Residual value, useful lives and impairment of property, plant and equipment (note 3.1 and note 4);
- iv. Impairment of non-financial assets (note 3.12);
- v. Provision for obsolete and slow moving inventories (note 3.4 and note 7);
- vi. Allowance for impairment of trade debts (note 3.11.4 and note 8); and
- vii. Taxation (note 3.15, note 17 and note 29).

## 2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

### 2.5.1 Amendments to IFRS that are effective for the year ended December 31, 2022

The following amendments are effective for the year ended December 31, 2022. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after</b>
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

## 2.5.2 Amendments to IFRS that are not yet effective

The following amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting periods beginning on or after</b>
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IFRS 16 'Leases' - clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

**2.5.3** Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 17 - Insurance Contracts

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented:

### 3.1 Property, plant and equipment

#### 3.1.1 Operating assets

Operating assets are stated at cost less accumulated depreciation / amortisation and accumulated impairment, if any.

Depreciation is charged using the straight line method whereby the carrying value of an asset less estimated residual value, if not insignificant, is written-off over its estimated remaining useful life. Depreciation / amortisation on assets is charged from the month of addition to the month of disposal. Cost of leasehold land is amortised over the period of the lease.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only

when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which they are incurred.

Gains and losses on disposal of fixed assets are included in the Statement of Profit or Loss and Other Comprehensive Income during the year in which the asset is disposed off.

Depreciation methods, useful lives and residual values of each item of operating assets that is significant in relation to the total cost of the asset are reviewed and adjusted, if appropriate, annually.

#### 3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of items of property, plant and equipment in the course of their acquisition, construction and installation. Transfers are made to the relevant category of assets when assets are available for intended use.

### 3.2 Intangible

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed. After initial recognition, it is carried at cost less accumulated impairment, if any. Goodwill is assessed annually for impairment.

### 3.3 Stores and spares

These are valued at lower of cost, determined using weighted average method, and net realisable value, less provision for obsolete items, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

### 3.4 Inventories

These are stated at lower of cost and net realisable value. Cost is determined using first-in first-out method.

Cost of raw and packing materials comprise of purchase price including directly related expenses less trade discounts, if any. Cost of work-in-process and finished goods include cost of raw and packing materials, direct labour and related production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less necessary costs to be incurred to make the sale. Provision is made for slow moving and expired inventory where considered necessary.

Inventory-in-transit is carried at accumulated cost incurred upto reporting date.

### 3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, other short-term highly liquid investments with original maturities of upto three months, short-term borrowings under running finance and book overdraft, if any.

### 3.6 Share capital

Ordinary shares are classified as equity and are recognised at their face value. Transaction costs directly attributable to the issue of shares are shown in equity as a deduction, net of tax, from the proceeds.

### 3.7 Staff retirement benefits

#### 3.7.1 Defined benefit plan

The Company operates an approved funded gratuity plan (the Plan) for its permanent employees. Gratuity is based on employees' last drawn salary. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

Provision is made to cover the obligation under the scheme on the basis of actuarial recommendation. The actuarial valuations is carried out using the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in Other Comprehensive Income. The amount recognised in the statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to Statement of Profit or Loss and Other Comprehensive Income.

#### 3.7.2 Defined contribution plan

The Company also operates approved contributory provident fund for all its permanent employees. Equal monthly contributions are made both by the Company and the employee at the rate of 10% per annum of the basic salary. Company's contribution is charged to the Statement of Profit or Loss and Other Comprehensive Income.

### 3.8 Compensated absences

The Company provides for compensated absences of its non-management employees on un-availed balance of leave in the period in which the leaves are earned.

### 3.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

The amount recognised as provision is the best estimate of consideration required to settle the present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation.

### 3.10 Share-based payments

Cash-settled share-based payments provided to employees are recorded as liability in the statement of financial position at fair value over the period the services are received.

### 3.11 Financial assets and liabilities

#### 3.11.1 Initial recognition

All financial assets and financial liabilities are initially measured at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Financial assets and liabilities carried at fair value

through profit or loss are initially recorded at fair value and transaction cost are expensed out in the statement of profit or loss.

These are subsequently measured at fair value or amortised cost as the case may be. The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instruments.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

#### 3.11.2 Classification

##### (i) Financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost ("AC").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

##### (ii) Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost ("AC").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or the Company has opted to measure them at FVTPL.

### 3.11.3 Subsequent measurement

#### (i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are measured at fair value, with gains or losses arising from changes in fair value recognised in Other Comprehensive (Loss) Income.

#### (ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are carried at amortised cost using the effective interest method, and in the case of financial assets, less any impairment.

Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when financial instrument are derecognised or impaired or through the amortisation process.

#### (iii) Financial assets and liabilities at FVTPL

Realised and unrealised gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in Other Comprehensive (Loss) / Income.

### 3.11.4 Impairment of financial assets

For financial assets measured at amortised cost, recognition of impairment is based on expected credit loss (ECL) model. The Company measures loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### 3.11.5 Derecognition

#### (i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### (ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit or Loss and Other Comprehensive Income.

### 3.11.6 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the Statement of Financial Position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, inventories and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, assets or cash-generating units are tested for impairment. Cash-generating units to which goodwill is allocated are tested for impairment annually. Where the carrying values of assets or cash-generating units exceed the estimated recoverable amount (being higher of value in use and fair value less costs to sell), these are written down to their recoverable amount and the resulting impairment is charged to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment is reversed only if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised carrying value does not exceed the carrying value that would have existed, had no impairment been recognised, except impairment of goodwill which is not reversed.

### 3.13 Business combination

Business combinations generally are accounted for using acquisition method of accounting in accordance with the requirements of IFRS 3 'Business Combinations'. The Company follows predecessor's accounting method for business combination falling under common control which are out of scope of IFRS-3 'Business Combinations'.

### 3.14 Revenue recognition

Revenue from contract with customers is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods, scrap sales is recognised when control of goods is transferred to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.
- Returns on savings account, deposit accounts and investments at amortised cost are recognised using effective interest rate method.
- Insurance commission is recognised when performance obligations are met.
- Promotional allowance is recognised when the right to receive the allowance is established.

### 3.15 Taxation

Income tax expense comprises current and deferred tax. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### 3.15.1 Current

The charge for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and rebates available, if any.



### 3.15.2 Deferred

Deferred tax is recognised using balance sheet method for all temporary differences at the reporting date arising between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits and taxable temporary differences will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of The Institute of Chartered Accountants of Pakistan.

### 3.16 Foreign currency transactions and translation

Foreign currency transactions are recorded into Pakistan Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into Pakistan Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are taken to the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

### 3.17 Dividend

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognised in the period in which these are approved.

### 3.18 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

### 3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM) who is responsible for allocating resources and assessing performance of the operating segments. The Management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.

### 3.20 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is

available for use by the Company.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

## 4. PROPERTY, PLANT AND EQUIPMENT

Note	2022	2021
	Rupees in '000	
Operating assets	4.1 3,029,675	3,091,001
Capital work-in-progress	4.5 809,487	615,465
Right-of-use assets - Office premises	4.7 150,592	-
	<b>3,989,754</b>	<b>3,706,466</b>

#### 4.1 Operating assets

	Leasehold land	Building & improvements on leasehold land	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Total
----- Rupees in '000 -----							
<b>Net carrying value year ended December 31, 2022</b>							
<b>Opening net book value</b>	<b>5,836</b>	<b>669,740</b>	<b>1,962,544</b>	<b>77,935</b>	<b>188,714</b>	<b>186,232</b>	<b>3,091,001</b>
Additions (at cost)	-	17,266	98,778	129	140,480	52,773	309,426
Disposals							
- Cost	-	-	-	-	(49,752)	-	(49,752)
- Accumulated depreciation	-	-	-	-	30,796	-	30,796
	-	-	-	-	(18,956)	-	(18,956)
Impairment charge	-	(18,270)	-	(6,055)	-	(2,675)	(27,000)
Depreciation charge - (Note 4.4)	(301)	(25,115)	(170,399)	(19,916)	(61,693)	(47,372)	(324,796)
<b>Closing net book value</b>	<b>5,535</b>	<b>643,621</b>	<b>1,890,923</b>	<b>52,093</b>	<b>248,545</b>	<b>188,958</b>	<b>3,029,675</b>
<b>Gross carrying value at December 31, 2022</b>							
Cost	7,646	813,376	2,776,768	139,656	445,737	359,077	4,542,260
Accumulated depreciation	(2,111)	(151,485)	(885,845)	(81,508)	(197,192)	(167,444)	(1,485,585)
Accumulated impairment	-	(18,270)	-	(6,055)	-	(2,675)	(27,000)
<b>Net book value</b>	<b>5,535</b>	<b>643,621</b>	<b>1,890,923</b>	<b>52,093</b>	<b>248,545</b>	<b>188,958</b>	<b>3,029,675</b>
<b>Depreciation rate per annum</b>	<b>4%</b>	<b>2.5% to 10%</b>	<b>5% to 25%</b>	<b>10%</b>	<b>25%</b>	<b>10% to 33.33%</b>	
Net carrying value year ended December 31, 2021							
Opening net book value	6,137	682,185	1,561,332	91,226	144,269	169,898	2,655,047
Additions (at cost)	-	11,799	580,004	6,777	109,501	56,001	764,082
Disposals							
- Cost	-	-	(40,055)	(905)	(48,606)	(25,752)	(115,318)
- Accumulated depreciation	-	-	31,871	627	31,563	22,383	86,444
	-	-	(8,184)	(278)	(17,043)	(3,369)	(28,874)
Depreciation charge - (Note 4.4)	(301)	(24,244)	(170,608)	(19,790)	(48,013)	(36,298)	(299,254)
<b>Closing net book value</b>	<b>5,836</b>	<b>669,740</b>	<b>1,962,544</b>	<b>77,935</b>	<b>188,714</b>	<b>186,232</b>	<b>3,091,001</b>
<b>Gross carrying value at December 31, 2021</b>							
Cost	7,646	796,110	2,677,990	139,527	355,009	306,304	4,282,586
Accumulated depreciation	(1,810)	(126,370)	(715,446)	(61,592)	(166,295)	(120,072)	(1,191,585)
<b>Net book value</b>	<b>5,836</b>	<b>669,740</b>	<b>1,962,544</b>	<b>77,935</b>	<b>188,714</b>	<b>186,232</b>	<b>3,091,001</b>
<b>Depreciation rate per annum</b>	<b>4%</b>	<b>2.5% to 10%</b>	<b>6.67% to 25%</b>	<b>10%</b>	<b>25%</b>	<b>10% to 33.33%</b>	

#### 4.2 Details of assets sold, having net book value in excess of Rs. 500,000:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
----- Rupees in '000 -----							
Motor vehicles	2,717	1,443	1,274	2,174	900	Company Policy	Mr. Farhaj Qureshi - (Ex-Executive)
"	4,256	2,594	1,662	1,663	1	"	Mr. Talal Ahmed - (Ex-Executive)
"	2,647	1,985	662	662	-	"	Mr. Mazhar Shams - (Executive)
"	2,717	1,656	1,061	1,494	433	"	Ms. Shiza Jawed - (Ex-Executive)
"	2,154	1,573	581	862	281	"	Mr. Nabeel Rehman - (Executive)
"	2,875	1,213	1,662	1,662	-	"	Mr. Talal Ahmed - (Ex-Executive)
"	1,745	1,091	654	1,632	978	"	Mr. Ehsan Moin - (Ex-Executive)
"	2,735	1,026	1,709	2,462	753	"	Mr. Zuhair Wasay - (Ex-Executive)
"	4,012	1,504	2,508	3,515	1,007	"	Mr. Syed Ahsan Iqbal - (Ex-Executive)
"	4,059	1,205	2,854	3,450	596	"	Ms. Mashal Jan Muhammad - (Executive)
"	2,625	-	2,625	2,274	(351)	"	Mr. Adnan Ahmed Ghori - (Executive)
	<b>32,542</b>	<b>15,290</b>	<b>17,252</b>	<b>21,850</b>	<b>4,598</b>		

#### 4.3 Particulars of immovable assets of the Company are as follows:

Location	Address	Usage of immovable property	Total area
Jamshoro	Sandoz Nagar, Petaro Road, Jamshoro	Factory	4 acres and 1 ghunta

#### 4.4 Depreciation charge relating to property, plant and equipment for the year has been allocated as follows:

		2022	2021
Note ----- Rupees in '000 -----			
Cost of sales	23	272,123	256,465
Selling, marketing and distribution expenses	24	32,655	29,192
Administrative expenses	25	27,944	15,580
4.4.1		<b>332,722</b>	301,237

4.4.1 This includes depreciation charge relating to right-of-use assets - Office premises amounting to Rs. 7.93 million (2021: Rs. 1.98 million).

		2022	2021
	Note	----- Rupees in '000 -----	
<b>4.5 Capital work-in-progress</b>			
Opening balance		<b>615,465</b>	836,283
Additions during the year		<b>503,448</b>	543,264
Transfers during the year		<b>(309,426)</b>	(764,082)
Closing balance	4.6	<b>809,487</b>	615,465

**4.6** As at December 31, capital work-in-progress represents:

Civil works		<b>49,212</b>	93,365
Plant and machinery		<b>540,958</b>	443,575
Furniture and fixtures		<b>69,051</b>	8,626
Office equipment		<b>7,518</b>	5,721
Advances to suppliers	4.6.1	<b>142,748</b>	64,178
		<b>809,487</b>	615,465

**4.6.1** The advances to supplier do not carry any interest or mark-up.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>4.7 Right-of-use assets - Office premises</b>			
Opening net book value		-	1,983
Additions during the year		<b>158,518</b>	-
Depreciation charge	4.4	<b>(7,926)</b>	(1,983)
Closing net book value		<b>150,592</b>	-
Depreciation rate per annum		<b>20%</b>	33.33%

## 5. INTANGIBLE

This represents intangible acquired by the Company under the Scheme of Merger which comprise of goodwill that had arisen on the business acquisition of Novartis Pharma (Pakistan) Limited (NPPL) by GlaxoSmithKline OTC (Private) Limited (GSK OTC), which is the difference between the purchase consideration and the fair value of assets acquired.

The recoverable amount of goodwill is the higher of value-in-use and fair value less cost to sell. Value-in-use is calculated as the net present value of the projected cash flows of the Cash Generating Unit (CGU) to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used in the impairment test are as follows:

Valuation basis	Value-in-use
Key assumptions	Sales growth and discount rate.
Determination of assumptions	Growth rates are internal forecasts of sales and margins based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	4.0%
Period of specific projected cash flows	5 years
Discount rate	19.50%

The valuation indicates sufficient headroom such that a 1% change in the terminal growth and discount rate has not resulted in an impairment of the intangible.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>6. LONG-TERM LOANS TO EMPLOYEES</b>			
Secured - considered good	6.1	<b>10,448</b>	15,254
Recoverable within one year	9	<b>(4,453)</b>	(7,585)
		<b>5,995</b>	7,669

**6.1** These loans have been given in accordance with the terms of employment for purchase of motor car, motor cycle and for the purpose of house relocation and are repayable in 18 to 60 equal monthly installments. These loans are interest free. All loans are secured against the retirement fund balances.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>7. INVENTORIES</b>			
Raw and packing materials [including in transit Rs. 453.86 million (2021: Rs. 545.03 million)]		<b>2,115,690</b>	2,237,197
Work-in-process		<b>50,787</b>	41,288
Finished goods [including in transit Rs. Nil (2021: Rs. 150.55 million)]		<b>2,484,675</b>	1,785,654
	7.1 & 7.2	<b>4,651,152</b>	4,064,139
Less: Provision for slow moving, obsolete and damaged inventories	7.3	<b>(122,483)</b>	(148,089)
		<b>4,528,669</b>	3,916,050

7.1 Detail of inventories held with third parties is as follows:

	2022	2021
	----- Rupees in '000 -----	
<b>For use in third party manufacturing</b>		
Roomi Enterprises (Private) Limited	<b>173,032</b>	194,798
Pharmatec Pakistan (Private) Limited	<b>110,569</b>	310,316
<b>Inventory held at third party warehouse</b>		
Emirates Supply Chain Services (Private) Limited	<b>649,238</b>	392,607
Connect Logistics (Private) Limited	<b>1,287,978</b>	684,341
Glaciers (Private) Limited	<b>399,427</b>	252,791

7.2 Inventories include items costing Rs. 2,770.32 million (December 31, 2021: Rs. Nil) valued at net realisable value of Rs. 2,400.15 million (December 31, 2021: Rs. Nil).

	2022	2021
	----- Rupees in '000 -----	
<b>7.3 Provision for slow moving, obsolete and damaged inventories</b>		
Balance at the beginning of the year	<b>148,089</b>	137,436
Provision for the year	<b>99,326</b>	123,739
Inventories written-off against provision	<b>(124,932)</b>	(113,086)
Balance at end of the year	<b>122,483</b>	148,089
<b>8. TRADE DEBTS</b>		
Trade debts	<b>665,952</b>	1,132,578
Less: Allowance for impairment of trade debts	<b>(30,433)</b>	(30,852)
	<b>635,519</b>	1,101,726

8.1 These include Rs. 280.39 million (2021: Rs. 653 million) receivable from NPPL against toll manufacturing and sale of goods.

8.2 The ageing analysis of trade debts past due but not impaired is as follows:

	2022	2021
	----- Rupees in '000 -----	
- Up to 3 months	<b>81,632</b>	87,646
- 3 to 6 months	<b>4,400</b>	45,032
- 6 to 12 months	<b>2,154</b>	14,146
- Over 1 year	<b>21,285</b>	26,640
	<b>109,471</b>	173,464

### 8.3 Allowance for impairment of trade debts

Balance at the beginning of the year  
 Allowance for impairment of trade debts  
 Trade debts written-off against provision

Balance at end of the year

	2022	2021
	----- Rupees in '000 -----	
Balance at the beginning of the year	<b>30,852</b>	30,852
Allowance for impairment of trade debts	<b>4,592</b>	-
Trade debts written-off against provision	<b>(5,011)</b>	-
Balance at end of the year	<b>30,433</b>	30,852
<b>9. LOANS AND ADVANCES - CONSIDERED GOOD</b>		
Current portion of long-term loans to employees	<b>4,453</b>	7,585
Advances to:		
- employees	<b>503</b>	3,301
- suppliers	<b>168,698</b>	251,051
- against letter of credit	<b>329,127</b>	150,926
Provision against advances	<b>(84,099)</b>	-
	<b>418,682</b>	412,863

9.1 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

### 10. TRADE DEPOSITS AND PREPAYMENTS

Deposits - considered good  
 Prepayments

### 11. OTHER RECEIVABLES

Due from associated companies  
 Others

#### 11.1 Due from associated companies - considered good

GlaxoSmithKline Consumer Healthcare Export Limited  
 GlaxoSmithKline Consumer Healthcare (UK) Trading Limited  
 GlaxoSmithKline Kenya Limited  
 GlaxoSmithKline Pte Limited  
 GlaxoSmithKline Export Limited

	2022	2021
	----- Rupees in '000 -----	
Deposits - considered good	<b>31,073</b>	12,913
Prepayments	<b>68,683</b>	56,683
	<b>99,756</b>	69,596
Due from associated companies	<b>53,649</b>	67,135
Others	<b>478,177</b>	417,921
	<b>531,826</b>	485,056
Due from associated companies - considered good		
GlaxoSmithKline Consumer Healthcare Export Limited	<b>38,594</b>	18,254
GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	<b>8,581</b>	-
GlaxoSmithKline Kenya Limited	<b>6,474</b>	-
GlaxoSmithKline Pte Limited	-	27,031
GlaxoSmithKline Export Limited	-	21,850
	<b>53,649</b>	67,135

**11.2** The maximum aggregate amount due from associated companies at the end of any month during the year was Rs. 295.06 million (2021: Rs. 107.57 million).

**11.3** As at December 31, the age analysis of these related parties receivables are:

	2022	2021
	----- Rupees in '000 -----	
Up to 3 months	<b>53,649</b>	67,135

**11.4** This includes media rebates and capacity utilisation claim amounting to Rs. 116.06 million (2021: Rs. 162.12 million) and Rs. 116.77 million (2021: Rs. 203 million) respectively.

## 12. INVESTMENT AT AMORTISED COST

This represents Treasury Bills (T-bills) which are held with Company's banker for safe custody. The yield on T-bills were 15.57% to 16.97% (2021: 8.10% to 8.38%) per annum. These T-bills have maturity dates of January 12, 2023 and March 9, 2023.

	2022	2021
Note	----- Rupees in '000 -----	
<b>13. BANK BALANCES</b>		
With banks:		
- in savings accounts	13.1 <b>2,498,902</b>	2,445,386
- in current accounts [including foreign currency account Rs. 2.82 million (2021: Rs. 2.20 million)]	<b>9,459</b>	9,481
	<b>2,508,361</b>	2,454,867

**13.1** As at December 31, 2022, the rate of mark-up on savings accounts were 14.5% (2021: 7.25% to 7.85%) per annum.

**13.2** As at December 31, 2022, the facility for running finance available from a bank amounted to Rs. 1.84 billion (2021: Rs. 1.84 billion). Rate of mark-up is one/three month KIBOR plus 0.3% to 1% (2021: one/three month KIBOR plus 0.3% to 1%) per annum. The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

**13.3** As at December 31, 2022, the facility for corporate credit cards for travel and entertainment expenditure amounted to Rs. 50 million (2021: Rs. 50 million). The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

## 14. SHARE CAPITAL

### Authorised share capital

	2022	2021		2022	2021
	----- Number of shares -----		Note	----- Rupees in '000 -----	
<b>200,000,000</b>	200,000,000			<b>2,000,000</b>	2,000,000
		Ordinary shares of Rs. 10 each			

### Issued, subscribed and paid-up capital

<b>10,000</b>	10,000	Ordinary shares of Rs. 10 each fully paid in cash		<b>100</b>	100
<b>95,540,183</b>	95,540,183	For consideration other than cash under the Scheme of Arrangement	1.1	<b>955,402</b>	955,402
<b>21,504,325</b>	21,504,325	For consideration other than cash under the Scheme of Merger	15.1	<b>215,043</b>	215,043
<b>117,054,508</b>	117,054,508			<b>1,170,545</b>	1,170,545

**14.1** As at December 31, 2022, GlaxoSmithKline Consumer Healthcare B.V. and its nominees held 100,423,259 shares (2021: 100,423,259 shares).

**14.2** The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

	2022	2021
Note	----- Rupees in '000 -----	
<b>15. RESERVES</b>		
Capital reserves:		
- Reserve arising under the Scheme of Arrangement	1.1 <b>101,914</b>	101,914
- Reserve arising on amalgamation under the Scheme of Merger	15.1 <b>728,726</b>	728,726
Revenue reserve - unappropriated profit	<b>5,040,770</b>	4,713,987
	<b>5,871,410</b>	5,544,627

15.1 This represents reserve arising from merger of GSK OTC with and into the Company effective from January 01, 2018.

## 16. STAFF RETIREMENT BENEFITS

### 16.1 Funded gratuity scheme

16.1.1 The Company operates an approved funded gratuity scheme for its permanent employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2022 using the Projected Unit Credit Method.

16.1.2 Plan assets held in trust are governed by local regulations which mainly include; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

16.1.3 Details of the Plan as per the actuarial valuation are as follows:

	Note	2022	2021
		----- Rupees in '000 -----	
<b>16.1.4 Statement of financial position reconciliation</b>			
Present value of defined benefit obligation	16.1.5	270,350	220,160
Fair value of plan assets	16.1.6	(163,979)	(122,916)
Deficit		106,371	97,244
<b>16.1.5 Movement in the present value of defined benefit obligation</b>			
Balance at January 1		220,160	194,809
Benefits paid during the year		(30,281)	(41,113)
Current service cost		43,271	40,253
Interest cost		28,735	21,337
Re-measurement (gain) / loss on obligation		(5,793)	5,180
Balance transferred from / (to) GSK Pakistan Funds - net	16.1.15	14,258	(306)
<b>Balance at December 31</b>		<b>270,350</b>	<b>220,160</b>
<b>16.1.6 Movement in the fair value of plan assets</b>			
Balance at January 1		122,916	106,781
Contributions made during the year		43,487	36,570
Benefits paid during the year		(30,281)	(41,113)
Interest income		17,460	12,729
Re-measurement (loss) / gain on assets		(3,861)	8,255
Balance transferred from / (to) GSK Pakistan Funds - net	16.1.15	14,258	(306)
<b>Balance at December 31</b>		<b>163,979</b>	<b>122,916</b>

### 16.1.7 Expense recognised in the statement of profit or loss

	2022	2021
	----- Rupees in '000 -----	
Current service cost	43,271	40,253
Net interest cost	11,275	8,608
	<b>54,546</b>	<b>48,861</b>

### 16.1.8 Remeasurements recognised in other comprehensive income

	2022	2021
	----- Rupees in '000 -----	
Remeasurement loss on obligation arising due to change in:		
Experience adjustment - loss	7,667	17,265
Demographic assumptions - loss	221	-
Financial assumptions gain	(13,681)	(12,085)
Re-measurement loss / (gain) on plan assets	3,861	(8,255)
	<b>(1,932)</b>	<b>(3,075)</b>

### 16.1.9 Net recognised liability

	2022	2021
	----- Rupees in '000 -----	
Balance at January 1	97,244	88,028
Expense recognised in statement of profit or loss	54,546	48,861
Contribution made to the Plan during the year	(43,487)	(36,570)
Remeasurements gain recognised in other comprehensive income	(1,932)	(3,075)
<b>Balance as at December 31</b>	<b>106,371</b>	<b>97,244</b>

### 16.1.10 Detail of plan assets

Plan assets of the Company comprise of the following:

Note	2022		2021	
	"Rupees in '000"	%	"Rupees in '000"	%
- Pakistan investment bonds	39,878	24%	40,498	34%
- Regular income certificates	31,388	19%	28,503	23%
- Defence saving certificates	32,412	20%	28,704	23%
- Special saving certificates	9,364	6%	-	0%
- Term finance certificates	-	0%	7,948	6%
- Bank balances	27,977	17%	17,115	14%
- Market treasury bills	5,404	3%	-	0%
- Others	17,556	11%	148	0%
	<b>163,979</b>	<b>100%</b>	<b>122,916</b>	<b>100%</b>

**16.1.10.1** This includes investments in equity instruments.

	2022	2021
	%	%
<b>16.1.11 Significant actuarial assumptions</b>		
Discount rate	<b>14.50</b>	12.25
Future salary increases	<b>14.50</b>	12.25

**16.1.12** Mortality was assumed to be based on SLIC (2001-05) Ultimate mortality tables rated down one year.

**16.1.13** In case of the funded plans, investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

**16.1.14** The Company's gratuity expense for the year ending December 31, 2023 is expected to be Rs. 66.42 million.

**16.1.15** During the first six months, certain employees were transferred to / from GlaxoSmithKline Pakistan Limited from / to the Company. Accordingly, their defined benefit obligations and related assets are transferred to / from GSK Pakistan Funds.

## 16.2 Sensitivity analysis of the Company for actuarial assumptions

The Gratuity scheme exposes the entity to the following risks:

### Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

### Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities.

### Final salary risks

The risk that the final salary at the time of cessation of service is higher than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

### Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption

----- Rupees in '000 -----

Discount rate	1%	(20,120)	23,383
---------------	----	----------	--------

Future salary increases	1%	17,445	(15,346)
-------------------------	----	--------	----------

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

## 16.3 Remeasurement of defined benefit obligation and plan assets

	2022	2021
Experience adjustment - loss on obligation (as percentage of plan obligation)	<u>2.84%</u>	<u>7.84%</u>
Financial assumptions - gain on obligation (as percentage of plan obligation)	<u>(5.06%)</u>	<u>(5.49%)</u>
Loss / (gain) on plan assets (as percentage of plan assets)	<u>2.35%</u>	<u>(6.72%)</u>

**16.4** The weighted average duration of approved funded gratuity scheme for its permanent employees is 8.0 years. (2021: 10.36 years).

**16.5** Expected maturity analysis of undiscounted retirement benefit plan of the Company:

Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
------------------	---------------------	---------------------	----------------------	-------

----- Rupees in '000 -----

<b>At December 31, 2022</b>	<b>25,430</b>	<b>38,047</b>	<b>140,600</b>	<b>391,226</b>	<b>595,303</b>
At December 31, 2021	13,722	15,325	81,191	247,618	357,856

**17. DEFERRED TAXATION**

	December 31, 2022			December 31, 2021		
	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)
----- Rupees in '000 -----						
<b>Deferred tax liability on taxable temporary differences</b>						
- Accelerated tax depreciation and amortisation	276,613	57,019	333,632	225,581	51,032	276,613
- Right-of-use assets - Office premises	-	48,701	48,701	566	(566)	-
	<b>276,613</b>	<b>105,720</b>	<b>382,333</b>	226,147	50,466	276,613
<b>Deferred tax asset on deductible temporary differences</b>						
- Allowance for impairment of trade debts	(8,807)	(1,035)	(9,842)	(8,800)	(7)	(8,807)
- Lease liabilities	-	(50,183)	(50,183)	(657)	657	-
- Provision against advances	-	(27,198)	(27,198)	-	-	-
- Provision for slow moving, obsolete and damaged inventories	(42,945)	2,526	(40,419)	(39,856)	(3,089)	(42,945)
- Staff retirement benefits	(27,759)	10,558	(17,201)	(25,110)	(2,649)	(27,759)
- Minimum tax credit	-	(103,692)	(103,692)	-	-	-
	<b>(79,511)</b>	<b>(169,024)</b>	<b>(248,535)</b>	(74,423)	(5,088)	(79,511)
	<b>197,102</b>	<b>(63,304)</b>	<b>133,798</b>	151,724	45,378	197,102

**17.1** Charge of deferred tax has been allocated to the statement of profit or loss and other comprehensive income as follows:

	2022	2021
----- Rupees in '000 -----		
- taken to profit or loss for the year	(63,864)	44,486
- taken to other comprehensive income being tax impact of remeasurement gain on staff retirement benefits	560	892
	<b>(63,304)</b>	45,378

**18. LEASE LIABILITIES**

Liability against office premises subject to lease	155,173	-
Less: Current portion shown under current liabilities	(36,009)	-
	<b>119,164</b>	-

**18.1** The future payments of lease liabilities are as follows:

	2022		2021	
	Future minimum lease payments	Principal repayments	Future minimum lease payments	Principal repayments
-----Rupees in '000-----				
Not later than one year	38,100	36,009	-	-
Later than one year but not later than five years	180,010	119,164	-	-
	<b>218,110</b>	<b>155,173</b>	-	-

**19. TRADE AND OTHER PAYABLES**

	2022	2021
----- Rupees in '000 -----		
Creditors:		
- Associated companies	-	140,277
- Others	1,088,788	400,848
Bills payable:		
- Associated companies	469,719	423,990
- Others	202,427	86,386
Accrued liabilities	3,048,958	2,863,848
Contract liabilities	927,899	488,008
Taxes deducted at source and payable to statutory authorities	38,762	51,377
Workers' Welfare Fund	154,459	133,783
Workers' Profits Participation Fund	53,673	137,265
Sindh Services Sales tax	-	1,815
Central Research Fund	6,255	20,816
Payable to provident fund	4,901	-
Book overdraft	37,790	115,017
Others	69,035	77,648
	<b>6,102,666</b>	4,941,078

**19.1** The prior year balance pertains to GlaxoSmithKline Pakistan Limited, which has not continued to be an associated company as disclosed in note 36.2. Accordingly, current year balance amounting to Rs. 257.61 million is disclosed in other creditors.



	2022	2021
	----- Rupees in `000 -----	
<b>19.2</b> Bills payable include payable to the following associated companies:		
GlaxoSmithKline Consumer Trading Services Limited	<b>163,865</b>	33,882
GlaxoSmithKline Consumer Health S.A.	<b>287,063</b>	377,263
GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	<b>18,791</b>	11,853
GlaxoSmithKline Biologicals S.A.	<b>-</b>	992
	<b>469,719</b>	423,990

**19.3** This includes liability for share based compensation amounting to Rs. 22.48 million (2021: Rs. 86.03 million).

**19.4** This represents advance from customers and accrual for returns & allowances amounting to Rs. 492.17 million (2021: Rs. 261.42 million) and Rs. 435.73 million (2021: Rs. 226.59 million) respectively. All the advances from customers included in the contract liabilities balance at the beginning of the year were converted into revenue during the year.

		2022	2021
	Note	----- Rupees in `000 -----	
<b>19.5 Workers' Profits Participation Fund</b>			
Opening balance (asset) / liability		137,265	(25,766)
Allocation for the year	26	53,673	163,031
Payment to the fund		(137,265)	-
		53,673	137,265

**19.6** This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments for these cheques will be made by transferring the amount from savings accounts as and when presented.

## **20. UNPAID DIVIDEND**

This includes part of final dividend for the years ended December 31, 2018, December 31, 2019, and December 31, 2020 which remained unpaid to the Company's shareholders. Out of the total amount of unpaid dividend, Rs. 1,506.34 million (2021: Rs. 1,900.93 million) pertains to the Company's foreign shareholder GlaxoSmithKline Consumer Healthcare B.V., which has remained unpaid due to non-registration of shares with the State Bank of Pakistan (SBP). During the year, the Company received the approval from SBP for registration of 78,918,934 shares. Subsequently, the Company transferred the dividend amount of Rs. 355.14 million for the year 2017 to GlaxoSmithKline Consumer Healthcare B.V. on 25 February 2022. Further, 21,504,325 shares are still in the process of registration with SBP.

## **21. CONTINGENCIES AND COMMITMENTS**

### **21.1 Contingencies**

#### **21.1.1 Income tax**

**21.1.1.1** GlaxoSmithKline OTC (Private) Limited (now GlaxoSmithKline Consumer Healthcare Pakistan Limited) received a notice issued under section 161(1A) / 205 of the Income tax Ordinance, 2001 (The Ordinance) for tax year 2017 whereby the authorities alleged that the Company did not deduct / withhold / collect tax on certain expenses and

intended to recover Rs. 19.35 million along with default surcharge of Rs. 2.32 million. Subsequent to the show cause notice, the authorities passed the order dated January 30, 2019, raising demand of Rs. 4.43 million (inclusive of default surcharge Rs. 0.44 million and penalty Rs. 0.36 million). Against the order, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide his order dated June 22, 2021, has set aside the proceedings for re-examination of the issues.

**21.1.1.2** As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer (AO) has issued order and raised the demand of Rs.15.04 million (inclusive of default surcharge of Rs. 2.69 million and penalty of Rs. 1.12 million) on account of non-withholding of tax on certain expenses including meeting and symposia under section 156 of the Ordinance. The CIR(A), through his order dated October 31, 2019, has confirmed demand related to travelling and legal & professional expenses whereas the demand related to publication & subscription, advertisement, vehicle running expenses and fixed asset has been set-aside or deleted by CIR(A). The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

**21.1.1.3** The AO amended the assessment of the Company for tax year 2019 and passed an order under section 122(5A) of the Ordinance raising demand of Rs. 80.45 million. Such demand is on account of Apportionment of various expenditures, non-declaration of FTR receipts of imports, Intercompany loan of Rs. 1,000 million added back, stock written off and provision for obsolete stock. The Company filed appeal against the said order before Commissioner Inland Revenue Appeals [CIR(A)] and has also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

The CIR(A), through his order dated November 18, 2021, remanded back the proceedings to AO on all the issues except provision for obsolete stock, intercompany loan and stock written off. Against the order of the CIR(A), the Company has filed an appeal before ATIR which is pending for hearing.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

#### **21.1.2 Sales tax**

**21.1.2.1** The Assistant Commissioner Inland Revenue passed the order dated July 04, 2019 demanding sales tax of Rs. 5.76 million (inclusive of default surcharge of Rs. 0.63 million and penalty of Rs. 0.24 million) relating to inadmissibility of input tax in tax periods from July 2018 to December 2018. The Company has filed an appeal against the said order before the CIR(A) which is pending adjudication.

**21.1.2.2** During the year ended December 31, 2020, AO raised a demand of Rs. 190.56 million (including default surcharge of Rs. 92.96 million and penalty of Rs. 4.65 million) in respect of the year ended December 31, 2016. Such demand is on account of non-withholding of Sindh Sales Tax on certain transactions under various heads of expenses such as transport, advertisement and third-party manufacturing services. The Company filed an appeal against the said order before CIR(A) and also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

**21.1.2.3** During the year, the AO passed an order and raised a demand of Rs. 197.38 million (including penalty of Rs. 9.40 million) in respect of tax periods from July 2020, to June 2021. Such demand is on account of alleged incorrect apportionment of input tax between exempt and taxable supplies. The Company has filed an appeal against the said order before CIR(A) against the said order, which is pending adjudication.

**21.1.2.4** During the year, the AO passed an order and raised demand of Rs 95.8 million (including penalty of Rs. 4.6 million) in respect of tax periods from July 2021 to June 2022 allegedly on account of incorrect input tax claimed on exempt supplies as well as apportionment of input tax claimed. The company has filed appeal against the said order before CIR(A) who via his order dated February 15, 2023 has annulled the assessment made by AO and has deleted the demand as well as the levy of penalty/ default surcharge.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

## 21.2 Commitments

**21.2.1** The facilities for opening letters of credit and guarantees as at December 31, 2022, amounted to Rs. 1,141 million (2021: Rs. 1,080 million) and Rs. 110 million (2021: Rs. 110 million) respectively of which the amount remained unutilised at December 31, 2022, was Rs. 700.65 million (2021: Rs. 503 million) and Rs. 47.66 million (2021: Rs. 71 million) respectively.

**21.2.2** Commitments for capital expenditure outstanding as at December 31, 2022, amounted to Rs. 975.94 million (2021: Rs. 161.31 million).

	Note	2022	2021
----- Rupees in '000 -----			
<b>22. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>			
Gross sales:			
- Local	22.1 & 22.2	28,275,266	25,222,462
- Export		1,025,297	150,669
Less:			
Commissions, returns and discounts		(512,864)	(451,596)
Sales tax		(1,280,487)	(758,385)
		(1,793,351)	(1,209,981)
		<b>27,507,212</b>	24,163,150

**22.1** This includes sales amounting to Rs. 1.65 billion (2021: Rs. 1.04 billion) made by GSK Pakistan on behalf of the Company (refer note 1.2).

**22.2** This includes sales amounting to Rs. 2.51 billion and Rs. 7.86 billion (2021: Rs. 2.99 billion and Rs. 7.27 billion) to NPPL and Premier Agencies respectively.

## 23. COST OF SALES

	Note	2022	2021
----- Rupees in '000 -----			
Raw and packing materials consumed		17,058,358	12,077,581
Manufacturing costs charged by third parties		1,932,976	2,004,686
Stores and spares consumed		45,457	17,477
Salaries, wages and other benefits	23.1	951,982	903,118
Fuel and power		299,569	230,995
Rent, rates and taxes		39,194	32,363
Insurance		80,663	48,408
Repairs and maintenance		363,114	341,550
Travelling and entertainment		33,407	8,786
Vehicle running		16,055	5,641
Canteen expenses		90,718	72,147
Security expenses		56,379	37,006
Printing and stationery		18,662	9,218
Communication and entertainment		4,694	8,124
Depreciation	4.4	272,123	256,465
Handling, freight and transportation		238,598	93,520
Inventory written-off		18,323	49,115
Provision for slow moving, obsolete and damaged inventories	7.3	99,326	123,739
Provision against advances	9	84,099	-
Government levies		110,917	159,122
Restructuring cost		-	41,469
Others		117,787	143,768
		<b>21,932,401</b>	16,664,298
Add: Opening inventory of work-in-process		41,288	14,375
Less: Closing inventory of work-in-process		(50,787)	(41,288)
Cost of goods manufactured		<b>21,922,902</b>	16,637,385
Add: Opening inventory of finished goods		1,785,654	1,442,493
Add: Purchase of finished goods		1,497,918	1,183,651
		<b>25,206,474</b>	19,263,529
Less: Closing inventory of finished goods		(2,484,675)	(1,785,654)
		<b>22,721,799</b>	17,477,875

**23.1** Salaries, wages and other benefits include Rs. 25.57 million (2021: Rs. 25.58 million) and Rs. 22.59 million (2021: Rs. 22.05 million) in respect of defined benefit plans and contributory provident fund respectively.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>24. SELLING, MARKETING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages and other benefits	24.1	<b>500,330</b>	467,614
Shared services cost	24.2	<b>2,954</b>	11,947
Sales promotion		<b>886,052</b>	885,690
Advertising		<b>1,233,567</b>	1,475,036
Handling, freight and transportation		<b>409,117</b>	361,879
Travelling and entertainment		<b>65,465</b>	22,432
Fees and subscription		<b>25,588</b>	27,703
Sales management system		<b>39,968</b>	29,562
Depreciation	4.4	<b>32,655</b>	29,192
Vehicle running		<b>45,652</b>	27,723
Allowance for impairment of trade debts	8.3	<b>4,592</b>	-
Repairs and maintenance		<b>3,838</b>	3,078
Insurance		<b>3,796</b>	2,048
Printing and stationery		<b>1,996</b>	626
Security expenses		<b>1,973</b>	3,085
Other expenses		<b>9,720</b>	6,025
		<b>3,267,263</b>	3,353,640

**24.1** Salaries, wages and other benefits include Rs. 19.48 million (2021: Rs. 17.33 million) and Rs. 16.77 million (2021: Rs. 14.36 million) in respect of defined benefit plan and contributory provident fund respectively.

**24.2** These represent cost reimbursements to GlaxoSmithKline Pakistan Limited in respect of costs of various functions / services provided to the Company under a cost sharing agreement. However, this arrangement ended due to the fact as disclosed in note 36.2.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>25. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	25.1	<b>228,785</b>	150,230
Shared services cost	24.2	<b>9,068</b>	48,783
Depreciation	4.4	<b>27,944</b>	15,580
Legal and professional charges		<b>49,284</b>	37,085
Travelling and entertainment		<b>12,890</b>	4,907
Repairs and maintenance		<b>2,894</b>	1,895
Auditor's remuneration	25.2	<b>9,507</b>	8,537
Vehicle running		<b>16,422</b>	9,392
Publication and subscriptions		<b>1,042</b>	133
Insurance		<b>10,439</b>	5,077
Printing and stationery		<b>4,696</b>	5,815
Service fees		<b>12,600</b>	12,000
Donations	25.3	<b>15,665</b>	372
Provision for impairment on operating assets		<b>27,000</b>	-
Others		<b>31,199</b>	25,278
		<b>459,435</b>	325,084

**25.1** Salaries, wages and other benefits include Rs. 9.68 million (2021: Rs. 5.94 million) and Rs. 8.43 million (2021: Rs. 5.35 million) in respect of defined benefit plan and contributory provident fund respectively.

		2022	2021
		----- Rupees in '000 -----	
<b>25.2 Auditor's remuneration</b>			
Audit fee		<b>4,338</b>	3,879
Fee for limited review of half yearly financial statements and other certifications		<b>4,593</b>	4,317
Out-of-pocket expenses		<b>576</b>	341
		<b>9,507</b>	8,537

**25.3** Donations to a single party exceeding 10% of total donations are as follows:

Pak Aid Welfare Trust	<b>5,000</b>	-
Ayesha Chundrigar Foundation	<b>4,158</b>	-
The Citizens Foundation	<b>3,400</b>	-
Pakistan Association of the Deaf	<b>-</b>	372
	<b>12,558</b>	372

25.3.1 Donations did not include any amount paid to any organization in which a director or his / her spouse hold any interest.

		2022	2021
	Note	----- Rupees in '000 -----	
<b>26. OTHER OPERATING EXPENSES</b>			
Workers' Profits Participation Fund	19.5	<b>53,673</b>	163,031
Workers' Welfare Fund		<b>20,676</b>	60,443
Central Research Fund		<b>6,332</b>	21,043
		<b>80,681</b>	244,517
<b>27. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Return on deposit accounts / T-bills		<b>37,670</b>	32,210
Income on savings accounts		<b>222,570</b>	159,737
<b>Income from non-financial asset</b>			
Gain on disposal of operating assets - net		<b>18,925</b>	707
<b>Others</b>			
Insurance claim recovery		<b>10,099</b>	-
Scrap sales		<b>32,035</b>	18,334
Other		<b>-</b>	130,415
		<b>321,299</b>	341,403
<b>28. FINANCIAL CHARGES</b>			
Exchange loss - net		<b>299,703</b>	85,232
Bank charges		<b>1,184</b>	1,942
Interest on long-term lease liabilities		<b>5,655</b>	159
		<b>306,542</b>	87,333

		2022	2021
	Note	----- Rupees in '000 -----	
<b>29. TAXATION - NET</b>			
Current:			
- for the year		<b>447,485</b>	837,284
- for prior year		<b>283,759</b>	-
		<b>731,244</b>	837,284
Deferred	17.1	<b>(63,864)</b>	44,486
		<b>667,380</b>	881,770
<b>29.1 Relationship between tax expense and accounting profit</b>			
Profit before taxation		<b>992,791</b>	3,016,104
Applicable tax rate		<b>29%</b>	29%
Tax calculated at applicable tax rate		<b>287,909</b>	874,670
Impact of super tax	29.1.1	<b>36,284</b>	-
Impact of taxability at minimum tax regime (MTR) and final tax regime (FTR)		<b>(5,925)</b>	5,370
Effect of prior year charge (prior year super tax)	29.1.1	<b>283,759</b>	-
Effect of change in tax rate		<b>26,184</b>	-
Tax effect of permanent difference		<b>31,959</b>	-
Tax effect of other than temporary differences		<b>7,210</b>	1,730
		<b>667,380</b>	881,770

**29.1.1** During the year, the Government of Pakistan through Finance Act, 2022 (the Act) introduced section 4C in the Income Tax Ordinance, 2001 through which super tax has been levied on high earning persons. The tax will be applicable at different rates on all persons (including the Company) earning more than Rs. 150 million. Further, entities operating in various sectors, including pharmaceutical sector, and earning more than Rs. 300 million are liable to super tax at 10% (for tax year 2022) of income as specified in the Act. Accordingly, the current year tax charge includes Rs. 283.76 million (as Current Tax for Prior Year) and Rs. 36.28 million for tax years 2022 and 2023 respectively on account of super tax.

During the year, the Company along with other entities (petitioners), in connected petitions, challenged the vires of section 4C related to super tax in the Honourable Sindh High Court (SHC) on the grounds that such tax has been applied retrospectively for TY 2022 (financial year ended December 31, 2021). The SHC, on October 3, 2022, granted interim relief to the petitioners, including the Company, and directed to secure the disputed amount of super tax before the Nazir of the SHC by furnishing either the pay order, bank guarantee or cheque within stipulated time, which the Company provided in the form of undated cheque.

Subsequently, on December 22, 2022, the SHC issued an order declaring that section 4C shall not be applicable for tax year 2022 and would apply from tax year 2023 (i.e., financial year ended December 31, 2022). However, the SHC has suspended the operation of the judgement for a period of sixty days. Henceforth, the Company has maintained the provision of super tax for TY 2022 in the current year.

On February 16, 2023, the Supreme Court of Pakistan, after brief hearing of the appeal filed by the Federal Board of Revenue (FBR) against one of the petitioners, directed to pay super tax to the extent of 4% for TY 2022. The written Order, however, is still awaited.

	2022	2021
<b>30. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit for the year (Rupees in thousand)	<b>325,411</b>	2,134,334
Weighted average number of outstanding shares (in thousand)	<b>117,055</b>	117,055
Earnings per share (Rupees)	<b>2.78</b>	18.23

**30.1** Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2022 and December 31, 2021, which would have any effect on the earnings per share if the option to convert is exercised.

	2022	2021
Note ----- Rupees in '000 -----		
<b>31. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	<b>992,791</b>	3,016,104
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation	<b>332,722</b>	301,237
Interest on lease liabilities	<b>5,655</b>	159
Gain on disposal of operating assets	<b>(18,925)</b>	(707)
Unrealized exchange loss / (gain)	<b>37,188</b>	(11,532)
Interest income	<b>(260,240)</b>	(191,947)
Provision for slow moving, obsolete and damaged inventories net of inventory written-off	<b>117,649</b>	172,854
Provision against advances	<b>84,099</b>	-
Allowance for impairment of trade debts	<b>4,592</b>	-
Provision for impairment on operating assets	<b>27,000</b>	-
Provision for staff retirement benefits	<b>102,508</b>	90,619
	<b>432,248</b>	360,683
Profit before working capital changes	<b>1,425,039</b>	3,376,787
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	<b>(21,425)</b>	(59,638)
Inventories	<b>(730,268)</b>	(1,186,682)
Trade debts	<b>461,615</b>	(432,141)
Loans and advances	<b>(89,918)</b>	78,324
Trade deposits and prepayments	<b>(30,160)</b>	(26,649)
Refunds due from Government - Sales Tax	<b>(105,358)</b>	(6,624)
Other receivables	<b>(46,770)</b>	(151,317)
	<b>(562,284)</b>	(1,784,727)
Increase in current liabilities		
Trade and other payables	<b>1,196,726</b>	916,345
	<b>634,442</b>	(868,382)
	<b>2,059,481</b>	2,508,405
<b>32. CASH AND CASH EQUIVALENTS</b>		
Bank balances	13 <b>2,508,361</b>	2,454,867
Investment at amortised cost	12 <b>965,302</b>	747,935
Book overdraft	19.6 <b>(37,790)</b>	(115,017)
	<b>3,435,873</b>	3,087,785

### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Jan 01, 2022	Non-cash changes			Cash flows	Dec 31, 2022
	Acquisition - net	Interest charged	Dividend		

-----Rupees in '000-----

Lease liabilities	-	158,518	5,655	-	(9,000)	155,173
Unpaid dividend	1,915,564	-	-	-	(395,851)	1,519,713

Jan 01, 2021	Non-cash changes			Cash flows	Dec 31, 2021
	Acquisition - net	Interest charged	Dividend		

-----Rupees in '000-----

Lease liabilities	2,301	-	159	-	(2,460)	-
Unpaid dividend	1,409,697	-	-	585,273	(79,406)	1,915,564

### 34. SEGMENT INFORMATION

For management purposes, the activities of the Company are organised into one operating segment i.e. consumer healthcare segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

### 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive, Director and Executives are as follows:

	Chief Executive		Director		Executives	
	2022	2021	2022	2021	2022	2021
	----- Rupees in '000 -----					
<b>Managerial remuneration</b>	23,915	23,652	13,221	11,841	440,733	330,891
<b>Bonus - note 35.2</b>	16,055	15,285	6,676	5,291	130,428	102,161
<b>Retirement benefits*</b>	2,828	2,194	1,564	1,585	47,895	40,562
<b>Medical expenses</b>	236	399	123	28	10,082	2,218
<b>Others</b>	5,027	1,154	2,831	4,518	78,864	49,883
	<b>48,061</b>	42,684	<b>24,415</b>	23,263	<b>708,002</b>	525,715
<b>Number of persons</b>	<b>1</b>	2	<b>1</b>	1	<b>112</b>	84

\* Retirement benefits represent amount contributed towards various retirement benefit plans.

**35.1** In addition to the above, fee paid to 3 (2021: 4) independent directors for attending Board of Directors meetings during the year amounted to Rs. 3.08 million (2021: Rs. 1.63 million).

**35.2** Bonus includes share based compensation as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Director and certain Executives amounting to Rs. 66.26 million (2021: Rs. 63.96 million). These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, Haleon plc, UK and GlaxoSmithKline plc, UK (refer note 1.1).

**35.3** Chief Executive, Executive Director and certain Executives are also provided with Company maintained cars in accordance with the Company policy.

### 36. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2022	2021
		----- Rupees in '000 -----	
Associated companies:	a. Purchase of goods	2,258,582	2,820,637
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	6,000	12,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	12,022	60,730
	d. Recovery of expenses	53,649	174,704
	e. Sale of goods	1,025,297	150,669
Staff retirement funds:	a. Expense charged for retirement benefit plans	102,508	90,619
	b. Payments to retirement benefit plans	86,548	78,328
Key management personnel:	a. Salaries and other employee benefits	205,571	188,605
	b. Post employment benefits	11,213	10,839
	c. Sale of assets - sales proceeds	3,450	5,231

**36.1** Balances of related parties as at December 31, 2022, are included in the respective notes to the financial statements. The receivables and payables are mainly unsecured in nature and bear no interest.

**36.2** As a result of demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), GlaxoSmithKline Pakistan Limited is not a related party of the Company with effect from July 18, 2022.

### 36.3 Details of related parties

S. No.	Company Name	Country of incorporation	Registered address	Basis of association	Aggregate % of shareholding
1	GlaxoSmithKline Consumer Healthcare B.V.	Netherlands	Huis ter Heideweg 62, 3705 LZ, Zeist	Holding Company	85.79%
2	GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	England	980 Great West Road, Brentford ,Middlesex, TW8 9GS	Associated company	N/A
3	GlaxoSmithKline Consumer Healthcare S.A	Switzerland	Route de l'Etraz, Case Postale 1279, 1260 Nyon 1	Associated company	N/A
4	GlaxoSmithKline Consumer Healthcare Export Limited	UAE	Jebel, Ali Free Zone, Dubai	Associated company	N/A
5	GlaxoSmithKline Limited	Kenya	Likoni Rd, Nairobi, Kenya	Associated company	N/A
6	GSK Consumer Trading Services Limited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A

### 37. PLANT CAPACITY AND ACTUAL PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

### 38. FINANCIAL INSTRUMENTS BY CATEGORY

#### 38.1 Financial assets as per statement of financial position

##### Financial assets measured at amortised cost

	2022	2021
Loans to employees	10,448	15,254
Advances and deposits	304,923	177,570
Trade debts	635,519	1,101,726
Interest accrued	17,227	1,227
Other receivables	531,826	485,056
Investments - at amortised cost	965,302	747,935
Bank balances	2,508,361	2,454,867
	<b>4,973,606</b>	<b>4,983,635</b>

2022	2021
------	------

----- Rupees in '000 -----

### 38.2 Financial liabilities measured at amortised cost

Trade and other payables	4,416,852	4,256,951
Unpaid dividend	1,519,713	1,915,564
Lease liabilities	155,173	-
	<b>6,091,738</b>	<b>6,172,515</b>

38.2.1 The management expects to settle the above liabilities within one year except for lease liabilities.

### 38.3 Fair values of financial assets and liabilities

(a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

#### (b) Fair value estimation

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2022, the Company does not have any financial instruments carried at fair values which are measured using methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

### 39. FINANCIAL RISK MANAGEMENT

#### 39.1 Financial risk factors

##### Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing such risks.

##### Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in

Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance and treasury department oversees the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities, and provide assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

#### (a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk and interest rate risk.

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Net payables exposed to foreign currency risk as at December 31, 2022, amounting to Rs. 669.33 million (2021: Rs. 508.18 million).

At December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against the foreign currency with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 33.47 million (2021: Rs. 25.52 million), mainly as a result of foreign exchange losses / gains on translation of foreign currency-denominated trade payables and bank balances.

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from balances held in savings and deposit account with banks and running finance.

	Carrying amount	
	2022	2021
----- Rupees in '000 -----		
<b>Fixed rate instruments</b>		
Financial assets		
- Treasury bills	965,302	747,935
Financial liabilities		
- Lease liabilities	155,173	-
<b>Variable rate instruments</b>		
Financial assets		
- bank balance on savings accounts	2,498,902	2,445,386

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit before tax by Rs. 24.99 million (2021: Rs. 24.45 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from balances with banks, trade debts, loans, advances and deposits. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

	2022	2021
----- Rupees in '000 -----		
Trade debts	635,519	1,101,726
Loans to employees, interest accrued and other receivables	559,501	501,537
Advances and deposits	304,923	177,570
Investments - at amortised cost	965,302	747,935
Bank balances	2,508,361	2,454,867
	<b>4,973,606</b>	<b>4,983,635</b>

As at December 31, 2022, the Company's largest concentration of credit risk was in trade debts; amounted to Rs. 280.39 million (2021: Rs. 635 million) with NPPL.

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade debts of Rs. 139.90 million (2021: Rs. 204.31 million) are past due of which Rs. 30.43 million (2021: Rs. 30.85 million) have been provided for. Past due but not impaired balances include Rs. 27.84 million (2021: Rs. 85.82 million) outstanding for more than three months. Trade debts are written-off when the company do not have realistic prospect of recovery.

Loans to employees are secured against their retirement benefits.

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating	Agency	Short term	Long term
Citibank N.A.	June, 2022	Moody's	P-1	AA3
Standard Chartered Bank (Pakistan) Limited	June, 2022	PACRA	A1+	AAA



Trade receivables are grouped into customer segments that have similar loss patterns to assess credit risk while other financial assets are assessed individually. Historical and forward - looking information is considered to determine the appropriate expected credit loss allowance. The Company believes that there is no further credit risk provision required in excess of the allowance for expected credit losses already recognised.

For other financial assets, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

#### Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash or other assets as contractually agreed on sale. The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

#### (c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the monitoring of liquidity ratios and maintaining debt financing plans. As at year end, all the financial liabilities as disclosed in note 38.2, are due within one year except for lease liabilities.

	Carrying Amount	Contractual cash flow	Up to 1 year	Greater than 1 year
----- Rupees in '000 -----				
<b>December 31, 2022</b>				
<b>Non-interest bearing</b>				
Trade and other payables	4,416,852	4,416,852	4,416,852	-
Unpaid dividend	1,519,713	1,519,713	1,519,713	-
	<u>5,936,565</u>	<u>5,936,565</u>	<u>5,936,565</u>	<u>-</u>
<b>Interest bearing</b>				
Lease liabilities	155,173	218,110	38,100	180,010
<b>December 31, 2021</b>				
<b>Non-interest bearing</b>				
Trade and other payables	4,256,951	4,256,951	4,256,951	-
Unpaid dividend	1,915,564	1,915,564	1,915,564	-
	<u>6,172,515</u>	<u>6,172,515</u>	<u>6,172,515</u>	<u>-</u>
<b>Interest bearing</b>				
Lease liabilities	-	-	-	-

It is not expected that the cash flow included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Management closely monitors the Company's liquidity and cash flow position by maintaining availability of financing through banking arrangements, if required.

#### 40. PROVIDENT FUND RELATED DISCLOSURE

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

#### 41. NUMBER OF EMPLOYEES

	2022	2021
Number of employees including contractual employees at the end of year	478	459
Average number of employees including contractual employees during the year	469	473

#### 42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain appropriate mix between various sources of finance to minimise risk. The Company calculates debt to capital ratio by dividing borrowings with equity as at year end.

The debt to capital ratio as at December 31, 2022 is Nil (2021: Nil).

#### 43. BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Business units	Addresses
Factory	Petaro Road, Jamshoro, Pakistan
Distribution / Sales offices	Central Sales Office - 880-B, Faisal Town, Lahore - 54700, Pakistan
Warehouses and storage facilities	Connect Logistics (Private) Limited - Plot no. 73 B,C,D, Main Mauripur Road, Hawks bay Phase 2, Karachi, Pakistan
	Emirates Supply Chain Services (Private) Limited - 46 KM, Multan Road, Nathy Khalsa, Manga Mandi, Lahore, Pakistan
	Emirates Supply Chain Services (Private) Limited - Plot no. 409, Sector I-9, Industrial Area, Islamabad, Pakistan
	Glaciers (Private) Limited - Bahawalpur Bypass, Gopal Purrah, Multan, Pakistan
	Jamshoro - Petaro Road, Jamshoro, Pakistan
	Plot B-3, SITE, Kotri, Pakistan

**44. SUBSEQUENT EVENTS**

The Board of Directors in its meeting held on 14 March 2023 proposed a cash dividend of Rs. Nil per share (2021: Rs. Nil per share) amounting to Rs. Nil (2021: Rs. Nil) subject to the approval of the members in the forthcoming annual general meeting of the Company.

**45. CORRESPONDING FIGURES**

Corresponding figures have been reclassified in these financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the financial statements.

**46. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were approved and authorised for issue by the Board of Directors of the Company on 14 March 2023.



**Chief Financial Officer**



**Director**



**Chief Executive Officer**



## Business Rationale Of Major Capital Expenditure And For Those Planned For Next Year

The capital expenditure for the year 2022 amounted to Rs. 503 million. The expenditure was made mainly for expansion of capacity, increasing efficiency and improving quality.

In order to expand capacity, projects like "Racking" were initiated during the year which will serve the purpose of meeting the demand in future. As far as the efficiency is concerned, the Company invested heavily on key machineries to benefit from the economies of scale and prevent any breakdown in future. The Company has also invested to improve quality and to cater the requirements of Drug regulatory authorities for future.

The Company is planning to invest Rs. 1.17 billion on Panadol insourcing and Capacity enhancement in CAC-1000 PLUS for future local and export requirements.

## Segmental Review

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM) who is responsible for allocating resources and assessing performance of the operating segments. The management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.

# Outlook



## Forward Looking Statement

As a Company, our aim to deliver world class healthcare brands to our customers, expand the reach of our brands, grow the market, and capitalise on new consumer trends. Our mission is to deliver better everyday health with humanity to people of Pakistan.

The forward-looking statement of the Company is aimed at informing our stakeholders about our future plans. The statement is based upon the knowledge and information available to the Company on the date of this Annual Report. A detailed overview on the Company's Future Outlook and Challenges by the Board of Directors is present in the Director's Report on \_\_\_\_ of the Annual Report. Furthermore, \_\_\_\_\_ of this Report also cover the factors affecting external environment and how is the Company is responding to the subject factors.

## Sources Of Information And Assumptions Used For Projections / Forecasts

A statutory budget is developed every year in alignment with the objectives and strategies of the Company. These plans are approved by the Board of Directors annually and periodic reviews are conducted in order to monitor the outcomes and modify the plans if needed.

Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capital expenditure plans etc. Further, macro-economic indicators such as political factors, inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.

## Organization's Capability In Responding To Potential Critical Challenges And Uncertainties

The company is aware of the changing economic factors, which may provide challenges to the organization. The company has an Enterprise Risk Management (ERM) cycle in place that assists in identifying, managing, and reporting on the most essential risks in a proportionate and consistent manner.

The year 2022 has been a difficult year with Pakistan facing extreme political instability followed by economic crisis. The Pakistani Rupee hit a new all-time low against the dollar, causing raw material prices to surge. Furthermore, global supply chain issues also caused major disruptions in import of raw materials. However, we met these challenges through successful negotiations with the Government authorities. Also, our capabilities for resilience, cost economization and continual improvement in our business model supported us in delivering results.

# Stakeholders

Relationship and Engagement



# Engagement With Stakeholders

The Company recognizes that stakeholder engagement, particularly under the challenging circumstances of a global pandemic, should be more than an exercise undertaken for its own sake, but rather an opportunity to drive positive change for business, its employees, the environment, local communities / society as a whole and to create value for its shareholders.

The Company engages with a wide range of stakeholders through day-to-day interactions with customers; engagement with the government and regulators; regular dialogue with employees; suppliers, partners, distributors and investors to follow its business priorities of Innovation, Performance and Trust in letter and spirit.

Dialogues with stakeholders enable the Company to identify and prioritise significant issues and develop responses that are in the best interests of society, as well as shareholders.

Engagement with the Company's main stakeholder groups, including patients, shareholders, consumers, customers and employees, at all levels of the organisation and across the enterprise is summarised below:

Stakeholder	Modes of Engagement
Shareholders and Investors	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Corporate Briefing Sessions</li> <li>Annual Reports</li> <li>Quarterly Financial Statements and Directors' Reports</li> <li>The Company's website</li> <li>Dedicated email address for investor relations</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>Advertising campaigns</li> <li>Press releases</li> <li>Radio Messages</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Multichannel / digital campaigns</li> <li>Regular newsletters</li> <li>Employee social media platform - Workday</li> <li>Biannual employee Surveys</li> <li>Let's Talk sessions with Leadership teams</li> <li>Townhalls with the local leadership and lead by the Chief Executive Officer of the Company</li> <li>Several engagement initiatives as a part of the 'Play Above' programme, including skip level sessions with +1-line managers</li> <li>Annual Cycle Meetings</li> <li>Advisory Board Meetings</li> </ul>
Healthcare professionals (HCPs)	<ul style="list-style-type: none"> <li>Conferences and seminars</li> <li>Regular visits by field force (Sales and Expert teams)</li> </ul>
Suppliers and Distributors	<ul style="list-style-type: none"> <li>Haleon's Third Party Risk Assessment programme and external platforms to help monitor performance.</li> <li>Miscellaneous trainings like QMS training sessions and regular QMS audits</li> <li>Distributor conferences</li> <li>Market visits</li> </ul>
Governments and Regulators	<ul style="list-style-type: none"> <li>Scheduled meetings</li> <li>Industry conferences</li> <li>Trade associations</li> <li>Written communications</li> <li>Facility visits</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>CSR initiatives</li> </ul>

## EFFORTS TO ENCOURAGE SHAREHOLDERS TO CONVERT THEIR SHARES INTO BOOK ENTRY FORM

Further to section 72 of the Companies Act, 2017 and SECP's communication bearing File No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company made efforts to encourage all shareholders holding physical shares to convert their shares into book entry form. The Company published the necessary requirement into its AGM notice. Further, it published notices in English and Urdu languages in newspapers having nationwide circulation regarding this matter. The said notices, accompanied by a letter stating the statutory requirements and benefits of dematerialising physical shares, were also disseminated to all members through PUCARS, as well as placed on the Company's website.

## ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

The Company encourages its shareholders to attend its general meetings in the following manner:

- a) Notices of general meetings:**
  - i. Are circulated in accordance with legally stipulated lead times.
  - ii. Are published in leading Urdu and English newspapers with nationwide circulation.
  - iii. Are timely updated on its website.
  - iv. Contain a link / QR Code to a dedicated online portal / Vevox to facilitate those shareholders attending the AGM / EOGM to submit their queries to the Company in advance or during the meeting.
- b) The Annual Report:**
  - i. contains the notice of the AGM and is sent in a uniform manner to all shareholders, including minority shareholders, regardless of shareholding.
  - ii. contains a proxy form to ensure shareholder representation and participation in the AGM in case a shareholder is unable to attend the meeting.
- c) The General Meeting:**
  - i. is held both virtually and physically and the link to the AGM / EOGM is shared upon receipt of request from shareholders.
  - ii. a link and QR code for shareholder queries is shared in the AGM / EOGM notice, in addition to a dedicated timeslot to hear submitted or on the spot queries at the AGM.

## INVESTORS' SECTION ON THE COMPANY'S WEBSITE

In order to provide ease of access to stakeholders, the Company's latest information for investors is available on our website, under the "Investors" section on the Company's website ([www.pk-consumerhealthcare.gsk.com/en-gb/investors](http://www.pk-consumerhealthcare.gsk.com/en-gb/investors))

This page is updated regularly in order to provide transparent, adequate and updated information to all investors and stakeholders. All information is made available in both English and Urdu languages for the ease of shareholders and investors and in compliance with applicable law.

The Company's website has clearly specified the email address dedicated to shareholder complaints and queries on its home page, as well as several other pages on its website.

## ISSUES RAISED AT THE LAST AGM AND EOGM

No significant issues were raised at the previous Annual General Meeting held on 21 March 2022 and Extraordinary General Meeting held on 5 December 2022 other than general queries on the accounts, business and name change of the Company to Haleon Pakistan Limited by shareholders and investors.

## INVESTORS' GRIEVANCE POLICY/ REDRESSAL OF INVESTORS' COMPLAINTS

The Company's Corporate Secretarial team promotes dialogue with its shareholders and investors in line with Haleon values. The Company's commitment to open communication ensures accountability and transparency to its external audiences and plays an important role in the Company's success.

The Management of the Company is also committed to provide equal and fair treatment to all shareholders through transparent investor relations, increased awareness, effective communication and prompt resolution of shareholders' complaints. Further, the Company maintains a record of all such grievances along with actions taken for resolution. The main principles of the Investor Relations Policy are as follow:

- All the shareholders are always treated politely, fairly and equally.
- Complaints raised by shareholders are dealt with courtesy and in a timely manner.
- The management works in good faith and without prejudice towards the interests of any of the shareholders.

The Company has internally established a mechanism for shareholder grievances handling. The Company has a dedicated Shares Department in place and has appointed an independent Share Registrar (CDCSRL) to resolve issues of the shareholders as well as to provide a faster and efficient provision of services to its shareholders and investors.

Complaints are initially lodged with the Shares Department and the Share Registrar of the Company who expeditiously takes necessary actions. The Shares Registrar forwards the complaints to the Company if these fall outside their domain.

Shareholders can also submit their complaint(s) to a dedicated email address i.e. [pakistan.shareinfo@haleon.com](mailto:pakistan.shareinfo@haleon.com) which is also available at the Company's website in line with the directives of SECP. Grievances can also be notified to the Company by post and telephone.

In case a complaint has not been properly redressed by the Company or the Registrar, shareholders / investors, the Company has highlighted on its website that shareholders may lodge their complaints with the Securities and Exchange Commission of Pakistan on their SDMS portal.

#### CORPORATE BRIEFING SESSION 2022

The Company held its third successful corporate briefing session on 21 November 2022 at the premises of the Pakistan Stock Exchange and virtually. Mr. Farhan Muhammad Haroon (CEO), Mr. Dilawar Meghani (CFO), and Ms. Mashaal Mohammad (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview.

The presentation was followed by a Q&A session, where questions were put forward to the management of the Company, which were addressed to the satisfaction of the attendees. The following are some of the topics discussed during the briefing session:

- The landscape of the industry and the Company's growth in relation to other players.
- Key brands performance and performance highlights of the Company since the last AGM.
- The Company's response to the pricing and shortage of Panadol tablets.
- The Company's future outlook and challenges.

The presentation from the corporate briefing session can be viewed on the Company's website under the "Investors" section i.e. <https://pk-consumerhealthcare.gsk.com/en-gb/investors/financial-highlights/>.

# Pattern Of Shareholding

as at 31 December 2022

No. of Shareholders	Shareholding Slabs			Total Shares Held
1,544	1	to	100	57,001
1,510	101	to	500	389,612
480	501	to	1000	373,679
718	1001	to	5000	1,630,820
158	5001	to	10000	1,135,777
60	10001	to	15000	737,994
35	15001	to	20000	621,772
21	20001	to	25000	466,782
15	25001	to	30000	415,064
14	30001	to	35000	463,117
6	35001	to	40000	230,451
6	40001	to	45000	253,540
7	45001	to	50000	331,004
5	50001	to	55000	266,217
3	55001	to	60000	176,613
2	60001	to	65000	127,500
4	65001	to	70000	267,546
1	70001	to	75000	73,359
2	75001	to	80000	155,000
1	80001	to	85000	80,100
3	85001	to	90000	258,400
1	90001	to	95000	90,774
3	95001	to	100000	290,927
2	110001	to	115000	224,462
1	125001	to	130000	127,265
2	130001	to	135000	261,400
1	140001	to	145000	142,697
2	165001	to	170000	338,390
1	230001	to	235000	233,500
1	240001	to	245000	244,540
1	250001	to	2555000	254,043
1	275001	to	280000	279,156
1	325001	to	330000	326,238
1	420001	to	425000	421,200
1	2130001	to	2135000	2,132,305
1	2750001	to	2755000	2,753,004
1	21500001	to	21505000	21,504,325
1	78915001	to	78920000	78,918,934
<b>4,617</b>				<b>117,054,508</b>

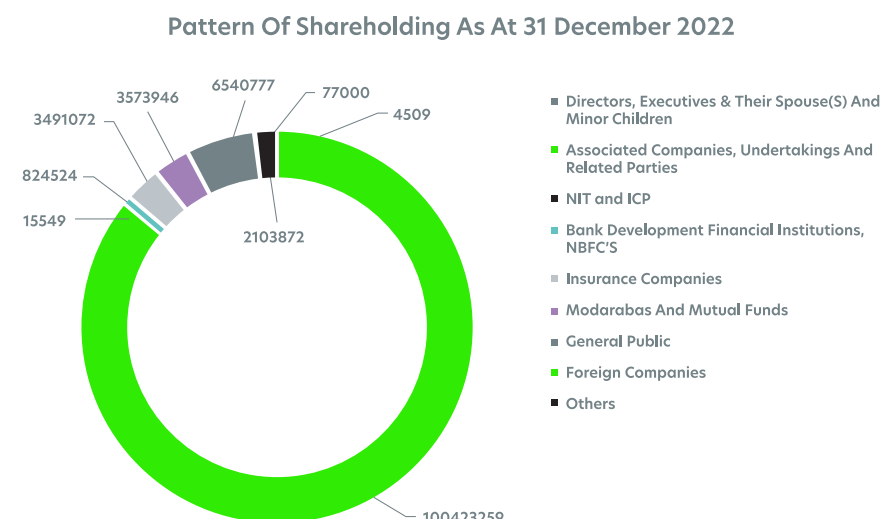


# Pattern Of Shareholding

as at 31 December 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
Syed Anwar Mahmood	1	1	0.00
Mr. Farhan Muhammad Haroon	1	2	0.00
Mr. Muhammad Zindah Moin Mohajir	1	330	0.00
Ms. Ayesha Aziz	1	1	0.00
Mrs. Moiza Farhan (wife of Mr. Farhan Muhammad Haroon)	1	3,875	0.00
<b>Executives</b>			
Babar Sharif	1	300	0.00
<b>Associated Companies, undertakings and related parties</b>			
GlaxoSmithKline Consumer Healthcare B.V.	2	100,423,259	85.79
<b>NIT and ICP</b>			
	3	15,549	0.01
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>			
	14	824,524	0.70
<b>Insurance Companies</b>			
	9	3,491,072	2.98
<b>Modarabas and Mutual Funds</b>			
	25	3,573,946	3.05
<b>General Public</b>			
a. Local	4,372	6,420,393	5.48
b. Foreign	35	120,384	0.10
<b>Foreign Companies</b>			
	3	77,000	0.07
Others	148	2,103,872	1.80
Totals	<b>4,617</b>	<b>117,054,508</b>	<b>100.00</b>

Shareholders holding 10% or more	Shares Held	Percentage
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	100,423,259	85.79



# Stakeholders' Information

On 31 December 2022 there were 4,617 members on the record of the Company's ordinary shares.

FINANCIAL CALENDAR		
<b>RESULTS</b>		
Q1-2022	Approved and Announced on	22 April 2022
Q2-2022	Approved and Announced on	23 August 2022
Q3-2022	Approved and Announced on	21 October 2022
YE 2022	Approved and Announced on	14 March 2023
<b>5TH ANNUAL GENERAL MEETING TO BE HELD ON</b>		<b>27 April 2023</b>

## Members Having 5% Or More Of Voting Rights

Name of Shareholder(s)	No. of Shares Held	Percentage
GlaxoSmithKline Consumer Healthcare B.V.	100,423,259	85.79%

## Shares Held By Sponsors, Directors And Executives

Number of shares held at 31 December 2022 are summarized below:

	No of Shares
<b>Directors and Executives and Sponsors</b>	
Mr. Muhammad Zindah Moin Mohajir	330
Mr. Farhan Muhammad Haroon	2
Syed Anwar Mahmood	1
Ms. Ayesha Aziz	1
Mr. Babar Sharif	300

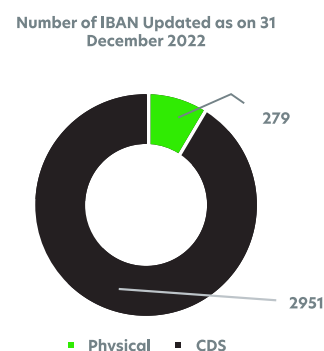
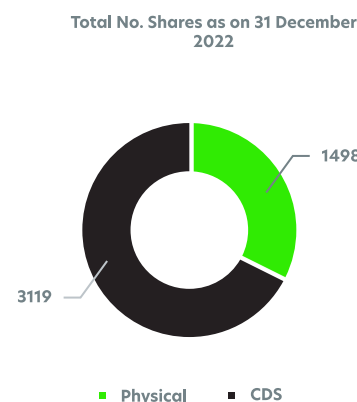
Details of the above have been presented in the pattern of shareholding, available on pages 221-222 of this Annual Report.

# TRADING IN SHARES BY DIRECTORS AND EXECUTIVES ETC AS REQUIRED UNDER THE LAW

During the year, two (2) shares were transferred to Mr. Farhan Muhammad Haroon from Mr. Talal Javed and Mr. Sohail Ahmed Matin, former Executive Directors of the Company. Further, Mrs. Moiza Farhan, wife of Mr. Farhan Muhammad Haroon, acquired 3,875 shares as a gift from a family member. These have been presented by the Company Secretary in the Board of Directors' Meetings. Apart from this no other trading in shares was executed by Directors and Executives. All relevant disclosures and updates with regards to the same have been made on a regular basis with accordance to the rules and law.

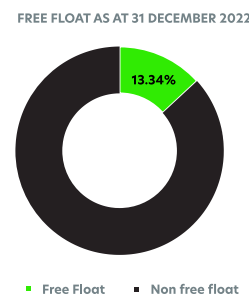
## SHAREHOLDING POSITION / IBAN

Current Total Number of Shareholders as on 31 December 2022			Current Number of IBAN updated as on 31 December 2022			Ratio/Percentage of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	%
1,498	3,119	4,617	279	2,951	3,230	69.95



## FREE FLOAT OF SHARES

Free float shares of the Company are 15,615,515 i.e. (13.34%) out of the total 117,054,508 Shares of the Company as at 31 December 2022.



# Haleon Pakistan Limited Notice of the 8<sup>th</sup> Annual General Meeting 2022

Notice is hereby given to shareholders that the 8th Annual General Meeting ('AGM') of Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) (the 'Company') will be held at 10:00 am on Thursday, 27 April 2023 at the Avari Towers, Karachi and virtually to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2022 and to consider and approve the circulation of the subsequent annual audited financial statements through QR enabled code and weblink.
- To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of the Board Audit Committee of the Company, has proposed the appointment of KPMG Taseer Hadi & Co. as External Auditors, for the year ending 31 December 2023.

### ANY OTHER BUSINESS

- To transact any other business with the permission of the Chair.

By the Order of the Board

**MASHAL MOHAMMAD**  
Company Secretary

Karachi  
6 April 2023

## Notes:

### 1. Virtual / Physical AGM and Attendance Protocols

- a. Pursuant to the SECP Circular No. 4 of 2021 dated 15 February 2021, Circular No. 6 of 2021 dated 3 March 2021, and the clarification issued by SECP bearing no. SMD/SE/2(20)/2021/117 dated 15 December 2021, the proceedings of the AGM shall be held both physically and virtually. The Company continues to monitor the impact of COVID-19 and any government directives in this regard. Any relevant updates regarding the AGM will be announced on the Company's website ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)) and through PUCARS, as applicable.
- b. Shareholders attending the AGM virtually must register their intent beforehand and no later than close of business on 26 April 2023. Shareholders, who wish to attend virtually, are requested to email their respective name, folio number, CNIC number, and scanned copy of their CNIC (front and back) to the Company's email address [pakistan.shareinfo@haleon.com](mailto:pakistan.shareinfo@haleon.com) and following necessary verification, a link to access the AGM will be emailed to him / her.
- c. Please scan the QR code or access the link below to post any questions for the AGM as the telecon will automatically mute all microphones:

Join at:  
**Vevox.app**

ID:  
**140-196-023**



<https://vevox.app/#/m/140196023>  
Session ID: 140-196-023

**Email address: [pakistan.shareinfo@haleon.com](mailto:pakistan.shareinfo@haleon.com)**

- d. Please note that those members attending virtually will be able to view the Directors and hear the live proceedings of the AGM but will remain on mute so as to avoid any connectivity disruptions. Those shareholders attending the AGM may submit their respective questions / comments / suggestions along with their name and folio number on the link/QR Code/email address, provided above in this notice ahead of or during the AGM.

### 2. Book Closure

The share transfer books of the Company will be closed from 20 April 2023 to 27 April 2023 (both days inclusive). Requests received at the office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74000 at the close of business on 19 April 2023 will be treated in time for the purpose of attendance of the Annual General Meeting and as applicable.

### 3. Appointment of Proxies

Shareholders entitled to attend and vote at the AGM may appoint another shareholder as his / her proxy to attend, speak and vote at the AGM on his / her behalf. The instrument appointing proxy must be deposited duly signed and stamped at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block — B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi not later than forty eight (48) hours before the time of the AGM. An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the proxy form. Please refer to section 137 of the Companies Act, 2017 for further information. Shareholders holding physical shares are also required to bring their original CNIC and / or copy of CNIC of shareholder(s) of whom he / she / they hold proxy(ies). Such shareholder(s) shall not be allowed to attend and / or sign the Register of Shareholders/ Shareholders at the AGM without such CNIC(s). The proxy form is available on the Company's website ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)).

### 4. CDC Account Holders

CDC Account Holders will further have to follow the below guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

#### a) Attending the AGM

- In case of individuals, the account holder or sub-account holder and / or the person whose securities are in a group account, and their registration details are uploaded as per the applicable regulations, and shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

#### b) Appointing Proxies:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original passport at the time of the AGM.
- In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The proxy form is available on the Company's website: **[www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)**

### 5. Circulation of Annual Audited Accounts

- e. SECP, through its SRO 470(1)/2016 dated 31 May 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. to its shareholders through CD/DVD/USB at their registered addresses. In view of the above, the Company had obtained shareholders' approval in its Extraordinary General Meeting held on 20 November 2017 in this regard.

f. Pursuant to SRO 787(1)/2014 dated 8 September 2014, SRO 470(1)/2016 dated 31 May 2016, and under Section 223(6) of the Companies Act 2017, circulation of audited financial statements and notice of annual general meeting has been allowed in electronic format, including through email. Accordingly, the audited financial statements of the Company for the year ended 31 December 2022, are available on the Company's website: www.pk-consumerhealthcare.gsk.com. The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records / database of the Share Registrar. Those shareholders requiring a printed copy or electronic format through email of Annual Report may send a request using the Standard Request Form provided in the Annual Report and placed on the Company's website: www.pk-consumerhealthcare.gsk.com. Hardcopies shall be provided free of cost.

#### 6. Postal Ballot / E-Voting

Further to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, shareholders holding in aggregate 10% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in the said Regulations.

#### 7. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., 30 May 2017. Those shareholders having physical shareholding(s) are encouraged to open a CDC sub - account with any broker or Investor Account directly with CDC to place their physical shares into scrip less form. This is beneficial in many ways, including safe custody and sale of shares at any time, as the trading of physical shares is not permitted as per the existing regulations of the Pakistan Stock Exchange.

#### 8. Change of Address and Zakat Status

Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal address or email address. Shareholders with physical shareholding are requested to submit non-deduction of Zakat form, if applicable to them. Further, shareholders holding their shares through CDC are requested to update their participants.

#### 9. Unclaimed Dividend(s) / Share Certificates

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached shareholders to claim their unclaimed dividends in accordance with the law. Those shareholders, whose dividends / share certificates still remain unclaimed, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and / or undelivered share certificates.

#### 10. Statutory Code of Conduct at AGM

Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of Shareholders, as follows: Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

# Haleon Pakistan Limited Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_, being a Member of Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) holding \_\_\_\_\_ ordinary shares, HEREBY APPOINT \_\_\_\_\_ of \_\_\_\_\_, another Member of the Company, failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Karachi and virtually at 10:00 am on Thursday, 27 April 2023 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Signed in the presence of:

Rs. 5/-  
Revenue  
Stamps

\_\_\_\_\_  
(Signature of Witness 1)

Name of Witness:

CNIC No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Passport No. (Non-Pakistani):

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name in Block Letters)

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Signature of Witness 2)

Name of Witness:

CNIC No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Passport No. (Non-Pakistani):

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of the Shareholder

Notes:

- The Member is requested:
  - to affix revenue stamp of Rs. 5/- at the place indicated above;
  - to sign in the same style of signature as is registered with the Company;
  - to write down his/her folio number.
- For the appointment of the above proxy to be valid, this instrument of proxy must be received at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, 99-B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, at least 48 hours before the time fixed for the Meeting.
- Any alteration made in this instrument of proxy should be initialled by the person who signs it.
- In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

- The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and of the proxy must be furnished with the proxy form.
- The proxy must produce his / her original CNIC or original passport at the time of the Meeting.
- In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with the proxy form(s) to the Share Registrar.

# گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کئیر پاکستان لمیٹڈ فارم برائے نمائندگی (پراکسی)

میں/ہم کے \_\_\_\_\_ کو میرے/ہمارے پراکسی کی حیثیت سے میری/ہماری غیر موجودگی کی صورت میں میری/ہماری طرف سے کمپنی کے ایک دوسرے ممبر \_\_\_\_\_ کو میرے/ہمارے پراکسی کی حیثیت سے میری/ہماری غیر موجودگی کی صورت میں میری/ہماری طرف سے کمپنی کے سالانہ اجلاس عام منعقدہ 27 اپریل 2023 صبح 10:00 بجے یا کسی بھی التوا کی صورت میں، میری/ہماری ایما پر میری/ہماری طرف سے شرکت اور ووٹ دینے کے لیے پراکسی نامزد کرتا ہوں۔  
میں/ ہم نے، درج ذیل کی، بطور گواہ موجودگی میں 20 کے \_\_\_\_\_ دستخط کیے ہیں

پانچ روپے مالیت  
کی ریونیو  
اسٹیمپ

دستخط گواہ نمبر 2  
گواہ کا نام  
شناختی کارڈ نمبر  
پاسپورٹ نمبر (غیر پاکستانی کے لیے)  
پتہ  
(نام بلاک لیٹرز میں)  
فولیو نمبر: \_\_\_\_\_

دستخط گواہ نمبر 1  
گواہ کا نام  
شناختی کارڈ نمبر  
پاسپورٹ نمبر (غیر پاکستانی کے لیے)  
پتہ  
(نام بلاک لیٹرز میں)  
فولیو نمبر: \_\_\_\_\_

نوٹس

1 ممبر سے درخواست ہے کہ

- a 5 روپے مالیت کی ریونیو اسٹیمپ اوپر دی گئی جگہ پر لگائیں  
b اسی انداز میں دستخط کریں جو کمپنی کے ساتھ رجسٹرڈ ہیں  
c اپنے فولیو نمبر کا اندراج کریں

2. درج بالا نامزد کردہ پراکسی کے قابل قبول ہونے کے لیے، پراکسی کی یہ ستاویز لازماً شیئر رجسٹرار ڈیپارٹمنٹ، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ B-99، بلاک B.S.M.C.H.S میں شاہراہ فیصل، کراچی میں کمپنی کے شیئر رجسٹرار کے پاس اجلاس کے لیے طے کردہ وقت سے کم از کم 48 گھنٹے قبل جمع کروا دی جائیں۔

3. پراکسی کی اس دستاویز میں کسی بھی قسم کی ترمیم کی صورت میں دستخط کرنے والے شخص کی طرف سے initials ضرور کیے جائیں۔

4. جوائنٹ ہولڈرز ہونے کی صورت میں دیگر جوائنٹ ہولڈر کے ووٹ کو مسترد کرتے ہوئے، سینیئر کا ووٹ قبول کیا جائے گا، خواہ وہ ازخود موجود ہو یا پراکسی کے ذریعے، اس مقصد کے لیے سینیئرٹی کا تعین اس آرڈر کے ذریعے کیا جائے جس میں ممبر کے رجسٹر میں نام موجود ہوں۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اینٹی ٹیز درج بالا کے علاوہ درج ذیل شرائط پورا ہونا ضروری ہیں۔

- (i) پراکسی فارم پر لازمی طور پر دو افراد بطور گواہ درج ہونے چاہئیں، جن کے نام پتے اور قومی شناختی کارڈ نمبرز بھی درج ہوں۔  
(ii) بینیفیشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ لازماً فراہم کی جائیں۔  
(iii) اجلاس کے موقع پر پراکسی لازمی طور پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ فراہم کرسکیے۔  
(iv) کارپوریٹ اینٹیٹی کی صورت میں شیئر رجسٹرار کو پراکسی فارم، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور نمونے کے دستخط لازمی جمع کروائے جائیں (سوائے اس کے کہ پہلے سے فراہم کیے جا چکے ہوں)

# Haleon Pakistan Limited E-Dividend Mandate Form

To: \_\_\_\_\_

Date: \_\_\_\_\_

**SUBJECT: BANK ACCOUNT DETAILS FOR PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE**

Dear Sir / Madam,

I/We/Messrs., \_\_\_\_\_, being a/the shareholder(s) of Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it in my bank account as specified below:

Shareholder's details:	
Name of the Shareholder	
Folio No./CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number(s) (Telephone and Mobile Nos.)	
Shareholder's Postal Address	
Shareholder's Bank account details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company informed in case of any changes in the said particulars in future.

Yours truly,

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

**Notes:**

- Those shareholders who hold shares in book-entry form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where the shareholder's CDC account is being dealt.
- Those shareholders who hold shares in physical form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the Company's Share Registrar address; i.e.; CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Tel: 0800-23275 (CDCSRSL).
- In case of non-receipt of IBAN with bank details as requested above, future cash dividend, if any, could be withheld according to the directives of the Securities and Exchange Commission of Pakistan.
- Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) and CDCSRSL shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, or failure in performance of any of its obligations whatsoever, caused due to incorrect payment instructions provided by the shareholder and/or due to any event beyond the control of the bank.

# ای - ڈیوڈنڈ مینڈیٹ فارم

عنوان: الیکٹرونک ذریعے سے ڈیوڈنڈ کی ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات

محترم/ محترمہ

تاریخ: \_\_\_\_\_

میں/ ہم /میسرز \_\_\_\_\_، Haleon Pakistan Limited

(formerly knowns as GlaxoSmithKline Consumer Healthcare Pakistan Limited) ("کمپنی") کے شیئر ہولڈر ہونے کے ناطے، کمپنی کو براہ راست اپنے بینک

اکاؤنٹ میں اعلان کردہ کیش ڈیوڈنڈز جمع کرنے کا اختیار دیتا ہوں/ دیتے ہیں، جس کی تفصیل ذیل میں فراہم کی گئی ہے۔

شیئر ہولڈر کا نام	
فولیو نمبر/ CDC میں شرکت کنندہ کیا ID subaccount نمبر / CDC IAS	
رابطہ نمبر(ز) ٹیلیفون اور موبائل نمبر	NTN/پاسپورٹ/CNIC No./NICOP (برائے مہربانی کاپی منسلک کریں)
شیئر ہولڈر کا پوسٹل ایڈریس	
بینک اکاؤنٹ کا ٹائٹل	
انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)	
بینک کا نام	
برانچ کا نام	
برانچ کوڈ نمبر	
برانچ کا ایڈریس	

یہ بیان کیا جاتا ہے کہ میری طرف سے فراہم کی گئی درج بالا معلومات درست ہیں اور میں مستقبل میں مذکورہ بالا تفصیلات میں کسی بھی قسم کی تبدیلی کی صورت میں کمپنی کو آگاہ کروں گا۔

آپ کا خیرخواہ

شیئر ہولڈر کے دستخط

(برائے مہربانی کارپوریٹ ادارے ہونے کی صورت میں کمپنی کی مہر ثبت کریں)

## نوٹس:

1- وہ شیئر ہولڈرز جن کے شیئرز بک اینٹری کی صورت میں ہیں، ان سے درخواست کی جاتی ہے کہ وہ مذکورہ بالا ای ڈیوڈنڈ مینڈیٹ بھریں اور اسے سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے متعلقہ بروکر / شرکاء / انویسٹر اکاؤنٹ سروسز کو بھیجیں جہاں شیئر ہولڈر کے CDC اکاؤنٹ کو ڈیل کیا جا رہا ہے۔

2- وہ شیئر ہولڈرز جو فزیکل فارم میں شیئرز رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ مذکورہ بالا ای ڈیوڈنڈ مینڈیٹ فارم کو پر کریں اور اسے کمپنی کے شیئر رجسٹرار کے پتے، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، CDC ہاؤس، B-99، بلاک B، مین شاہراہ فیصل، کراچی-74400، پاکستان ٹیلی نمبر (CDCRSRL) 23275-0800 پر ارسال کریں۔

3- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق بینک تفصیلات کے ساتھ IBAN نہ ملنے کی صورت میں مستقبل میں کیش ڈیوڈنڈ، اگر کوئی ہو، کو روکا جا سکتا ہے۔

4- Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) اور CDCRSRL ادائیگی کے حوالے سے کسی قسم کے نقصان، لاپتہ، کلیجہ کا ذمہ دار نہیں ہوگا، جو براہ راست، یا بالواسطہ طور پر کسی غلطی یا اپنی کسی بھی ذمہ داری کو پورا کرنے میں ناکامی جو کہ شیئر ہولڈر کی طرف سے دی گئی غلط ہدایات کی وجہ سے ہو، یا کسی ایسے واقعے کی صورت میں جو بینک کے کنٹرول سے باہر ہو۔

# Haleon Pakistan Limited

## Request Form For Transmission Of Annual Report & Notice of Annual General Meeting (AGM) Through Email or In Hard Copy

CDC Registrar Services Limited  
CDC House,  
Main Shakra-e-Faisal, 99-B, Block 'B', SMCHS,  
Karachi – 74400.

### Sub: Request for transmission of Annual Reports and Notice of AGM through Email or in Hard copy

I/We hereby request to receive the Annual Report and Notice of AGM through email or in hard copy instead of receiving the same through CD/DVD/USB as mentioned below:

Name of the Shareholder(s)	
Folio No. / CDC Participants ID A/C No.	
CNIC No.	
Telephone Number	
Mobile Number	
Passport No. (in case of foreign shareholder)	
Valid Email Address	
Valid Postal Address	

MODE OF RECEIVING ALL FUTURE ANNUAL REPORTS ALONG WITH NOTICE OF AGM THROUGH EMAIL OR IN HARD COPY UNDER SECTION 223 (6) OF THE COMPANIES ACT, 2017, INSTEAD OF RECEIVING THEM THROUGH CD/DVD/USB.

### (Please select any one option)

**OPTION 1:** Through email on the valid email address provided above

**OPTION 2:** Hard copies on my registered postal address

It is stated that the above-mentioned information is correct and that I/We will intimate the changes in the abovementioned information to the Company and / or the concerned Share Registrar as soon as these occur.

I/we hereby further authorize the Company to update my/our particulars mentioned above in the member register of the Company along with email address mentioned.

I/We undertake that by sending the Audited Financial Statements and Notices through e-mail by the Company, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

Signature of the Shareholder(s)

### Notes:

- Please attach attested photocopy of the valid CNIC / valid Passport
- This request form is optional and not compulsory

بولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھولیں یا براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ

کھولیں تاکہ ان کے فزیکل شیئرز کو اسکرپلیس حالت میں رکھا جاسکے۔ یہ کئی طریقوں سے فائدہ مند ہے، بشمول محفوظ کسٹڈی اور کسی بھی وقت حصص

کی فروخت کی سہولت، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ قواعد و ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

### 8- پتے کی تبدیلی اور زکوٰۃ کا اسٹیٹس

شیئر بولڈرز سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پوسٹل ایڈریس یا ای میل ایڈریس میں کسی بھی قسم کی تبدیلی کی صورت میں وہ کمپنی کے شیئر

رجسٹرار کو مطلع کریں۔ فزیکل شیئر بولڈنگ رکھنے والے شیئر بولڈرز سے درخواست کی جاتی ہے کہ اگر ان پراس کا اطلاق ہوتا ہو، تو زکوٰۃ کی عدم کٹوتی کا

فارم جمع کرائیں۔ مزید برآں، سی ڈی سی کے ذریعے اپنے شیئرز رکھنے والے شیئر بولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شرکاء کو اپ ڈیٹ کریں۔

### 9۔ غیر کلیم شدہ ڈیوڈنڈز/ شیئر سرٹیفکیٹس

کمپنی اس سے قبل کمپنیز ایکٹ 2017 کی دفعہ 244 کے تحت اپنی ذمہ داری ادا کرچکی ہے جس کے تحت کمپنی نے قانون کے مطابق اپنے غیر کلیم شدہ

ڈیوڈنڈز کا دعویٰ کرنے کے لیے شیئر بولڈرز سے رابطہ کیا تھا۔ وہ شیئر بولڈرز، جن کے ڈیویڈنڈ / شیئر سرٹیفکیٹ ابھی تک غیر کلیم شدہ ہیں، ان سے ایک بار

پھر درخواست کی جاتی ہے کہ وہ اپنے آٹوٹ اسٹینڈنگ ڈیوڈنڈز کی رقم اور/ یا غیر تقسیم شدہ شیئر سرٹیفکیٹس کلیم کرنے کے لیے کمپنی سے رابطہ کریں۔

### 10۔ AGM کا قانونی ضابطہ اخلاق

کمپنیز ایکٹ، 2017 کی دفعہ 215 اور کمپنیز (جنرل پروویژن اور فارم) ریگولیشنز، 2018 کے ریگولیشن 28 میں شیئر بولڈرز کے لیے ضابطہ اخلاق بیان کیا گیا

ہے۔ شیئر بولڈرز کو ایسے فیصلوں کے لئے براہ راست اثر انداز ہونے یا انتظامیہ سے رابطہ کرنے کی اجازت نہیں ہے جو مینجمنٹ کے بلا تعطل کام میں رکاوٹیں

پیدا کرسکتے ہوں۔ قانون میں بیان کیا گیا ہے کہ شیئر بولڈرزکو ایسا کوئی بھی مواد لانے کی اجازت نہیں ہو گی جس سے شرکاء یا اس احاطے کو جہاں اے جی

ایم کا انعقاد کیا جا رہا ہے، خطرہ لاحق ہو، وہ خود کو اے جی ایم کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رکھیں گے اور اپنے آپ کو کسی بھی ایسے انداز

سے پیش نہیں کریں گے جو ان کی سیاسی وابستگی کوظاہر کرتا ہو۔ مزید برآں کمپنیز ایکٹ 2017 کی دفعہ 185 کے مطابق کمپنی کو اپنے اجلاسوں کے دوران

اپنے شیئر بولڈرز کو کسی بھی شکل میں تحائف تقسیم کرنے کی اجازت نہیں ہے۔

## درخواست فارم برائے ترسیل سالانہ رپورٹ / اجلاسِ عام کا نوٹس

سی ڈی سی رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس

مین شاہراہ فیصل، B 99 بلاک B، SMCHS

74400 - karachi

**عنوان : درخواست برائے سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام کی ای میل یا ہارڈ کاپی کی صورت میں ترسیل**

میں / ہم سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام کی CD/DVD / USB کے بجائے بذریعہ ای میل یا ہارڈ کاپی کی صورت میں وصول کرنے کی

درخواست دیتا ہوں/ دیتے ہیں ۔

شیئر بولڈر کا نام	
فولیو نمبر/ سی ڈی سی شرکت کنندہ کی آئی ڈی اکاؤنٹ نمبر	
قومی شناختی کارڈ نمبر	
ٹیلیفون نمبر	
موبائل نمبر	
پاسپورٹ نمبر (غیر ملکی شیئر بولڈر کی صورت میں)	
valid ای میل ایڈریس	
valid پوسٹل ایڈریس	

کمپنیز ایکٹ 2017 کی دفعہ 223 (6) کے تحت مستقبل کی تمام سالانہ رپورٹس سی ڈی / ڈی وی ڈی / یو ایس بی کے بجائے ای میل کے ذریعے یا ہارڈ کاپی میں وصول کرنے کا طریقہ:

**برائے مہربانی درج ذیل میں سے ایک کا انتخاب کریں**

آپشن ۱: درج بالا فراہم کردہ Valid ای میل ایڈریس پر بذریعہ ای میل

آپشن ۲: میرے رجسٹرڈ پوسٹل ایڈریس پر ہارڈ کاپیز کی صورت میں

بیان کیا جاتا ہے کہ مذکورہ بالا معلومات درست ہیں اور میں / ہم مندرجہ بالا معلومات میں ہونے والی کسی بھی تبدیلیوں کے حوالے سے، جیسے ہی یہ وقوع پذیر ہوں، کمپنی اور / یا متعلقہ شیئر رجسٹرار کو مطلع کریں گے۔ میں / ہم اس درخواست کے ذریعے کمپنی کو مزید اس بات کا اختیار دیتا ہوں/ دیتے ہیں کہ

وہ مذکورہ ای میل ایڈریس کے ساتھ کمپنی کے ممبر رجسٹر میں مذکورہ بالا میری/ ہماری تفصیلات اپ ڈیٹ کرے۔

میں / ہم یہ عہد کرتا ہوں /کرتے ہیں کہ کمپنی کی جانب سے ای میل کے ذریعے آڈٹ شدہ مالی گوشوارے اور نوٹس بھیجنا کر کمپنی کی طرف سے کمپنیز

ایکٹ 2017 کی دفعہ 223 (6) کی متعلقہ شرائط کی تکمیل سمجھا جائے گا۔ اگر آڈٹ شدہ مالی گوشوارے اور / یا کمپنی کے سالانہ اجلاس عام کے نوٹس

ہارڈ کاپی درکار ہوئی تو اس کے لئے ایک مخصوص درخواست کی جائے گی۔

میں / ہم \_\_\_\_\_

شیئر بولڈر کے دستخط

نوٹس

- برائے مہربانی قومی valid قومی شناختی کارڈ / valid اسپورٹ کی فوٹو کاپی منسلک کریں۔
- یہ درخواست فارم اختیاری ہے اور لازمی نہیں ہے۔

## 2- کتابوں کی بندش

کمپنی کی شیئر ٹرانسفر بکس 20 اپریل 2023 سے 27 اپریل 2023 تک (بشمول دونوں دن ) بند رہیں گی۔ کمپنی کے رجسٹرار سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہائوس ، B-99، بلاک بی، S.M.C.H.S، مین شاہراہ فیصل، کراچی – 74000 کے دفتر میں 19 اپریل 2023ء کو کاروبار کے اختتام تک موصول ہونے والے ٹرانسفرز سالانہ اجلاس عام میں شرکت کی غرض سے بروقت تصور کیے جائیں گے۔

## 3- پراکسی کی تقرری

پراکسی شیئر ہولڈرز کی تقرری جو AGM میں شرکت اور ووٹ دینے کے حقدار ہیں وہ اپنی طرف سے AGM میں شرکت، اظہار خیال اور ووٹ دینے کے لئے کسی دوسرے شیئر ہولڈر کو اپنا پراکسی مقرر کرسکتے ہیں۔ پراکسی کی تعیناتی کا دستاویز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی میں کمپنی کے شیئر رجسٹرار کے دفتر میں AGM کے وقت سے اڑتالیس (48) گھنٹے قبل جمع کرانا ضروری ہے۔ شیئر ہولڈر کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ مزید معلومات کے لئے کمپنیز ایکٹ 2017 کی دفعہ 137 ملاحظہ کریں۔ فزیکل شیئرز رکھنے والے شیئر ہولڈرز کو بھی اپنا اصل شناختی کارڈ اور/ یا شیئر ہولڈرز کے شناختی کارڈ کی کاپی لانے کی ضرورت ہوتی ہے جن کے پاس پراکسی ہے۔ ایسے شیئر ہولڈرز کو اس طرح کے شناختی کارڈ کے بغیر AGM میں شیئر ہولڈر/ شیئر ہولڈرز کے رجسٹر میں شرکت اور / یا دستخط کرنے کی اجازت نہیں ہوگی۔ پراکسی فارم کمپنی کی ویب سائٹ (www.pk-consumerhealthcare.gsk.com) پر دستیاب ہے۔

## 4- سی ڈی سی اکائونٹ ہولڈرز

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے بیان کردہ مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

## ا) اے جی ایم میں شرکت

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور ان کی رجسٹریشن کی تفصیلات قابل اطلاق قواعد و ضوابط کے مطابق اپ لوڈ کی جاتی ہیں اور اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔
- کارپوریٹ ادارے کی صورت میں ، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کو نامزد کردہ شخص کے نمونے کے دستخط کے ساتھ اجلاس کے وقت پیش کیا جائے گا (بشرطیکہ یہ پہلے فراہم نہ کیا گیا ہو) ۔

## ب) تقرر کردہ پراکسیز

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔

- پراکسی فارم کی تصدیق دو گواہان کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- شناختی کارڈ کی تصدیق شدہ کاپیاں یا بینیفیشل اونرز اور پراکسی کے پاسپورٹ کو پراکسی فارم کے ساتھ فراہم کیا جائے گا۔
- پراکسی کو AGM کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کسی کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونے کے دستخط کے ساتھ پراکسی فارم کے ساتھ کمپنی کو پیش کیا جائے گا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔

پراکسی فارم کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر دستیاب ہے۔

## 5- سالانہ آڈٹ شدہ اکائونٹس کی سرکولیشن

ا) ایس ای سی پی نے 31 مئی 2016 کو اپنے ایس آر او 2016/(1)470 کے ذریعے کمپنیوں کو سالانہ بیلنس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ کو اپنے شیئر ہولڈرز کو ان کے رجسٹرڈ پتوں پر سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ارسال کرنے کی اجازت دی ہے۔ مذکورہ بالا کے پیش نظر کمپنی نے اس سلسلے میں 20 نومبر 2017 کو منعقدہ اپنے غیر معمولی اجلاس عام میں شیئر ہولڈرز کی منظوری حاصل کی تھی۔

ب) ستمبر 2014 کے ایس آر او 2014/(1) 787 ، 31 مئی 2016 کے ایس آر او 2016/(1) 470 کے مطابق اور کمپنیز ایکٹ 2017 کی دفعہ 223 (6) کے تحت آڈٹ شدہ مالی گوشوارے اور سالانہ اجلاس عام کے نوٹس کو ای میل سمیت الیکٹرانک فارمیٹ میں جاری کرنے کی اجازت دی گئی ہے۔ اس کے مطابق، 31 دسمبر 2022 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشوارے، کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر دستیاب ہیں۔ سالانہ رپورٹ ان شیئر ہولڈرز کو ای میل کے ذریعے تقسیم کی جائے گی جن کے ای میل ایڈریس شیئر رجسٹرار کے ریکارڈ / ڈیٹا بیس میں موجود ہیں۔ وہ شیئر ہولڈرز جنہیں سالانہ رپورٹ کی پرنٹ شدہ کاپی یا ای میل کے ذریعے الیکٹرانک فارمیٹ پر درکار ہو، وہ سالانہ رپورٹ میں، اور کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر فراہم کردہ اسٹینڈرڈ درخواست فارم کا استعمال کرتے ہوئے درخواست بھیج سکتے ہیں۔ ہارڈ کاپیاں مفت فراہم کی جائیں گی۔

## 6- پوسٹل بیلٹ/ ای ووٹنگ

مزید برآں کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے تحت ڈائریکٹرز کے انتخاب کے لیے اور کمپنیز ایکٹ 2017 کی دفعہ 143 اور 144 کے تقاضوں کے تحت کسی بھی دوسرے ایجنڈا آئٹم کے لیے قانون کے مطابق مجموعی طور پر 10 فیصد یا اس سے زیادہ شیئر ہولڈرز کو مذکورہ ضوابط میں شامل طریقہ کار اور شرائط کے مطابق پوسٹل بیلٹ یعنی ڈاک یا ای ووٹنگ کے ذریعے اپنا حق رائے دہی استعمال کرنے کی اجازت ہوگی۔

## 7- سی ڈی سی اکائونٹ میں فزیکل شیئرز کا ڈپازٹ

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز کو ایس ای سی پی کی جانب سے بتائے گئے طریقے کے مطابق ایکٹ کے نفاذ یعنی 30 مئی 2017سے چار (4) سال تک کی مدت کے اندر بک انٹری فارم سے تبدیل کرنے کی ضرورت ہوگی ۔ فزیکل شیئر ہولڈنگ رکھنے والے شیئر



# گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کئیر پاکستان لمیٹڈ نوٹس برائے سالانہ اجلاس عام 2022

شیئر ہولڈرز کو بذریعہ ہذا مطلع کیا جاتا ہے کہ Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare Pakistan Limited) کا آٹھواں سالانہ اجلاس آواری ٹاورز ہوٹل، کراچی اور ورچوئل 27 اپریل 2023 بروز جمعرات 10:00 بجے، درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا۔

## عمومی امور

- 1 کمپنی کے آڈٹ شدہ اکاؤنٹس معہ ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2022 کی وصولی، غور و خوض اور منظوری دینا اور آئندہ سال کے آڈٹ شدہ اکاؤنٹس کو QR Code اور weblink سے بھیجنے کی منظوری دینا۔
- 2 آئندہ سال کے لیے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی تجویز پر KPMG Taseer Hadi & Co کی 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر تقرری کی تجویز دی ہے۔

## دیگر امور

- 3 چیئر کی منظوری سے کسی بھی دیگر امور کی انجام دہی۔

## نوٹس

### 1- ورچوئل / فزیکل سالانہ اجلاس عام اور حاضری کے پروٹوکول

(a) SECP کے سرکلر نمبر 4 بتاریخ 15 فروری 2021، سرکلر نمبر 6 بتاریخ 3 مارچ 2021 اور SECP کی طرف سے جاری کردہ وضاحت نمبر 117/2021/(20)2/SMD/SE بتاریخ 15 دسمبر 2021 کے مطابق سالانہ اجلاس عام کی کارروائی فزیکل اور ورچوئل دونوں طریقوں سے کی جائے گی۔ کمپنی 19-COVID کے اثرات اور اس حوالے سے حکومت کی ہر طرح کی ہدایات کی نگرانی جاری رکھے گی اور سالانہ اجلاس عام سے متعلق کسی بھی نئی معلومات کا اعلان کمپنی کی ویب سائٹ (www.pk-consumerhealthcare.gsk.com) اور PUCARS کے ذریعے کیا جائے گا۔

(b) سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز لازمی طور پر اپنے ارادے کے حوالے سے 26 اپریل 2023 کو کاروباری اوقات ختم ہونے سے پہلے رجسٹر کروائیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے نام، فولیو نمبر قومی شناختی کارڈ نمبر اور اپنے قومی شناختی کارڈ کی اسکین شدہ کاپی (سامنے اور پیچھے کی طرف سے) کمپنی کے ای میل ایڈریس pakistan.shareinfo@haleon.com پر ای میل کریں اور ضروری تصدیق کے بعد انہیں اے جی ایم تک رسائی کے لیے لنک ای میل کر دیا جائے گا۔

(c) برائے مہربانی اے جی ایم کے لیے کوئی بھی سوال پوسٹ کرنے کے لیے QR Code اسکین کریں یا ذیل میں دیے گئے لنک تک رسائی حاصل کریں کیونکہ ٹیلی کانفرنس، تمام تر مائیکرو فونز کو از خود خاموش (mute) کر دے گی۔

Join at:  
Vevox.app

ID:  
140-196-023



https://vevox.app/#/m/140196023  
Session ID: 140-196-023  
Email address: pakistan.shareinfo@haleon.com

(d) برائے مہربانی نوٹ فرما لیجئے کہ ورچوئل شریک ہونے والے شیئر ہولڈرز، ڈائریکٹرز کو دیکھنے اور سالانہ اجلاس عام کی کارروائی لائیو دیکھنے کے قابل ہوں گے مگر وہ mute رہیں گے تاکہ کنیکٹوٹی کے حوالے سے کسی بھی قسم کے مسائل سے بچا جا سکے۔ سالانہ اجلاس عام میں شرکت کرنے والے اپنے متعلقہ سوالات/آرا/تجاویز معہ اپنے نام اور فولیو نمبر، لنک/QR Code/یا سالانہ اجلاس عام کے اس نوٹس میں اوپر دئیے گئے ای میل پر اجلاس سے قبل یا اس کے دوران جمع کروا سکتے ہیں۔

بحکم بورڈ

مشعل محمد  
کمپنی سیکرٹری

کراچی  
6 اپریل 2023

## پراویڈنٹ ، گریجوٹی اور پنشن فنڈز کی سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لئے ریٹائرمنٹ بینیفٹ پلان کو برقرار رکھتی ہے۔ 31 دسمبر 2022 تک پراویڈنٹ اور گریجوٹی فنڈز کی سرمایہ کاری کی مالیت درج ذیل تھی:

پروویڈنٹ فنڈ	گریجوٹی فنڈ
<b>220 ملین روپے</b>	<b>164 ملین روپے</b>

### معیشت اور نیشنل ایکس چیکر میں حصہ

آپ کی کمپنی نے سال 2022 کے دوران کسٹم ڈیوٹیز، انکم ٹیکس، سیلز ٹیکس اور ایمپلائز ٹیکس کی مد میں قومی خزانے میں مجموعی طور پر **2,440** ملین روپے کا حصہ ڈالا۔

سیلز ٹیکس کی مد میں آپ کی کمپنی کا حصہ ۴۳ ملین روپے، انکم ٹیکس 982 ملین روپے، کسٹم ڈیوٹی 834 ملین روپے اور ملازمین سے متعلق ٹیکسوں کی مد میں 161 ملین روپے ہے۔

### اندرونی فائنانشل کنٹرولز کی موزونیت

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے تمام تر افعال کی انجام دہی میں موثر داخلی مالیاتی کنٹرول تشکیل دیے کیے گئے ہیں۔ آپ کی کمپنی کا آزاد اندرونی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کے نفاذ کی نگرانی کرتا ہے ، جبکہ آڈٹ کمیٹی اندرونی کنٹرول فریم ورک کی افادیت کا جائزہ لیتی ہے۔ سالانہ رپورٹ کے صفحہ نمبر**107** پر آڈٹ کمیٹی کی رپورٹ ملاحظہ کریں۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس )ریگولیشنز، 2019 پر عمل درآمد بورڈ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات سے بخوبی آگاہ ہے اور انتظامیہ کے ساتھ مل کر اس پر عمل درآمد کو یقینی بنانے کے لئے متعلقہ اقدامات اٹھائے ہیں۔ برائے مہربانی کمپنی کے بیرونی آڈیٹرز کی جانب سے جاری کردہ اسٹیٹمنٹ آف کمپلائنس پر نظر ثانی رپورٹ کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مزید ملاحظہ فرمائیں۔

### کیپیٹل اخراجات

سال 2022 کے لئے کیپیٹل اخراجات 503 ملین روپے رہے۔ مذکورہ اخراجات بنیادی طور پر صلاحیت میں اضافے، کارکردگی میں اضافے اور معیار کو بہتر بنانے کے لئے کیے گئے تھے۔

صلاحیت کو بڑھانے کے لئے ، سال کے دوران "ریکنگ" جیسے منصوبے شروع کیے گئے جو مستقبل میں طلب کو پورا کرنے کے مقصد کو پورا کریں گے۔ جہاں تک کارکردگی کا تعلق ہے ، کمپنی نے بڑے پیمانے کی معیشت کے فائدے (economies of scale) اور مستقبل میں کسی بھی قسم کی خرابی کے تدارک کے لیے اہم ترین مشینری پر بھاری سرمایہ کاری کی۔ کمپنی نے معیار کو بہتر بنانے اور مستقبل کے لئے ڈرگ ریگولیٹری اتھارٹیز کی ضروریات کو پورا کرنے کے لئے بھی سرمایہ کاری کی ہے۔

کمپنی مستقبل کی مقامی اور برآمدی ضروریات کے لئے سی اے سی -1000 پلس میں پیناڈول انسورسنگ اور کیپسٹی میں اضافے پر 1.17 بلین روپے کی سرمایہ کاری کرنے کا ارادہ رکھتی ہے۔

### مستقبل کا منظر نامہ اور چیلنجز

مذکورہ رپورٹ میں بیان کردہ عرصہ پاکستان کے فارماسیوٹیکل سیکٹر کے لیے ایک مشکل سال تھا۔ یہ رپورٹ لکھنے کے وقت ،داخلی سیاسی عدم استحکام، سیلاب کی تباہی اور پاکستانی روپے کی قدر میں بڑے پیمانے پر کمی نے ملک میں کاروبار کا ماحول خراب کر دیا ہے۔ پاکستان نے افراط زر کی بلند ترین سطح کو چھو لیا ہے جو 2023 میں بھی جاری رہنے کا امکان ہے اور ان تمام عوامل کے یکجا ہونے کے نتیجے میں شاید پاکستان کو اب تک کا سب سے بڑا معاشی چیلنج درپیش ہوگا۔ ان سب کے باوجود، کمپنی اپنے عمل کو برقرار رکھتے ہوئے ، مضبوط برانڈ ایکویٹی اور آپریشنل ایکسلینس کے لئے مسلسل اقدامات کی مدد سے انتہائی پرعزم افرادی قوت پر سرمایہ کاری کرنے کی طرف اپنی توجہ مرکوز کیے ہوئے ہے۔

سال 2023 ہمارے لئے ایک نیا موقع ہے کیونکہ ہم "گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر" سے "ہیلیون" کی صورت میں خود کو تبدیل کر رہے ہیں جس میں پاکستان میں موجود معروف، پسندیدہ اور قابل اعتماد برانڈز شامل ہیں۔ علیحدہ شناخت کی حامل ایک کمپنی طور پر، ہیلیون کنزیومر ہیلتھ کیئر میں ایک نئے عالمی لیڈر کے طور پر ابھرے گا جوقابل بھروسہ سائنس کے ساتھ انسانی تقاضوں کو بہتر طور پر سمجھنے اور انسانیت کے ساتھ بہتر روز مرہ صحت کی فراہمی کے لیے قابل اعتماد مصنوعات فراہم کرے گا۔ اگرچہ ہمیں قیمتوں کے تعین کے حوالے سے انتہائی مشکل صورتحال کا سامنا ہے ، لیکن اس سال ہم جو سیلف کیئر اختراعات لائیں گے ، وہ ہمیں ترقی کے سفر پر خود کو گامزن رکھنے کے لیے راہ ہموار کریں گی۔

اس کے باوجودملک میں جدید طرز کے حامل مصنوعات کی فراہمی کو یقینی بنانے کے لیے، ایک سازگار ریگولیٹری فریم ورک تک رسائی ایک اہم معاون ہے۔ مستحکم قیمتوں کا تعین اور بروقت ریگولیٹری منظوریاں انتہائی اہم ہیں، خاص طور پر جب جدت کے فروغ کے لئے خطیر سرمایہ کاری کی ضرورت ہو - جیسے جیسے مجموعی صورتحال زیادہ پیچیدہ ہوتی جا رہی ہے، ریگولیٹرز کے لیے ،ہارڈشپ کیسز کی بروقت منظوری کے لیے ایک موثر طریقہ کار وضع کرنے کی ضرورت میں بھی اضافہ ہو رہا ہے۔ اس طرح کے میکنزم کی عدم موجودگی سے پاکستان میں کاروبار کے لیے آسان ماحول کی فراہمی مزید مشکل ہو سکتی ہے جو اعلیٰ معیار کی حامل اور کم قیمت کی ضروری ادویات تک رسائی کے ساتھ ساتھ ہزاروں افراد کو روزگار کی فراہمی کے لئے سنگین خطرہ بن سکتی ہے۔

کمپنی کی کارکردگی پر، حکمت عملی اور آوٹ لک پر سی ای او کی وڈیو پریزیٹیشن کمپنی کی ویب سائٹ **www.pk-consumerhealthcare.gsk.com** پر دیکھی جا سکتی ہے۔

### مشاہرے کی پالیسی

کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق کمپنی اپنے ڈائریکٹرز کے معاوضے کے لئے باضابطہ پالیسی

اور ایک شفاف طریقہ کار رکھتی ہے۔ اس طریقہ کار کا مقصد بورڈ کو ڈائریکٹرز (ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز) کے معاوضے کا تعین اور سفارش کرنا اور اس بات کو یقینی بنانا ہے کہ معاوضہ ان کے تجربے کے لحاظ سے مارکیٹ کے مطابق ہو۔

پالیسیز اور طریقہ کار کی اہم خصوصیات درج ذیل ہیں:

- اس بات کا تعین کرنا کہ معاوضہ فاسٹ موونگ کنزیومر ہیلتھ کیئر کمپنیوں اور اسی طرح کے دیگر اہم کھلاڑیوں کے مقابلے میں مارکیٹ بینچ مارکنگ کے مطابق ہے، اور مشاہرہ اس سطح پر نہیں ہے جسے ڈائریکٹرز کی آزادی پر سمجھوتہ سمجھا جا سکے
- کوئی بھی ڈائریکٹر اپنے مشاہرے کے تعین میں شامل نہیں ہے
- بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے نان ایگزیکٹو انڈیپنڈنٹ ڈائریکٹرز ڈائریکٹرز کے فیصلے کے مطابق ، ان کی خدمات کے عوض مشاہرے کے اہل ہیں
- کسی بھی ڈائریکٹر کو بورڈ ، اس کی کمیٹیوں اور / یا کمپنی کے عام اجلاسوں میں شرکت کے لئے تمام سفری ، بورڈنگ ، رہائش اور دیگر اخراجات فراہم یا ادا کیے جائیں گے۔

## چیف ایگزیکٹو آفیسر ، ڈائریکٹر اور ایگزیکٹوز کے مشاہرے

سال 2022 کے لئے چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کے معاوضے کے بارے میں ایک تفصیلی نوٹ منسلکہ مالیاتی گوشواروں کے نوٹ نمبر 35 پر فراہم کیے گئے ہیں جنہیں سالانہ رپورٹ کے صفحہ نمبر 200 پر دوبارہ پیش کیا گیا ہے۔

### بورڈ کی کارکردگی کا جائزہ

بورڈ نے 2022 میں بورڈ کی کارکردگی کا جائزہ لینے کے لئے ہیومن ریسورس ریمیونریشن اینڈ نومیینیشن کمیٹی کے سکریٹری اور کمپنی سکریٹری کی مدد سے ان ہاؤس جائزے کا انتخاب کیا ہے۔ جائزے کی تکمیل پر، نشاندہی کردہ چیلنجز / مسائل کو حل کرنے کے لئے مستقبل کی حکمت عملی اور ایکشن پلان تیار کیے گئے۔ سال 2022 کے لئے کیے گئے جائزے کے بارے میں مزید تفصیلات کے لئے سالانہ رپورٹ کے صفحہ نمبر \_\_ سے رجوع کریں۔

### بورڈ کی ساخت اور کمیٹیاں

ڈائریکٹرز کی کل تعداد 7 ہے جو کہ درج ذیل ہے:

مرد: 5
خواتین: 2

31 دسمبر 2022 کے مطابق بورڈ کی ساخت درج ذیل ہے:

شعبہ	نام
آزاد (انڈیپنڈنٹ )ڈائریکٹرز	جناب اہم زید معین مہاجر <p>جناب سید انور محمود</p> محترمہ عائشہ عزیز
نان ایگزیکٹو ڈائریکٹرز	جناب فرحان محمد ہارون <p>جناب دلاور میگھانی</p>
نان ایگزیکٹو ڈائریکٹرز	جناب اسامہ عباسی <p>محترمہ سمرو اتالے بیسیلی</p>

**\*** محترمہ اوزلم از میانیدی، نان ایگزیکٹو ڈائریکٹر 28ستمبر 2022 کو اپنے عہدے سے سبکدوش ہوگئے اور 15 نومبر 2022 کوان کی جگہ محترمہ سمرو اتالے بیسیلی نے لی

بورڈ کی ساخت اور کمیٹیز کے بارے میں تفصیلات صفحہ نمبر**94** سے **95** اور **106** پر فراہم کی گئی ہیں۔

### اعتراف / ستائش

بورڈ آف ڈائریکٹرز انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے عمل میں کمپنی کے تمام ملازمین کی مخلصانہ کوششوں اور قابل قدر شراکت کو تسلیم کرتے ہوئے اسے بھرپور انداز سے سراہتے ہیں۔ بورڈ کمپنی کے نتائج کے حصول میں تعاون اور مکمل سپورٹ پر تمام اسٹیک ہولڈرز، شیئر ہولڈرز، سپلائرز اور شراکت داروں کا شکرگزار ہے۔

### بحکم بورڈ

خیرخواہ

#### فرحان محمد ہارون

چیف ایگزیکٹو آفیسر اینڈ جنرل مینیجر

#### دلاور میگھانی

چیف فائنانشل آفیسر

14 مارچ 2023



## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ، 2017 کی سیکشن 223 کے مطابق 31 دسمبر، 2022 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشوارے سمیت سالانہ رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔ ڈائریکٹرز کی یہ رپورٹ کمپنیز ایکٹ 2017 کی سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے۔

### بنیادی سرگرمیاں

کمپنی صارفین کی صحت کی دیکھ بھال کے حوالے سے پراڈکٹس کی مینوفیکچرنگ، مارکیٹنگ اور فروخت میں مصروف عمل ہے۔ کمپنی 22 مارچ 2017 سے پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ مذکورہ سال کے دوران، کمپنی نے اپنے رجسٹرڈ دفتر کو سندوز نگر، پیٹارو روڈ، جامشورو، سندھ میں منتقل کیا۔ سال کے اختتام کے بعد کمپنی نے اپنے رجسٹرڈ آفس کو 9 فروری 2023 سے 11 اے، 11 ویں فلور، اسکائی ٹاور (ایسٹ ونگ)، ڈولمین سٹی، ایچ سی 3، بلاک 4، اسکیم 5، کلفٹن، کراچی، 75600 میں منتقل کر دیا ہے۔

### کاروباری/ معاشی جائزہ

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (جی ایس کے سی ایچ) سب سے بڑی فاسٹ موونگ کنزیومر ہیلتھ کیئر (ایف ایم سی ایچ) کمپنی ہے، جو پاکستان میں اوور دی کاؤنٹر (او ٹی سی) پورٹ فولیو کے ساتھ سرفہرست ہے اور ایسی پراڈکٹس کا بزنس کرتی ہے جنہیں ادویات یا احتیاطی دیکھ بھال کے حوالے سے ابتدائی سطح کی ادویات تصور کیا جاتا ہے۔ اس پورٹ فولیو کے زیادہ تر حصے کی قیمتیں حکومت پاکستان کے زیر کنٹرول ہیں۔ آپ کی کمپنی معیاری ادویات کی دستیابی کو یقینی بنانے کے لئے انتہائی محنت سے کام کر رہی ہے۔ او ٹی سی اور اورل ہیلتھ کیئر (او ایچ) کے شعبے میں بہترین کوالٹی کی حامل مصنوعات کنزیومرز، کسٹمرزاور مریضوں کے لئے وسیع پیمانے پر دستیاب ہیں۔

تاہم، کمپنی ہائی رسک مارکیٹ میں کام کر رہی ہے جہاں غیر معمولی طور پر بڑھتے ہوئے افراط زر کے ساتھ ساتھ توانائی کی بڑھتی ہوئی قیمتوں اور سیلائی چین میں تعطل کے ایک سلسلے کے نتیجے میں ناسازگار حالات پیدا ہوئے ہیں۔ سال 2022 میں آپ کی کمپنی کے لئے کاروبار کرنے کی لاگت میں کافی اضافہ ہوا ہے۔ پیراسیٹامول کے خام مال کی قیمت میں غیر معمولی اضافے کی بنا پر کمپنی نے مختلف ریگولیٹرز اور پالیسی سازوں سے درخواست کی کہ وہ پیناڈول رینج کی مصنوعات کی قیمت فروخت میں ایڈجسٹمنٹ کے حوالے سے منظوری دیں تاکہ کمپنی اپنا آپریشن احسن انداز میں جاری رکھتے ہوئے، نہ صرف مریضوں کے لئے معیاری ادویات کی دستیابی یقینی بناسکے، بلکہ ہزاروں متعلقہ اسٹیک ہولڈرز اور ان کے اہل خانہ کے لیے ذریعہ معاش کی فراہمی کا سلسلہ بھی جاری رہے۔

قیمتوں کے حوالے سے درپیش چیلنجز کی وجہ سے، کمپنی کو پیناڈول ٹیبلس، پیناڈول ایکسٹرا ٹیبلس اور چلڈرن پیناڈول لیکوئڈ رینج کی پیداوار پر پابندی عائد کرنے پر مجبور ہونا پڑا۔ حکومت کے ساتھ مذاکرات کے بعد، کمپنی نے اپنی مصنوعات کی پیداوار دوبارہ شروع کردی گئی۔ یہ اقدام پاکستان میں صارفین اور مریضوں کے وسیع تر مفاد میں اٹھایا گیا، حالانکہ قیمتوں میں کمی گئی تبدیلی پیراسیٹامول کے خام مال کی قیمتوں میں تیزی سے ہونے والے اضافے سے مطابقت نہیں رکھتی۔

### آپریٹنگ نتائج کا جائزہ

بنیادی کاروبار (ٹول اور برآمدات کے علاوہ) نے پچھلے سال کے دوران اسی عرصے (ایس پی ایل وائی) کے مقابلے میں 14 فیصد کی ڈبل ڈیجٹ گروتھ ریکارڈ کی۔ مصنوعات کی مانگ کے حوالے سے انتہائی چیلنجنگ حالات اور کھپت میں کمی کے رجحانات کے باوجود، ہمارے سپلائی چین کے بہترین معیار اور مارکیٹ میں سرگرم عمل ٹیموں نے اس بات کو یقینی بنایا کہ ہم تمام تر شعبوں میں صارفین کی ضروریات کو احسن انداز سے پورا کرنے کے قابل رہیں۔

اوور دی کاؤنٹر (او ٹی سی) پورٹ فولیو میں، پین مینجمنٹ اور تنفس کے شعبوں میں بالترتیب 12 فیصد اور 55 فیصد اضافہ ہوا جبکہ نیوٹریشن اینڈ ڈائجسٹو ہیلتھ اور اسکن ہیلتھ میں 15 فیصد اضافہ ریکارڈ کیا گیا۔ اگرچہ اورل ہیلتھ کیئر کے کاروبار میں 6 فیصد کا اضافہ ریکارڈ کیا گیا ہے، لیکن سال کے آخر میں سینسوڈائین اور پیراڈونٹکس میں کمی کی جانے والی لانچز کی بدولت کافی حوصلہ افزا نتائج سامنے آ رہے ہیں۔ اسی طرح ہمارا 2.5 ارب روپے کا ٹول مینوفیکچرنگ بزنس اور 1.0 ارب روپے مالیت کا ایکسپورٹ بزنس آمدنی میں اپنا حصہ شامل کرتا رہا ہے۔ امید کی جاتی ہے کہ گروپ کی مدد سے انتظامیہ کی تمام تر جارحانہ کوششوں کے نتیجے میں 2023 میں ایکسپورٹس میں گراں قدر اضافہ دیکھنے میں آئے گا

فیصد گزشتہ سال میں اسی عرصے کی مناسبت سے دی گئی ہیں

سیلز پر 17.4٪ مجموعی منافع مارجن گزشتہ سال اسی عرصے کے مقابلے میں (ایس پی ایل وائی) 10.3٪ کی کمی کی نشاندہی کرتا ہے پیراسیٹامول (پینا ڈول کے لیے درکار ایک اہم خام مال) کے ایک بڑے چینی سپلائر کی بندش کے نتیجے میں، پیراسیٹامول کی قیمت میں جنوری 2021 سے مسلسل اضافہ ہو رہا ہے، جس نے کافی حد تک منافع کی شرح کو متاثر کیا ہے۔ اس کے علاوہ مالی سال 2022 کے دوران پاکستانی روپے کی قدر میں کمی کی نے لاگت کے دباؤ میں بھی اضافہ کیا ہے اور مستقبل قریب کے حوالے سے بھی یہ سلسلہ جاری رہنے کا خدشہ ہے۔

مندرجہ بالا لاگت میں اضافے کو مدنظر رکھتے ہوئے، ہم اپنے کاسٹ لیورز پر مناسب انداز سے کنٹرول کرنے کے قابل ہو گئے ہیں۔ ایس پی ایل وائی (گزشتہ سال اسی عرصے) کے مقابلے میں 2022 میں کل اخراجات اور نیٹ سیلز کا تناسب 15 فیصد سے بڑھ کر 14 فیصد ہو گیا ہے۔ ہم پر عزم ہیں کہ اے اینڈ پی میں سرمایہ کاری کے سلسلے کو جاری رکھتے ہوئے اپنی ترقی کی رفتار کو برقرار رکھنے میں اپنی توانائیاں صرف کریں۔ تاہم، لاگت میں آنے والے خطیر اضافے اور غیر یقینی تبدیلیوں کی بناء پر ہم نے اپنے برانڈز کے لیے کی جانے والی سرمایہ کاری کا از سر نو جائزہ لیا۔ مزید برآں مالیاتی چارجز میں 219 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ غیر ملکی واجبات کی سیٹلمنٹ اور بیرون ملک واجبات کی ری ویلوییشن ہے۔

### ڈیوڈنڈ کا اعلان نہ کرنے کی وجوہات

ملک کی موجودہ موجود غیر یقینی سیاسی و اقتصادی صورتحال اور درآمدات کے حصول کے حوالے سے درپیش چیلنجز نے کمپنیوں کے منافع اور توسیعی منصوبوں کو بہت متاثر کیا ہے۔ پیناڈول اور سی اے سی-1000 پلس سمیت اپنے بنیادی برانڈز کی استعداد بڑھانے کے لیے، اس بات پر بھی غور کیا جا رہا ہے کہ سرمایہ کاری کے ذریعے شیئر ہولڈرز کے لیے بہتر منافع کا حصول ممکن بنایا جا سکے جبکہ ہم پر امید ہیں کہ میکرو اکنامک صورتحال میں بہتری آئے گی، اور ہم اپنی صلاحیتوں کے مطابق کارکردگی کا بھرپور مظاہرہ کرنے کے قابل ہوں گے۔ اس کے علاوہ مالی سال 2018 سے مالی سال 2020 تک غیر ملکی شیئر ہولڈرز سے متعلق 1.5 ارب روپے کا حتمی منافع اسٹیٹ بینک آف پاکستان (ایس بی پی) میں شیئرز کی رجسٹریشن نہ ہونے کی وجہ سے ادا نہیں کیا گیا جو اب بھی ہمارے ورکنگ کیپیٹل کا حصہ ہے۔ ان عوامل کے نتیجے میں کیش نمایاں کیش آؤٹ فلو ہو گا اور اسی صورتحال کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے 2022 کو ختم ہونے والے سال کے لئے منافع کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

### ہولڈنگ کمپنی

31 دسمبر، 2022 تک، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر بی وی، نیدرلینڈز 10 روپے کے 100,423,259 عمومی شیئرز کی حامل تھی، جو کمپنی کے کل شیئرز کا 85.79 فیصد ہے۔ کنزیومر ہیلتھ کیئر کے کاروبار کو گلیکسو اسمتھ کلائن پی ایل سی، برطانیہ سے پی ایل سی (لندن اسٹاک ایکسچینج اور نیو یارک اسٹاک ایکسچینج میں لسٹڈ ایک آزاد لسٹڈ کمپنی بیلینوں میں ضم کرنے کے بعد، حتمی پیرنٹ کمپنی گلیکسو اسمتھ کلائن پی ایل سی سے بیلینوں پی ایل سی میں تبدیل ہو گئی ہے۔ اس کے نتیجے میں کمپنی کا نام گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ سے تبدیل کر کے بیلن پاکستان لمیٹڈ رکھ دیا گیا ہے جس کا اطلاق 03 جنوری 2023 سے ہوگا۔

کمپنی کے شیئرز کا کاروبار پاکستان اسٹاک ایکسچینج لمیٹڈ میں کیا جاتا ہے۔ 31 دسمبر، 2022 تک شیئر ہولڈنگ کی معلومات اور دیگر متعلقہ معلومات بالترتیب سالانہ رپورٹ کے صفحے نمبر 221 سے 222 پر فراہم کی گئی ہیں۔

### چیئر پرسن کا تجزیہ

چیئر پرسن کا شیئر ہولڈرز کے لیے پیغام سالانہ رپورٹ کے صفحہ نمبر 84 سے 85 درج کیا گیا ہے جس میں درج ذیل کے حوالے سے معلومات شامل ہیں

### سال 2022 کے حوالے سے بورڈ کا جائزہ

بورڈ کمیٹیز جس میں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ریمونیویشن کمیٹی اور انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹیمائزیشن کمیٹی شامل ہیں، اور کمپنی کا کلچر (ثقافت) کمپنی کے ڈائریکٹرز اس تمام مواد کی توثیق کرتے ہیں۔

### بنیادی اور ڈائیلیونڈ منافع فی شیئر

بنیادی اور ڈالیونڈ فی شیئر منافع بعد از ٹیکس 2.78 روپے رہا جو کہ سال 2021 میں 18.23 روپے تھا۔

## چیئر پرسن کا تجزیہ

میں کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت جی ایس کے کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ ("کمپنی") کی سال 2022 کے لئے کارکردگی کی یہ جائزہ رپورٹ شیئر ہولڈرز کے سامنے پیش کرتے ہوئے بے حد خوشی محسوس کر رہا ہوں۔

ہم سب کا یہی خیال تھا کہ سال 2022، کووڈ پابندیوں میں نرمی کے بعد، سپلائی چین میں بہتری اور معیاری لاجسٹک ٹائم لائنز کی بحالی کے ساتھ ہمیں اس پینڈمک سے پہلے کی زندگی میں واپس لے آئے گا لیکن، بین الاقوامی جغرافیائی سیاسی تبدیلیوں نے اجناس کی قیمتوں میں غیر

معمولی اضافہ اور توانائی کی فراہمی میں خلل پیدا کیا، جس سے افراط زر میں اضافے کا تاریخی رجحان دیکھنے میں آیا۔ اس غیر متوقع طور پر مشکل صورتحال نے کم آمدنی والے ممالک کو سب سے زیادہ متاثر کیا اور پاکستان بھی ان متاثر شدہ ممالک میں شامل ہے۔ اس کے ساتھ پاکستان کو غیر معمولی سیاسی اور معاشی چیلنجز کا سامنا کرنا پڑا جس کی وجہ سے انتہائی غیر متوقع معاشی صورتحال اور افراط زر نے جنم لیا۔

آپ کو یہ جان کر خوشی ہوگی کہ مذکورہ سال کے دوران درپیش بے شمار چیلنجز کا سامنا کرنے کے باوجود، کمپنی نے کارکردگی پر اپنی توجہ مرکوز رکھی اور کامیابی کے ساتھ پچھلے سال کے مقابلے میں سیلز میں 14 فیصد اضافہ کیا اور 2.78 روپے فی شیئر کی فی شیئر آمدنی ریکارڈ کی۔

کمرشل آپریشنز کے علاوہ، آپ کی کمپنی کارپوریٹ سماجی ذمہ داری کے محاذ پر بھی بے حد فعال رہی اور معاشرے کے پسماندہ طبقوں کی فلاح و بہبود اور بحالی کے لئے کام کرنے والے خیراتی اداروں کے ساتھ ہر ممکن تعاون کو یقینی بنایا۔ آئی سی اے پی/آئی سی ایم اے کی مشترکہ کمیٹی کی جانب سے فارماسوٹیکل کیٹیگری میں پاکستان کے کارپوریٹ اینڈ سسٹین ایبل رپورٹ ایوارڈز 2022 میں رنر اپ ایوارڈ کا حصول ہمارے شیئر ہولڈرز، صارفین، وینڈرز، ریگولیٹرز اور دیگر اسٹیک ہولڈرز کے لیے ڈسکلوزر آف انفارمیشن کے حوالے سے معاملات کی ٹرانسپیرنسی کو یقینی بنانے پر ہماری بھرپور توجہ کا منہ بولتا ثبوت ہے۔

میں کمپنی میں آپ کی طرف سے ہر ممکن سپورٹ فراہم کرنے اور آپ کے بھرپور اعتماد پر آپ سب کا شکریہ ادا کرنا چاہتا ہوں۔ آپ کا مسلسل تعاون ہی ہے جو ہمیں ترقی کی منازل پر گامزن رہنے اور پاکستان میں لاکھوں افراد کو عالمی معیار کی حامل اور روزمرہ صحت کے حوالے سے جدید سلوشنز فراہم کرنے کے سفر پر کاربند رکھتی ہے۔

### بورڈ کا تجزیہ

2022 میں بورڈ کی کارکردگی کا جائزہ لینے کے لئے بیومن ریسورس ریمیونریشن اینڈ نومیٹیشن کمیٹی کے سرکردگی اور کمپنی سرکردگی کی مدد سے ان ہاؤس جائزے کے عمل کو اختیار کیا۔ جائزے کے اس عمل کی تکمیل کے بعد، وہ چیلنجز اور مسائل جن کی نشاندہی کی گئی، ان سے نمٹنے کے لئے مستقبل کے حوالے سے جامع حکمت عملی اور مربوط ایکشن پلان تیار کیے گئے۔ تشخیص کے عمل کے حوالے سے مزید تفصیلات کے لئے براہ مہربانی سالانہ رپورٹ کے صفحہ نمبر 7 سے رجوع کریں۔

### فائنانشل رپورٹنگ

بورڈ اپنی ذمہ داریوں سے پوری طرح آگاہ ہے اور پاکستان میں لاگو فائنانشل رپورٹنگ فریم ورک کے مطابق اسٹیک ہولڈرز کو مالیاتی رپورٹس کی واضح انداز میں تفصیلات فراہم کرنے کے لئے نگرانی کا ایک مضبوط نظام برقرار رکھتا ہے۔ اس طرح، مالی گوشوارے، اکائونٹ اور رپورٹنگ کے ان تمام معیارات کے مطابق اور کمپنیز ایکٹ، 2017 کے ڈسکلوزر کے تقاضوں کے عین مطابق تیار کیے گئے ہیں، جن کا ہم پر اطلاق ہوتا ہے۔

### بورڈ کی کمیٹیاں

آپ کی کمپنی کی درج ذیل تین کمیٹیاں ہیں، جو کہ بورڈ کو اپنی کارکردگی کو بہترین رکھنے کے لیے معاونت فراہم کرتی ہیں:

- بورڈ آڈٹ کمیٹی
- بیومن ریسورس اینڈ ریمیونریشن کمیٹی، اور
- انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی

درج بالا کمیٹیوں کے ممبرز کے حوالے سے ٹرمز آف ریفرنس اور دیگر تفصیلات بالترتیب سالانہ رپورٹ کے صفحہ نمبر 7 اور 8 پر فراہم کی گئی ہیں۔

### کمپنی کا کلچر (ثقافت)

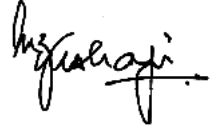
کمپنی کا ضابطہ اخلاق ہماری کمپنی کی اقدار (صارفین سب سے پہلے، دیانتداری، احترام اور شفافیت)، توقعات (ہمت، احتساب، ترقی اور ٹیم ورک) اور طرز عمل (انسانی اقدار کے مطابق، جو سب سے زیادہ اہمیت رکھتے ہیں عمل کریں اور اسی کی بنیاد پر آگے کا سفر جاری رکھیں) کے اصولوں پر وضع کردہ ہے۔ ان اقدار پر ہمارا پختہ یقین ہمیں اپنے ملازمین کے لئے کام کا سازگار ماحول فراہم کرنے میں مدد کرتا ہے۔ ہر ملازم اور کمپلنٹری ورکر کے لیے ضابطہ اخلاق کے حوالے سے سالانہ بنیادوں پر تربیت اور اس کے ساتھ ساتھ ہماری اقدار کو ہمہ وقت زندہ رکھنے کے لیے دیگر تربیتی پروگرامز سے گزرنا بھی بے حد ضروری ہے۔

آپ کی کمپنی کے لئے، اس کے ملازمین سب سے بڑا اثاثہ ہیں۔ یہی وجہ ہے کہ، ہم اپنے ملازمین کو انفرادی ترقی کے بھرپور مواقع فراہم کرنے پر پختہ یقین رکھتے ہیں اور ان کی کامیابیوں کے لئے ان کی کارکردگی کا بھرپور اعتراف کرتے ہیں۔ ہم چاہتے ہیں کہ ہماری کمپنی میں ہر کوئی اپنے کام پر فخر محسوس کرے، انسانیت کے بنیادی تقاضوں کے ساتھ بہتر روزمرہ صحت فراہم کرتے ہوئے کمپنی کے مقصد پر پختہ یقین رکھے۔

### اعتراف / ستائش

پیچھے مڑ کر دیکھیں تو، 2022 ایک بے مثال سال تھا اور کاروباری ماحول میں اب بھی موجود بے شمار چیلنجز کو مدنظر رکھتے ہوئے مستقبل کی طرف دیکھا جائے تو سال 2023 بھی ایک مشکل سال معلوم ہوتا ہے۔ میں بورڈ آف ڈائریکٹرز کا شکریہ ادا کرتا ہوں جو ہمیشہ ہمارے مشن کو پورا کرنے کے اپنی تمام تر خدمات بروئے کار لاتے ہیں۔ میں اپنے ملازمین کی تمام

ترکوشیوں کے لیے ان کا بھی تہ دل سے شکریہ ادا کرتا ہوں - ہم ہمیشہ آپ کے تجربے اور عزم پر پورا بھروسہ رکھتے ہیں - میں آخر میں ہم پر اعتماد کرنے پر اپنے صارفین، شیئر ہولڈرز، کسٹمرز، سپلائرز اور دیگر تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں جن کی ہمہ وقت سپورٹ انسانیت کے ساتھ بہتر روزمرہ صحت فراہم کرنے کے لئے ہمارے جذبوں کو ہمیشہ زندہ رکھنے کے پیچھے کارفرما سب سے اہم محرک ہے۔



جناب ایم زید معین مہاجر

چیئر پرسن

14 مارچ 2023

# Sustainability

and Corporate Social Responsibility



# Social and Environmental Responsibility Policy

We are committed to go beyond just business and help people to **“Do More, Feel Better, Live Longer.”** The company strongly believes that the development and welfare of our connected communities best reflects our success. We are also focused on continually reducing the environmental impact of its products and operations, whilst equally focusing on positive impacts and identifying opportunities. The CSR activities of the company are described on page \_\_\_\_\_ of the annual report which cover the following areas:



It also emphasizes the importance of long-term company development, which is seen in its significant social investments.

## Sustainability Strategy & Focus

Our global future is predicated on long-term viability. We are moving towards higher future sustainability by developing innovative solutions to lessen adverse impacts on our environment. This is accomplished through our sustainability strategy, which is based on the approach that values people, planet, and profit. We are dedicated to taking a broader view of sustainability and making sure that every action we take is consistent with our core standards. We strive to distribute profits to our shareholders while also ensuring that we can invest in the needs of our broader shareholder community and the world we live on.

The company invests money into new concepts that lead to better products and services. The company is taking good care of its employees by providing the training and awareness related to the operational safety standards through various programmes, contributing towards improving employees productivity and motivation.

Our manufacturing sites have various environmental protection measures for water, energy, and waste conservation such as Achievement of Zero Waste to Landfill and 100% Treatment of Waste Water, endorsed by Environmental Sustainability Center of Excellence. Moreover, the Elimination of Ozone Depleting Hydrocarbons chemicals from Company’s operations includes CFCs, HCFS, R-11, R-12 & R-22.

We recognize the value of our people’s health and safety, as well as the importance of preserving and protecting natural capital for our own long-term sustainability and the well-being of society as a whole.

# Development Goals



GSK Consumer Healthcare has started its incredible journey with the purpose of “Deliver better everyday health with humanity.” Our values and expectations are at the heart of everything we do, and they define our culture. Acting with integrity is non-negotiable, and that means we can be proud of how we operate. We set out clear choices by going beyond, doing what matters most, and keeping it human so we can deliver

extraordinary things to our consumers and customers. We continue to build on our GSK CH Priorities of Innovation, Performance and Trust as part of our commitment to deliver game changing business results. To achieve this vision our strategy has advocated through Advance Technology, strong leadership, employee development, Employee Health and Safety, and our continued focus on being a Modern Employer.

**Go Beyond**

Our constant hunger and irresistible energy drive us to be better, move with pace and outperform competitors

**Do What Matters Most**

We prioritise the important and challenge the unnecessary

**Keep It Human**

Our dedication to consumers, customers and each other demands unmatched understanding and empathy

## Goal 3: Good Health and Well-Being



Our Employee, Health & Safety Compliance Framework also ensures our standards go beyond the local legal environmental, health & safety requirements. EHS is the driving force of our business operations which ensures safe and inclusive workplace, healthy environment, and energy efficient processes.

The Company's prime focus is to Keep it Human which has led to new and exciting initiatives, with

a focus on the Mental and Physical Well-Being. The myWellBeing portal allows free access to each employee to customize their content to suit their well-being needs, whether its forming healthy habits or reflecting on how do what matters most. Our myWellBeing Portal, Employee Assistance Programme and newly introduced Mental Health Therapy reimbursement policy ensure our employees wellbeing is not just theirs, but our top priority too.

## Goal 4: Quality Education



Career development is about building experience and capability and is not defined solely by promotion and advancement. We offer our employees many opportunities both in our Keep Growing Campus and in the MyLearning portal, with the most effective mix of learning modalities e.g., instructor-led, e-learning, blended learning, and social learning. Employees can find

suggestions on a wide variety of topics and get training courses that give in-depth expertise and knowledge to help them grow in their personal and professional life. We provide performance support, self-assessment tools, and resources to help an employee develop. In 2022 at Jamshoro site, total no. of 73,118 training were completed.

## Goal 5/10 Gender Equality / Reduced Inequalities



We aim to create an inclusive workplace to attract and retain the most talented people from all background.

Being a modern employer is one of our core Trust commitments - creating an inclusive workplace where everyone can be themselves, feel good, and keep growing.

Diversity makes us stronger, and it is important that we talk, share, and understand our cultural

differences. The principles of Modern Employer and Be You are key to our success as a company. We want employees to feel supported in being their authentic selves at work. We strive to create inclusive environment where Everyone have the right to share their own thoughts, feelings, and perspectives. One way we achieve this is through our Employee Resource Groups, including the Women's Leadership Initiative, Disability Confidence Network and Local ERGs.

Women's Leadership Initiative

Disability Confidence Network

Local ERGs

## Goal 6: Clean Water and Sanitation



Site is maintaining Purified Water system for the managing of Pharmaceutical drugs. It's equipped with Double stage RO System and various pre-filtration system to reduce TDS and TSS. The Site has robust maintenance plan to sustain Water quality and reduce waste.



## Goal 9: Industry, Innovation, and Infrastructure



In 2022, we continued commitment to transformation and rely more on technology to boost efficiency. Leveraging technology with our manufacturing and operational expertise has remained our focus over the time. Furthering this, we are on mission to transform all our reports using Digital Data Analytical tools and implement projects which could automate the existing system. Multiple initiatives were taken for reducing

paper usage across the site. The deployment of Digital OEE Toolkits on all packaging lines has benefited us in reducing paper usage to a huge amount also, gives live monitoring of machines over web. The main objective of all these projects to make each process more secure, improve productivity, and reduce paper usage thus bridging the digital gap and promoting innovation across all processes to facilitate sustainable development.

## Goal 13: Climate Action



Jamshoro is committed towards green practices and pursue continuous development for environment. For carbon neutrality exercise this year, Inkjet printers were converted to Thermal printers. Thermal labels are much more environmentally friendly as the printers do not use a ribbon. It reduces the amount of non-recyclable waste and by-products. As they have a lower

shipping weight, carbon footprint is also greatly reduced.

Moreover, the tree-plantation drives at Jamshoro Plant reflect the efforts to preserve the environment. This environmental campaign supports the Sustainable Development Goal (SDG)

## Corporate Social Responsibility (CSR)

GSK CH is highly committed to Corporate Social Responsibility (CSR) in Pakistan. As a socially conscious organization, GSK CH actively contributes to charitable organizations that work for the welfare and rehabilitation of the society.



THE CITIZENS FOUNDATION

This year, we have supported **"The Citizens Foundation (TCF)"**, which is a leading Nonprofit organization in Pakistan, in the efforts to provide education to underprivileged areas. This time we supported "UEPL Kausar Campus" which is located in Hyderabad to cater operating expenses for Academic Year 2022-2023 having student strength 250.



Meethi Zindagi

The Honorary G&D Committee kindly approved grant to facilitate **"Meethi Zindagi"** in providing Insulin to underprivileged children with type 1 diabetes so that they can fulfill their dream



Make A Wish Foundation Pakistan is an affiliate member of Make-A-Wish Foundation Int'l, devoted to grant the most cherished wishes of critically ill children, this year Grants & Donation committee has generously approved grant for fulfillments of 28 unique wishes of critically ill children battling various diseases for enriching their lives with Hope and Joy.



During year 2022 under devastating monsoon flood situation in KPK and Sindh where government had declared state of emergency in country, we as social responsible supported distressed people in providing Ration packages through PAK AID Welfare Trust in various effected areas of District Sindh such as Nasir Abad, Mehar, Khairpur Merus and Tehsil Warah District Qambar Shahdadkot Sindh.

# Striving

for Excellence in Corporate Reporting



# Unreserved Statement of Compliance to International Financial Reporting Standards

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as adopted by SECP necessary for fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

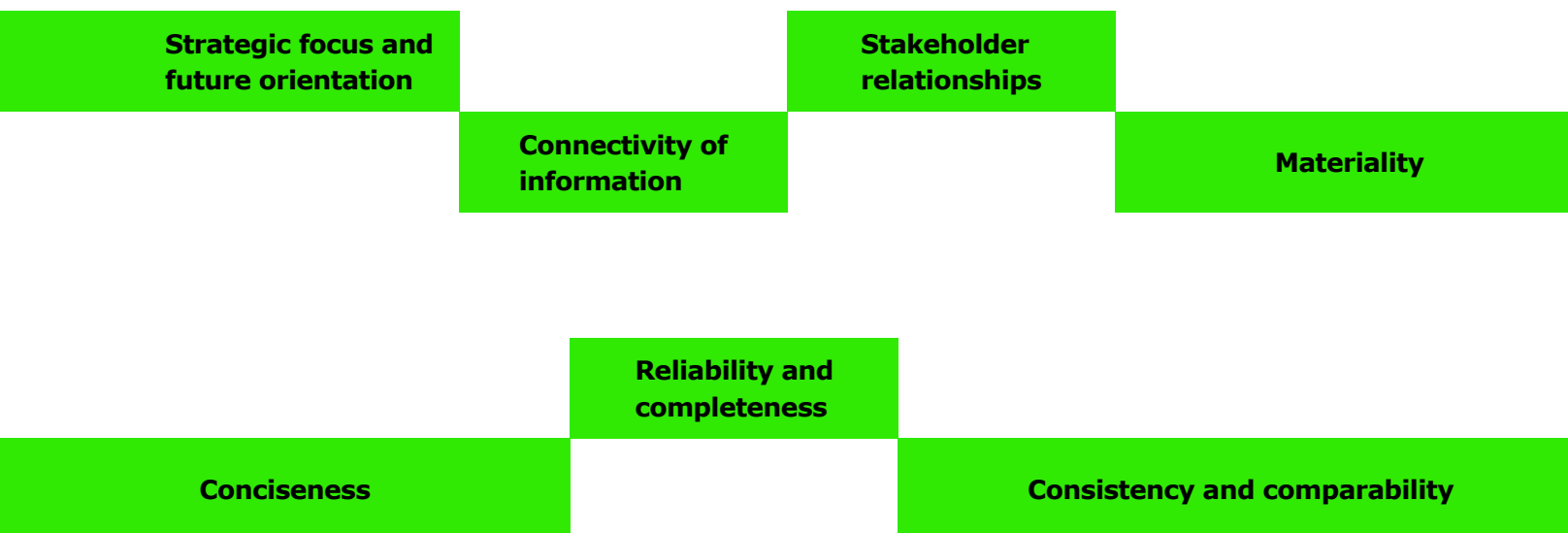
Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan.

IFRS adoption status is in detail is explained in note 2.5 of the annexed financial statements.

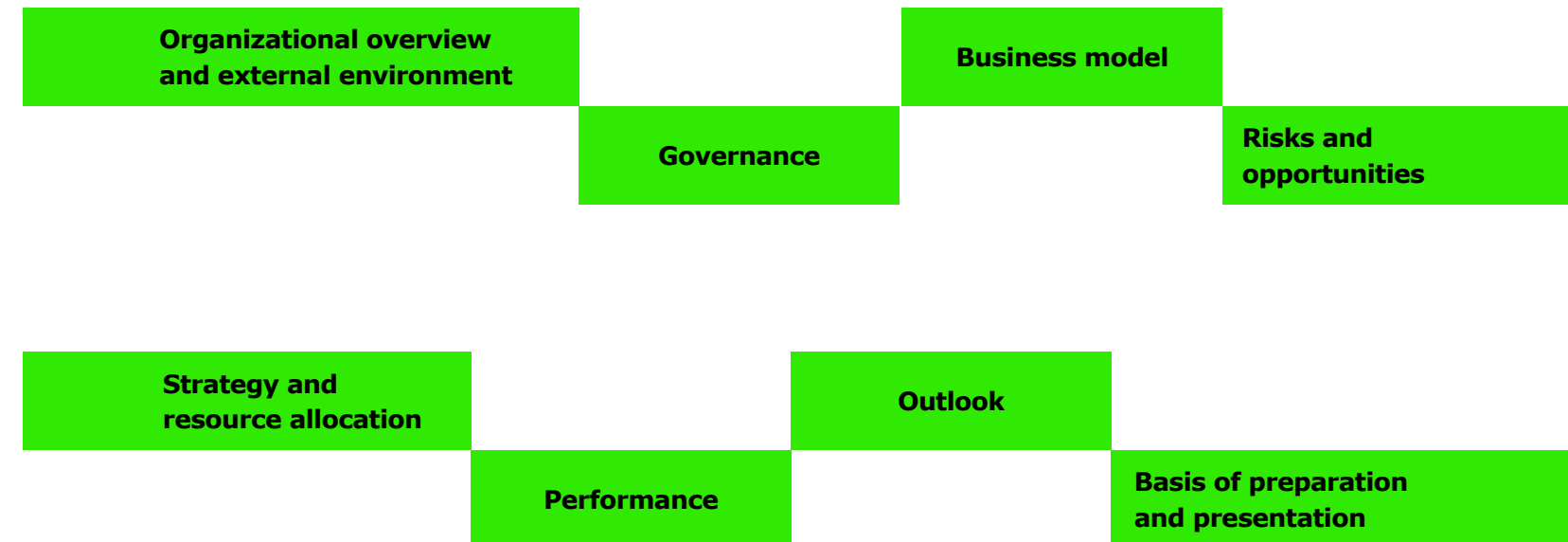
## Integrated Reporting Framework

An integrated report is a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term. It is to be prepared in accordance with the Integrated Reporting Framework (the framework) issued by the International Integrated Reporting Council (IIRC).

The integrated reporting framework follows a principles-based approach, including the following guiding principles:



Integrated Report is to be presented by those charged with governance acknowledging the integrity and compliance with the framework, including the following content:



At present, the requirement to publish an integrated report is not mandatory in Pakistan. However, the Company has disclosed some of the above content in its annual report basis ICAPs BCR checklist. Please refer table of content for the respective page numbers.

# Framework for Annual Reporting

Best Corporate Report Awards 2022

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## ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



Sr.	Particular	Page no.
1.01	Principal business activities and markets (local and international) including key brands, products and services.	12, 14, 166
1.02	Geographical location and address of all business units including sales units and plants.	207
1.03	Mission, vision, code of conduct, culture, ethics and values.	26, 28
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Also name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	24, 32, 201
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	34
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization. (The key elements of business model are Inputs, Business activities, Outputs and Outcomes).	13
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain. (This disclosure shall be provided by the companies in service and non-service sector organizations through graphical presentation).	36
1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social, technological, environmental and legal environment).	38
1.09	The legitimate needs, interests of key stakeholders and industry trends.	39
1.10	SWOT Analysis of the company.	72
1.11	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	41
1.12	The legislative and regulatory environment in which the organization operates.	38
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	38
1.14	Significant changes from prior years (regarding the information disclosed in this section).	39
1.15	History of major events.	8
1.16	Details of significant events occurred during the year and after the reporting period.	166

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## STRATEGY AND RESOURCE ALLOCATION



Sr.	Particular	Page no.
2.01	Short, medium and long term strategic objectives.	66
2.02	Strategies in place or intended to be implemented to achieve the strategic objectives.	66
2.03	Resource allocation plans to implement the strategy and financial capital structure.	66
2.04	Key resources and capabilities of the company which provide sustainable competitive advantage.	13, 71, 95
2.05	Value created by the business, and for whom, using these resources and capabilities.	50, 117
2.06	The effect of technological change, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems, environmental challenges, such as climate change, the loss of ecosystems, and resource shortages on the company strategy and resource allocation.	38, 66
2.07	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	66
2.08	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	66
2.09	"Board's statement on the following: a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of operations; b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc."	86
2.10	Significant changes in objectives and strategies from prior years.	67

3

## RISKS AND OPPORTUNITIES



Sr.	Particular	Page no.
3.01	Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term.	70, 71
3.02	Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company.	70, 71
3.03	Sources of risks and opportunities (internal and external).	70, 71
3.04	The initiatives taken by the company in promoting and enabling innovation.	66
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	70, 71
3.06	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	70, 71
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	70
3.08	Statement from the board that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	70, 71
3.09	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	67
3.10	Inadequacy in the capital structure and plans to address such inadequacy.	70, 71

## 4

# SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY



Sr.	Particular	Page no.
4.01	"Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including: a) environment related obligation applicable on the company; b) company progress towards environmental, social and & governance initiatives during the year; and c) company's responsibility towards the staff, health & safety."	250 - 255
4.02	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	250 - 255
4.03	Certifications acquired and international standards adopted for best sustainability and CSR practices.	250 - 255

## 5

# Governance



Sr.	Particular	Page no.
5.01	Board composition:	
	a) Leadership structure of those charged with governance.	34
	b) Name of independent directors indicating justification for their independence.	76, 79, 80
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	83
	d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc.	76 - 82
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	76 - 82
5.02	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	84
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	94
5.04	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	94 - 96
5.05	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	85
5.06	Details of formal orientation courses for directors.	96
5.07	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	96
5.08	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	59
5.09	a) Approved policy for related party transactions.	99
	b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	201 - 202

	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	201 - 202
	d) Disclosure of director's interest in related party transactions.	99
	e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	100
5.10	Disclosure of Board's Policy on the following significant matters:	
	a) Governance of risk and internal controls.	90
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	98
	c) Disclosure of director's interest in significant contracts and arrangements.	100
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	97
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	86-103
	f) Security clearance of foreign directors.	86-103
	g) Board meetings held outside Pakistan.	86-103
	h) Human resource management including preparation of succession plan.	86-103
	i) Social and environmental responsibility.	86-103
	j) Communication with stakeholders.	86-103
	k) Investors' relationship and grievances.	86-103
	l) Employee health, safety and protection.	86-103
	m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	116
	n) Safety of records of the company.	100
	o) Providing reasonable opportunity to the shareholder for participation in the AGM.	219
5.11	Board review statement of the organization's business continuity plan or disaster recovery plan.	116
5.12	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	33
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	101
5.14	A brief description about role of the Chairman and the CEO.	102
5.15	Shares held by Sponsors / Directors / Executives.	223
5.16	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	103-106
5.17	"Timely Communication: Date of authorization of financial statements by the board of directors: within 40 days ---6 marks within 60 days ---3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee)."	208
5.18	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	107
5.19	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	103
5.20	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	
	a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;	52-53,56
	b) management support in the effective implementation and continuous updation;	52-53,56

	c) details about user training of ERP software;	52-53
	d) how the company manages risks or control risk factors on ERP projects;	52-53
	e) how the company assesses system security, access to sensitive data and segregation of duties.	52-53
5.21	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	103
5.22	Chairman's significant commitments and any changes thereto.	102
5.23	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	214
5.24	How the organization's implemented governance practices have been exceeding legal requirements.	155

## 6 Analysis of the Financial Information

Sr.	Particular	Page no.
6.01	"Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: (a) Past and current performance; (b) Performance against targets /budget; and (c) Objectives to assess stewardship of management. The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits."	121-153
6.02	"Analysis of financial ratios (Annexure I) (this includes marks of ratios for Shariah compliant companies and companies listed on Islamic indices)"	123,134,135
6.03	"Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years."	148-151
6.04	Graphical presentation of 6.02 and 6.03 above.	121-153
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	121
6.06	Any significant change in accounting policies, judgements, estimates and assumptions with rationale.	166
6.07	Information about defaults in payment of any debts and reasons thereof period.	71
6.08	Methods and assumptions used in compiling the indicators.	127
6.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	147
6.10	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	211
6.11	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning. b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	40 39
6.12	"Brief description and reasons: a) for not declaring dividend despite earning profits and future prospects of dividend. b) where any payment on account of taxes, duties, levies etc. is overdue or outstanding."	87
6.13	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	92

## 7 Disclosures on IT Governance and Cybersecurity

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7.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	52-53
7.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	52-53
7.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	52-53
7.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	52-53
7.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	52-53
7.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	52-53
7.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	52-53
7.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	52-53
7.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	52-53

## 8 Future Outlook

Sr.	Particular	Page no.
8.01	Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	214
8.02	Explanation of the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	214
8.03	Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year.	214
8.04	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	214
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8.06	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	215

## 9 Stakeholders Relationship and Engagement



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9.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees and g) Analysts.	216-217
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9.04	Investors' Relations section on the corporate website.	219
9.05	Issues raised in the last AGM, decisions taken and their implementation status.	219
9.06	"Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business."	152
9.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	220
9.08	Highlights about redressal of investors' complaints.	219

## 10 Business Model



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## 11 Striving for Excellence in Corporate Reporting



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11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	258
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