



THE BLUE DOT

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ANNUAL REPORT 2019

GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

GSK Consumer Healthcare Pakistan Limited is proud to present its Annual Report for the year 2019. This report focuses on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ended December 31, 2019.

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

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STRONGER, FEARLESS, AGILE

Amongst many our '**Raftaar – speed**' stands out alone - GSK Consumer Healthcare Pakistan Limited's (GSK CH's) identity is accounted for being undoubtedly the best fast-moving consumer healthcare company in Pakistan.

We set foot in this journey back in 2017 when GSK CH took its Flight (**Uraan**) with relentless motivation and unwavering energy. We moved forward in 2018 and created our Identity (**Pehchaan**) when we had committed to deliver only the best to our consumers. Keeping our core values at heart, we remained patient focused, transparent, respectful and most importantly carried our integrity above all. These elements led us to this day where we excelled in this corporate race with a new profound strength; accelerating with a speed (**Raftaar**) not just to be the best but to be the number one choice for our consumers in Pakistan.

This strength for speed was not easy in such economic times with currency devaluation, regulatory frameworks and a competitive landscape. However, we made it through with courage, accountability and team work, we enriched our product portfolio with innovative products, re-visited our business models, improved our supply chain networks and focused on sales and financial growth.

Today, we take this opportunity and thank our customers and investors for their trust in GSK CH. We are a winning team in this race and are proud to achieve and deliver like we promised; Innovation (200% growth in product variants and line extension), **Performance** (10% growth in Net Sales with 17% growth in profits) and last but not the least delivering **Trust** (in ensuring reliable supply of quality products to our customers).

Finally, having set our **speed (Raftaar)** ; we at GSK CH believe and look forward to growing our business with the same enthusiasm, team strength and winning mindset across our functions in 2020.

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OUR **DNA**

OUR STORY

(Historic Timeline)



- GSK Consumer business demerged from **GSK Pakistan Limited**.
- GSK Consumer Healthcare Pakistan Limited formed.
- **GSK OTC (Pvt.) Limited** formed from Novartis OTC portfolio.

20
15

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

20
16

- **GSK Consumer Healthcare Pakistan Limited** gets listed on Pakistan Stock Exchange.
- Transfer of Market Authorization and Jamshoro manufacturing license to **GSK OTC (Pvt.) Limited**.


20
17

- 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.

20
18

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

20
19



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”

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.

OUR
VISION



OUR
MISSION

WHAT WE DO



OUR CORE VALUES

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.

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.

OUR BUSINESS:

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

OUR GLOBAL RESEARCH:

GSK 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.

Consumer Healthcare is a global unit, represented by GlaxoSmithKline Consumer Healthcare Pakistan Limited.

At GSK CH, we are committed to delivering results underpinned by our values. These values guide our actions and behaviors and lie at the heart of every decision we make.

Our core values are:

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.

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 behaviors 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.



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 corruption (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 GSK CH 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 STRUCTURE

OWNERSHIP AND OPERATING STRUCTURE



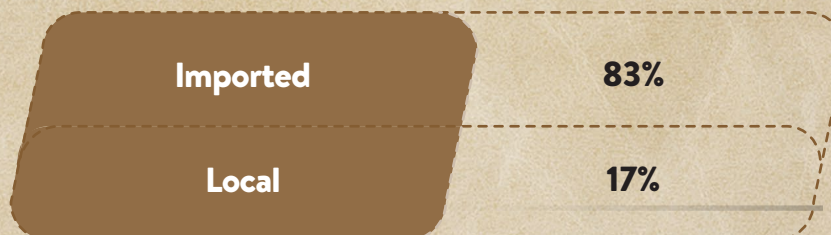
GSK CH Pakistan Limited was incorporated in Pakistan as a public unlisted company on March 31, 2015. The Company is listed at the Pakistan Stock Exchange Limited since March 22, 2017 with 85.79% shares being held by GlaxoSmithKline Consumer Healthcare B.V. The ultimate parent of the Company is GlaxoSmithKline plc, UK. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

SIGNIFICANT CHANGES FROM PRIOR YEAR

There were 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, 2019 was as follows:



PLANT OPERATIONS



GSK CH's Jamshoro plant, serving three markets, Pakistan, Vietnam and Philippines, manufactures and packages consumer healthcare products for GSK CH and pharmaceutical products for Novartis Pharma (Pakistan) Limited.

The site has state of the art facility for manufacturing and packaging of tablets, capsules, syrups / suspension, creams and gel products. The plant also has dedicated sections for Calcium effervescent (CaC-1000 Plus) and chewable tablets (QalSium-D). All products are manufactured and packed as per cGMP and high standards of Quality systems and assurance as per local and international standards. The plant complies with NEQS (National Environmental Quality Standards) as per EPA (Environmental Protection Agency) and SEPA (Sindh Environmental Protection Agency). The plant is also working on Sustainability target through alternate energy projects to reduce CO2 and water conservation.

Annual Volumes
produced in 2019

66
Million Packs

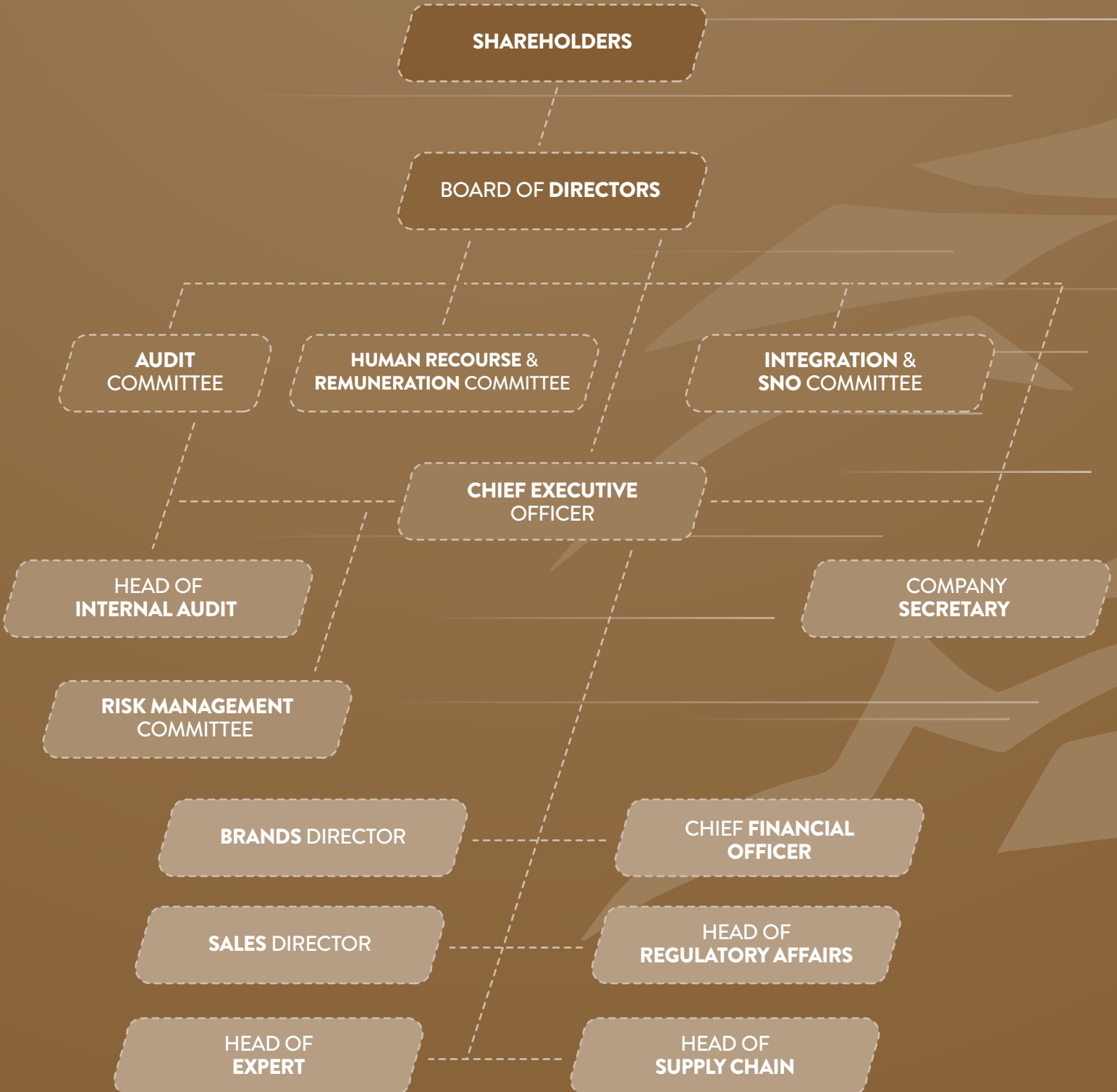
Annual Volumes
for 2020

73
Million Packs

No. of SKUs
manufactured

66

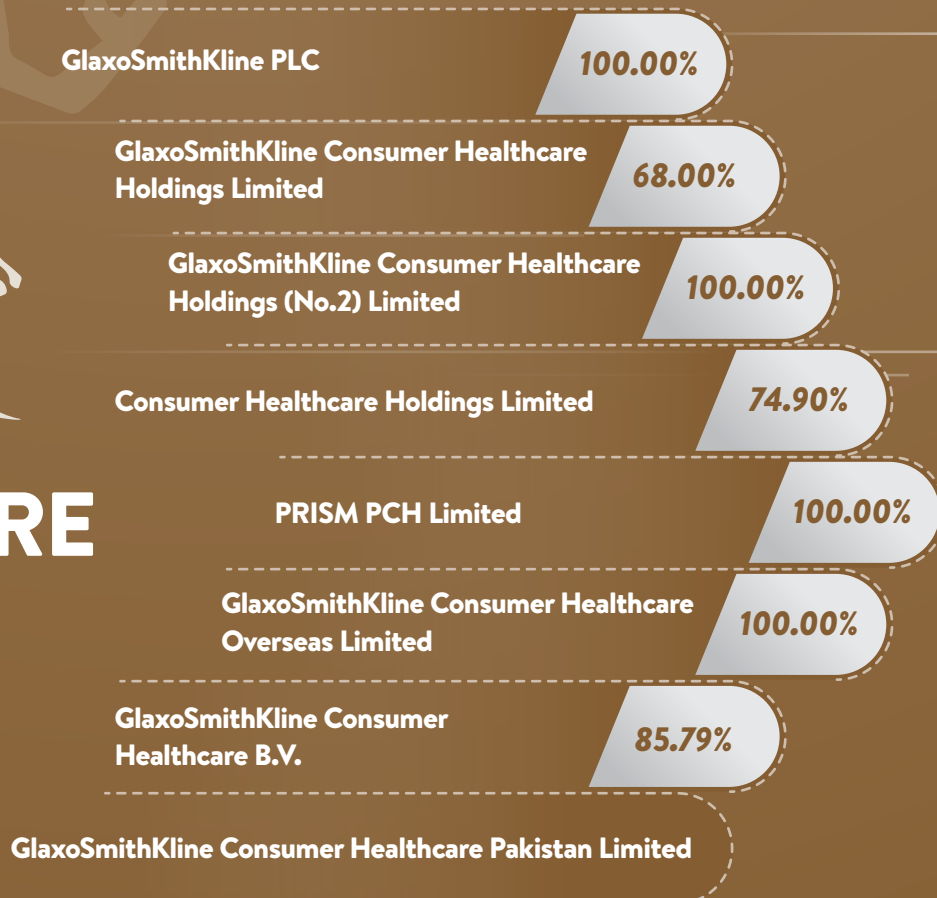
ORGANIZATIONAL STRUCTURE – GSKCH



NAME	TITLE
Mr. Sohail Ahmed Matin	Chief Executive Officer
Mr. Talal Javed Ahmed	Chief Financial Officer
Mr. Ahmed Jamil Baloch	Brands Director
Ms. Sadia Nasir	Sales Director
Mr. Mazhar Shams	Head of Regulatory Affairs
Mr. Faisal Rafiq	Head of Expert
Mr. Irfan Qureshi	Head of Supply Chain
Ms. Mehar-e-Daraksha	Company Secretary
Ms. Varisha Shahid	Head of Internal Audit



GROUP STRUCTURE



GEOGRAPHICAL PRESENCE



● **AMERICAS**
Latin America

Argentina
Brazil
CariCam
Chile
Colombia
Ecuador
Mexico

● **NORTH AMERICA**

Canada
Puerto Rico Pharma
United States of America

● **EUROPE**
Southern Europe

France
Iberia
Italy
Portugal
Ireland

Norther Europe
Great Britain
Ireland

Central and Eastern Europe
Romania
Russia
Ukraine & CIS
Adriatic
Poland





MIDDLE EAST AND AFRICA

- East Africa
- Egypt
- Gulf and Near East
- Pakistan
- Saudi Arabia
- South Africa
- Turkey
- West Africa

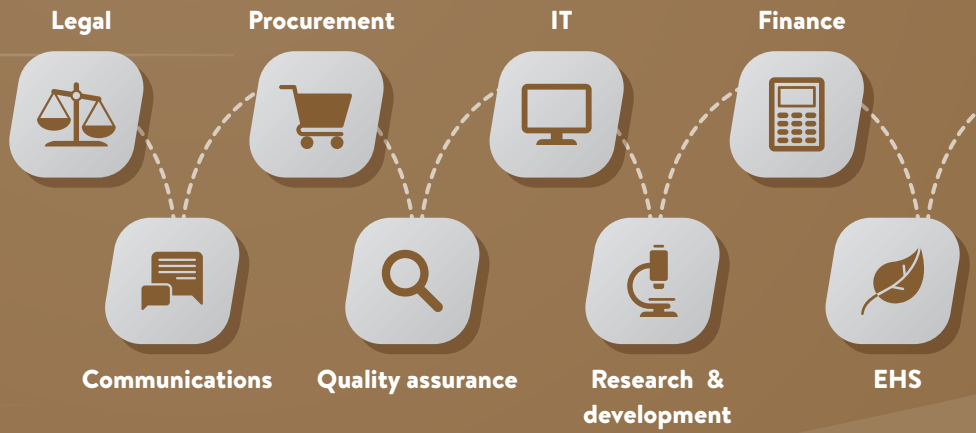
ASIA PACIFIC

- Australia and New Zealand
- Greater China
- Indian Sub-Continent
- Japan and Korea
- Southeast Asia

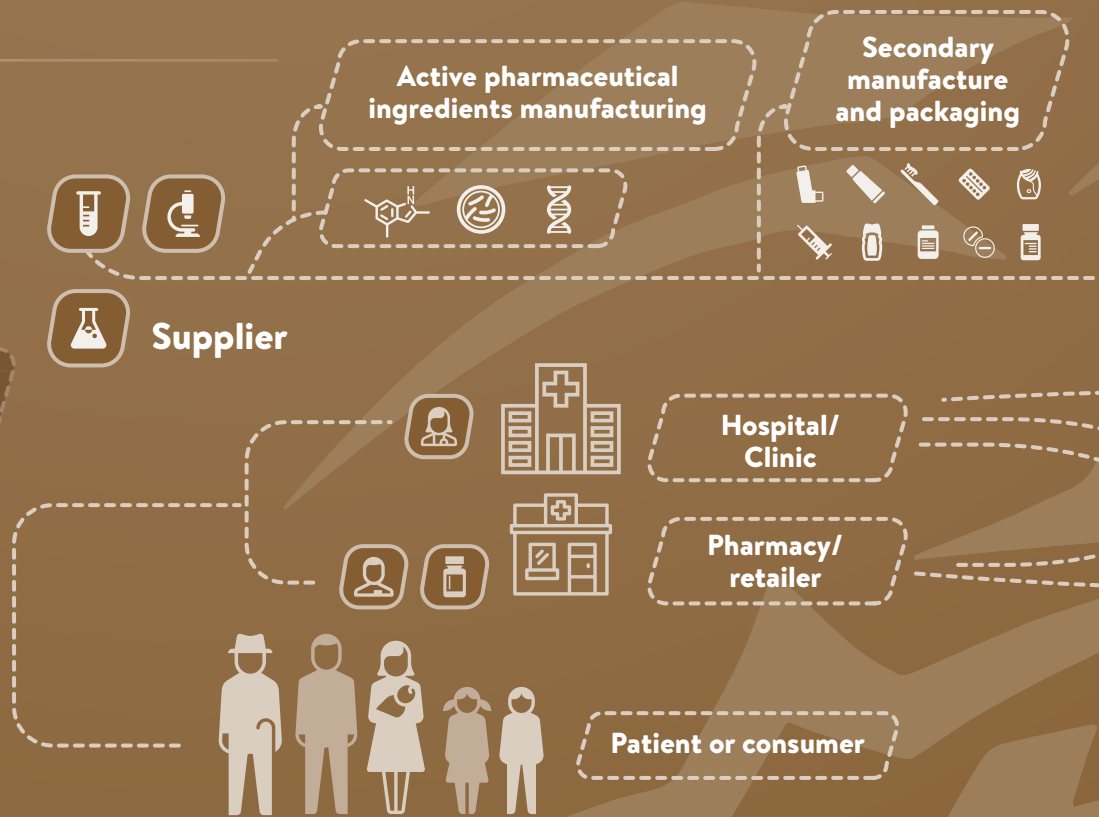


GSK'S POSITION IN THE VALUE CHAIN

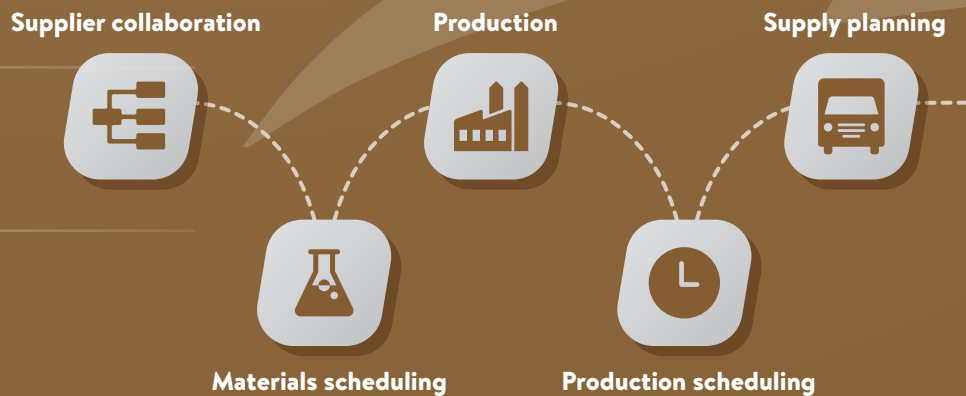
Functions



Physical flow



Planning flow



Human resources

Regulatory

External supply

Logistics

GPS



Engineering

Commercial

Strategy

Technical

Control Tower



Multi-market warehouse country hub



Local distribution center



Government agency



Distributor



Wholesaler



Distribution planning

Demand forecasting



Inventory management

Customer order management

Customer collaboration

OBJECTIVES AND STRATEGIES



OBJECTIVE	INNOVATION	PERFORMANCE	TRUST	CULTURE
STRATEGY	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 modern employer
TIMELINE	Medium to long term	Short to medium term	Long term	Long term
RESOURCE ALLOCATION PLAN	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
RELEVANT KPIs	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

OBJECTIVES AND STRATEGIES



SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PREVIOUS PERIODS

The Company has now defined Culture as a significant objective for its management and has increased its efforts to inculcate a universal set of values and expectations to drive day to day decision making and employee behavior.

SIGNIFICANT PLANS AND DECISIONS

We have merged GSK OTC (Pvt.) Limited with and into the Company in the year 2018. Moreover, the Company operates as a distributor of Physiogel and Horlicks in Pakistan, which cumulatively makes up 2% of the total annual sales of GSK CH. Our distribution rights will be revoked by the second quarter of 2020, due to global transfer of trademarks to third parties.

LIQUIDITY POSITION OF THE COMPANY

The company maintains healthy operating cashflows which are 78% of its Profit before tax. The Current ratio of the Company has improved from 1.29 to 1.38 during the year.

STRATEGY TO OVERCOME LIQUIDITY PROBLEM

Operating cash inflows are used to gradually reduce the company's dependence on running finance facility, that was transferred to the Company from GSK OTC (Pvt.) Limited upon its merger.

RISK MANAGEMENT



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.

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 MANAGEMENT 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 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.

RISK AND OPPORTUNITY REPORT



RISK

At GSKCH, risks can be largely classified as follows:

STRATEGIC RISKS – are those which pose a significant threat to meeting the business objectives and are outside the entity’s control. The principal strategic risk being faced by the Company remains the highly restrictive regulatory environment and lack of market-oriented pricing policies. While a new drug pricing policy which would address a majority of long-standing issues is expected to be rolled out in 2020, there is still a potential to improve and align our regulatory environment with other regional countries to help Pakistan’s Pharma industry to truly achieve its potential. In the meantime, the Company will continue to work on mitigating such risks through active discussion with the Government and other relevant stakeholders.

OPERATIONAL RISKS – are those which hinder the entity from running its operations smoothly.

Our main operational risks are the supply issues, inflation and the potential for fraud and employee turnover. These risks are being managed through development of alternate sourcing of materials, facility upgradations, robust forecasting process in commercial and manufacturing, simplification of operating model, spend management, adequate segregation of duties, refresher trainings of Code of Conduct, job rotations and employee empowerment.

COMMERCIAL RISKS – are those which stem from the commercial nature of the industry and are a direct threat to the profitability of the entity. In GSKCH’s case, the main threat stems from the

acceleration of low-cost generics in the market, which we counter through capacity enhancement/plant upgrading, new product launches, R&D and providing affordable healthcare solutions to maintain the Company’s market share.

FINANCIAL RISKS – are those that may cause financial loss to the entity and are described in more detail in note no. 40 of the Financial Statements.

The above risks are categorised using the following grid:

DEGREE	LIKELIHOOD	IMPACT
5	Almost certain	Catastrophic
4	Likely	Major
3	Moderate	Moderate
2	Modest	Unlikely
1	Minor	Rare

OTHER INDUSTRY RISKS INCLUDE:

ENVIRONMENT, HEALTH & SAFETY AND SUSTAINABILITY (EHS&S)

We are subject to health, safety and environmental laws. These laws impose duties to protect people, the environment, and the communities in which we operate. Failure to manage these environmental risks properly could result in litigation, regulatory action and additional remedial costs that may materially and adversely affect our financial results and reputation.

In accordance with our EHS&S governance under the policy, we ensure there is a control framework in place to manage the risks, impacts and legal compliance issues that relate to EHS&S and for

assigning responsibility to senior managers for providing and maintaining those controls. Individual managers seek to ensure that the EHS&S control framework is effective and well implemented in their respective business area and that it is fully compliant with all applicable laws and regulations, adequately resourced, maintained, communicated and monitored. Additionally, each employee is personally responsible for ensuring that all applicable local standard operating procedures are followed by them and expected to take responsibility for EHS&S matters.

Our risk-based, proactive approach is articulated in our EHS&S standard which supports our EHS&S policy and our objective to discover, develop, manufacture, supply and sell our products without harming people or the environment. In addition to the design and provision of safe facilities, plant and equipment, we operate rigorous procedures that help us eliminate hazards where practicable and protect employees' health and well-being.

MITIGATION: We are actively managing our EHS&S obligations and seek to ensure practices are environmentally sustainable and compliant.

ANTI-BRIBERY AND CORRUPTION (ABAC)

Our ABAC programme is built on best in class principles and is subject to ongoing review and development. It provides us with the basis from which we seek to manage the risk from top down and bottom up. For example, the programme comprises top-level commitment from the Board of Directors and leadership, an overall risk assessment and key risk indicators to enable targeted intervention and risk management activities. The programme is underpinned by a ABAC policy and written standards that address commercial and other practices that give rise to ABAC risk and ongoing communications.

MITIGATION: We provide mandatory periodic ABAC training to our staff and relevant third parties in accordance with their roles, responsibilities and the risks they face. In addition, the programme mandates enhanced controls over interactions with government officials and during business development transactions.

We continually benchmark our ABAC programme against other large multinational companies and use external expertise and internal insights to drive improvements in the programme.

WORKING WITH THIRD PARTIES

Third parties are critical to our business delivery and are an integral part of the solution to meeting our business objectives. We rely on third parties, including suppliers, advisors, distributors, individual contractors, licensees, and other pharmaceutical collaboration partners for discovery, manufacture, and marketing of our products and for supporting other important business processes. Inadequate protection or misuse of critical and sensitive information shared with these third parties could have significant business impact.

MITIGATION: Our Third-Party Oversight programme strengthens our management of risk in the supply chain by driving improvements in our network of third parties – including suppliers, distributors and other organisations with which there is a transfer of value – to ensure that they share our Values and work to the ethical and business standards expected by GSK CH. The programme has now been rolled out across all areas of the business. During 2019, number of risk assessments were completed and while we will work with third parties to help them improve, if significant issues are not resolved, we may exit from the third party relationship.

PRIVACY

There is an increasing focus on the ethical use of Personal Information, over and above compliance with Data Privacy laws and individuals are increasingly becoming aware of their rights.

MITIGATION: We have developed comprehensive training to drive a culture where everyone at GSK CH takes personal responsibility for the correct handling of personal data. Our privacy principles ensure that our use of Personal Information is kept to the minimum necessary and is fair, transparent, accurate and secure. Through monitoring, we continuously improve our processes, such as issue identification, reporting and handling capabilities.

INFORMATION SECURITY

We rely on critical and sensitive systems and data, such as corporate strategic plans, intellectual property, manufacturing systems and trade secrets. There is the potential that our IT infrastructure or data may be exposed to misuse or unauthorised disclosure. We believe that none of the cyber security incidents have resulted in significant disruptions to our operations or have had significant adverse effect on our operations or on third parties. However, as threats evolve, the Company always tries to make an utmost effort to monitor and protect our systems and information to prevent any sort of disruption in future.

We have an information protection policy and accompanying information technology standards and processes that are supported through a dedicated team and programme of activity. Our Information Protection function provides strategy, direction, and oversight, including active monitoring of cyber security, while enhancing our information security capabilities, through an ongoing programme of investment. We assess changes in our information

protection risk environment through briefings by government agencies, subscription to commercial threat intelligence services and knowledge sharing with other pharmaceutical businesses and cross-industry bodies.

MITIGATION: We aim to apply industry best practices as part of our information security policies, processes and technologies and invest in strategies that are commensurate with the changing nature of the security threat landscape.

OPPORTUNITIES

- **Pricing policy**

We look forward to a conducive pricing policy that will allow the industry to sustain and thrive in the longer run. It is imperative that the business is able to secure price increases to offset ongoing inflation and devaluation in the prevailing economic environment.

- **Innovations**

Our current pipeline of line extensions and potential launches remains strong to meet consumer needs, thereby allowing our Company to grow faster than the market.

- **Pharmacy programs**

The pharmacy channel is quickly evolving in Pakistan in line with international standards to offer a complete healthcare solution to patients and consumers. Our Company is partnering and investing in the growing channel to increase our footprint and share of shelf that will drive a call-to-action.

- **Institutional sector**

The Ministry of Health and NGOs are actively investing in the public health system to increase access to medicines to a larger universe of patients through direct partnerships with healthcare companies. Our Company is increasing focus on participating in such opportunities to support the community and generate greater revenues for shareholders.

INFORMATION ABOUT DEFAULT IN PAYMENTS OF DEBTS

There were no defaults in payments of debts during the year ended December 31, 2019.

INADEQUACY IN THE CAPITAL STRUCTURE

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

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. 42. However, details of factory employees are as follows:

Employees working in the Company factory as at December 31, 2019	355
Average employees working in the Company's factory during the year	341

SIGNIFICANT FACTORS

AFFECTING THE EXTERNAL ENVIRONMENT AND THE ORGANIZATIONAL RESPONSE



ECONOMIC

High inflation and interest rates, increasing labor cost, and low economic growth adversely affects the profitability.

SOCIAL

Corporate Social Responsibility program initiated to increase awareness amongst the people and to promote a healthy lifestyle for them.

ENVIRONMENTAL

Increasing awareness about the surroundings and the condition in which a person operates.

ORGANIZATIONAL RESPONSE

Initiatives taken to reduce costs and price adjustment.

Various steps taken as part of our CSR campaign.

The Company complies with local regulatory compliance requirements to environmental safety

LEGAL

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

TECHNOLOGICAL

Continuous technological changes and advancements lead to obsolescence and excessive training.

POLITICAL

Political instability and uncertainty.

ORGANIZATIONAL RESPONSE

The Company ensures compliance with all the applicable laws and regulations.

Continuous training provided to the employees regarding evolving ways of working.

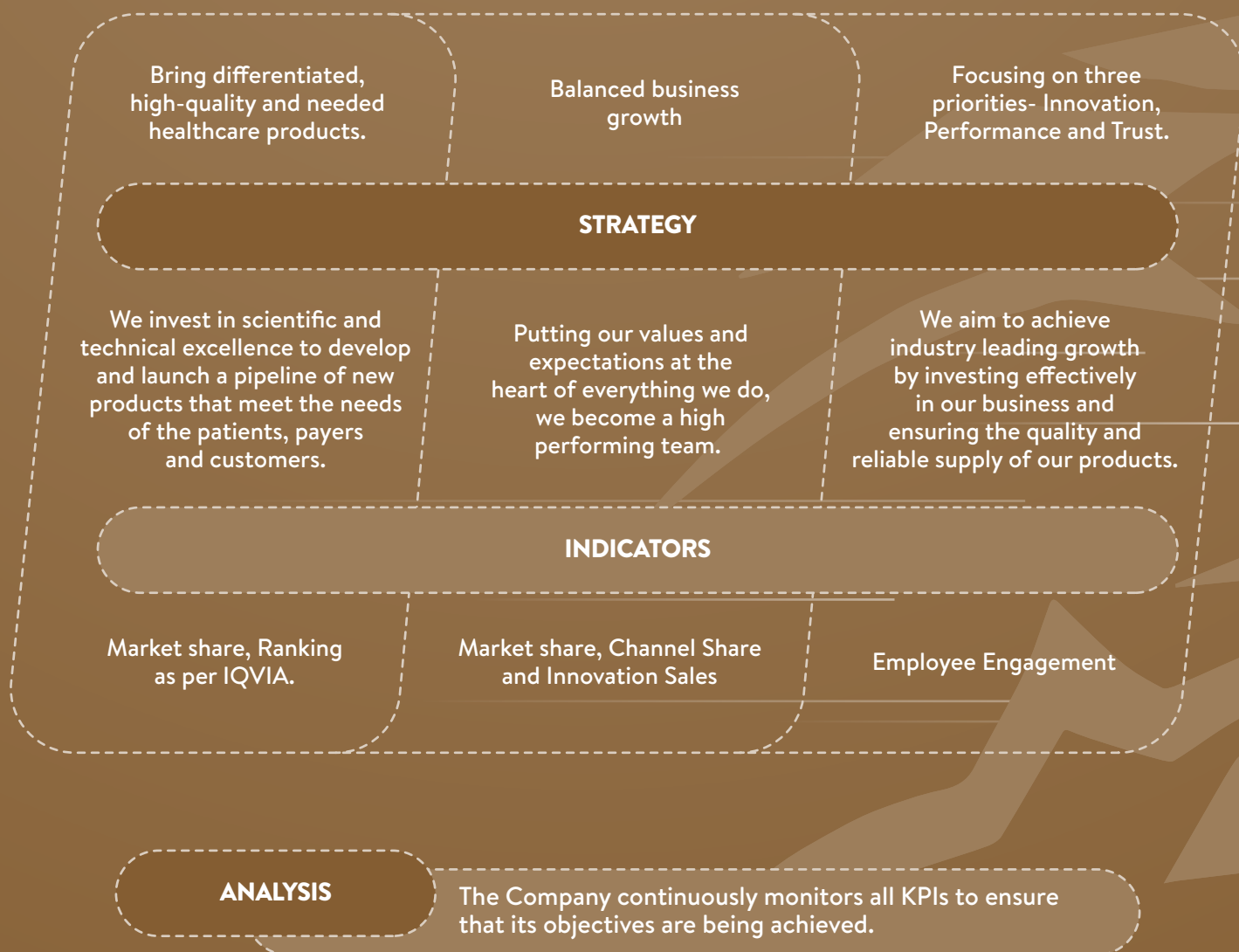
Diversification of inventory holding across the country and across the route-to-market. Use of technology to manage business operations during uncertainties.

ANALYSIS OF FINANCIAL AND NON-FINANCIAL PERFORMANCE

USING KEY INDICATORS



NON-FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

Financial Performance using indicators is explained on page 88 and onwards.

STAKEHOLDER'S ENGAGEMENT



All shareholders are invited to attend our Annual General Meeting. This year's AGM will be held at GSK CH Pakistan Limited's Head Office, on 20th may 2020 at 12:00 noon. Our 2018 AGM had a good level of attendance and engagement by shareholders. All our proposed resolutions at the last AGM were approved by shareholders. The AGM provides an opportunity to put questions to our Board during the formal AGM proceedings, while providing shareholders the chance to meet informally with our Board Directors who will make themselves available before the meeting.

In the performance of its legal duty to promote the success of the company, the Board has regard to a number of factors, including listening to and considering the views of shareholders and other key stakeholders and is cognisant of the potential impacts of decisions it makes related to stakeholders, the environment and the communities in which we operate.

We try to engage with shareholders in several ways. This includes regular communications, the AGM and other investor relations activities. We announce our results on a quarterly basis and our annual results are included in our Annual Report. All shareholders receive our Annual Report and Notice of our Annual General Meeting. We strive to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange and other sources available to help investors to make informed decisions.

Further, during the year, we held a successful Corporate Briefing session which included giving presentations to shareholders, institutional investors and analysts at the Pakistan Stock Exchange.

Engagement with the company's main stakeholder groups, including our patients, shareholders, consumers, customers and employees, at all levels of the organisation and across the enterprise is summarised below:



INVESTORS

As a listed entity, we maintain discussion with investors to communicate our strategy and performance in order to promote investor confidence. We strive to do so by holding an engaging Corporate Briefing sessions and Annual General Meetings.



GOVERNMENTS AND REGULATORS

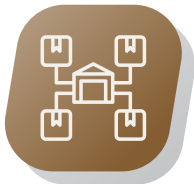
We work with governments and regulators to advocate for policies that encourage innovation, promote efficient management of healthcare spending and give consumers the support they need.



EMPLOYEES

As a modern employer, we want to make sure that everyone is empowered to be themselves, feel good and keep growing at GSK CH. We believe this will help us to attract, retain and motivate the very best people to support our business now and in the future. We involve and listen to employees to help us maintain strong employee engagement and retain talented people.

- Conducting a twice-yearly global employee survey so we can act on employee feedback
- Promoting informal dialogue and collaboration through our new internal tech platform
- Let's Talk events with leaders and members of the Corporate Executive Team



SUPPLIERS & DISTRIBUTORS

We work with numerous suppliers, large and small, who provide goods and services that support us in delivering high-quality, safe products for our patients and consumers. We engage with suppliers through our Third-Party Oversight programme and external platforms to help monitor performance. Further, our distributors and suppliers are essential partners in guaranteeing that we deliver only the highest levels of product quality. We help our suppliers and vendors grow their standards of quality management through

periodically held QMS training sessions. Moreover, our distributors undergo regular QMS audits to ensure that compromises are not made when it comes to consistently delivering quality products.



MEDIA

Different communication mediums are used on need basis to apprise the general public about new developments, activities and philanthropic initiatives of GSK CH.

They include:

- Advertising Campaigns
- Press releases
- Print Advisement
- Radio Messages

CORPORATE GOVERNANCE



OUR CORPORATE GOVERNANCE STATEMENT

Our governance structure operates from the Board across the Company and we believe it underpins our ability to deliver our strategy and create long-term value and benefit for our shareholders and stakeholders. Our purpose and values have always been a source of great pride for the Board and our 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 THE BEST CORPORATE PRACTICES

GSK CH is fully complied to 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 115.

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 supported by EY, Ford Rhodes.
- 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 regulations.

COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Our Board is well versed with the new requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same.

EXCEEDING LEGAL REQUIREMENTS

GSK CH strives to operate transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in pro-actively complying with many additional legal requirements which were not mandatory.

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

- The Code of Corporate Governance requires that at-least half of the directors on the Board of a Company must have completed the Directors' Training Program trained by 30th June 2020. Currently, as of December 31st, 2019 more than 50% of the Directors are either trained or exempted from the program.

- In order to continuously improve, achieve and exceed global standards for product safety, quality, HSE, manufacturing and management excellence, GSK CH has Implemented a robust and aggressive Health, Safety and Environment policy, along with strategies and road shows to ensure safety of employees and equipment.
- The Board of Directors of the Company comprises of two female directors.

Living our values and expectations Together

Together, our values (Consumer First, Integrity, Respect and Transparency) and expectations (courage, accountability, development and teamwork) help us to create the culture we want. They are included in our Code of Conduct, which we have updated to make it simpler and easier to use. Every GSK CH employee and complementary worker is required to complete mandatory training on the Code of Conduct annually.

Reporting and investigating concerns

We encourage people to speak up if they have any concerns relating to unethical conduct or behaviour that is inconsistent with our values. Anyone within or outside GSK CH can raise concerns or speak to an independent third party through our integrity lines, confidentially or anonymously if they prefer. We take every reported concern very seriously and we review each one to understand whether a formal investigation is warranted. If our investigations show that an employee has breached our policies, we take appropriate disciplinary action.

Inside Information Register

In compliance with the regulatory requirements, the Company ensures that it maintains Insider Information Register, which is updated on a regular basis.

CONFLICT OF INTEREST AMONG BOARD MEMBERS

The Company has a clear policy on conflict of interests which is contained in the Code of Conduct duly approved by the Board of Directors. As per Code of Corporate Governance 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 Audit Committee who recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company. The Directors are reminded of insider trading and avoid in the dealing of shares during the closed period. The Board has been constituted in compliance with the provisions of the Companies Act, 2017. 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.

WHISTLE BLOWING POLICY

GSK CH 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 GSK CH. It is the foundation for building trust in our company and protects our license to operate. We expect everyone at GSK CH 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.

Zero Tolerance for Retaliation

At GSK CH, you can report concerns without fear of reprisal. GSK CH 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 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 GSK CH.

GSK CH 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, GSK CH will support that individual.

As a part of our expectations and values of doing the right thing, all GSK CH employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches with the GSK CH Code of Conduct, and other company policies and procedures. Further, any suspected violations of country laws and regulations must also be reported. Non-GSK CH personnel working on behalf of the Company are also required to report misconduct concerns, with 'Speak Up' integrity line information provided in the GSK CH Third Party Code of Conduct.

Speak Up Instances During the Year

During 2019, there were no instances that qualified as of material nature.

CORPORATE BRIEFING SESSION

On October 10, 2019, the Company held its first successful Corporate Briefing session at Pakistan

Stock Exchange. Mr. Sohail Ahmed Matin (CEO), Talal Javed Ahmed (CFO) and Ms. Mehar e Darksha (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview of the year.

Investors from all walks of life attended the event and displayed great interest on the affairs of the Company. The presentation was followed by a Q&A session, where thought provoking questions were put forward to the management of the Company; which were well addressed to the satisfaction of the audience.

Presentation from the Corporate briefing session can be viewed on the Company's website under "Investors" section.

INVESTORS' GRIEVANCE POLICY/ REDRESSAL OF INVESTORS' COMPLAINTS

The Company is committed to ensure that grievances notified by the shareholders are handled and resolved efficiently at an appropriate level within shortest possible time.

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. Main principles of the Shareholders Grievance Policy are as follows:

- All the Shareholders are always treated 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 Shares Department and appointed an independent Share Registrar (CDCSRSL) to resolve issues of the shareholders.

Complaints are initially lodged with the Shares Department and Share Registrar (CDCSRSL) of the Company who expeditiously takes necessary actions. The Shares Registrar forwards the complaints to the Company if these fall outside their domain.

The shareholders can also submit a complaint through email i.e. (PK.shareinfo@gsk.com) which is also available at the Company's website in line with directives of SECP. The grievances can also be notified through phone call or post to the Company.

The Company adheres to the practice of responding to shareholders' complaints within Two (02) working days of the receipt thereof. A letter/email in this regard is sent to the shareholders with intimation to the Shares Registrar/SECP/Stock Exchange duly signed by the Company Secretary.

INVESTORS' SECTION ON WEBSITE

In order to provide ease of access to our stakeholders the Company's latest information for investors is available on our website, under the "Investors" section on the Company's website (pk-consumerhealthcare.gsk.com/en-gb/investors)

This page is updated regularly in order to provide transparent, adequate and upto date information to all investors and stakeholders. In compliance with the rules and regulations of Pakistan, all information is made available in both English and Urdu.

POLICY FOR SAFEGUARDING OF RECORDS

Under GSK CH's Global Records Retention Policy, all staff in all business units, regions, areas and functions must follow approved retention periods in managing their records. The retention periods given in this schedule also have precedence over business unit-specific GSK CH retention guidelines and meet legal timelines. The GSK CH Global Records Retention Schedule applies to all media and formats.

We believe that documentation practices have a direct impact on product quality and consumer safety, and we implement the highest standards of record safeguarding through our document management and control policy. We have strict data lifecycle management guidelines in place which are implemented across all our activities and processes. These guidelines outline procedures for our 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 our Code of Conduct, we ensure documentation practices meet our requirements for design, management and control of instructions, reports and master documents. We also have checks in place that cover archive requirement for all our stored data, both physical and electronic.

BOARD OF DIRECTORS ROLE

The Board of Directors is responsible for governing the organization, as the leaders who oversee the governance of the Company by establishing Board policies setting goals, objectives and strategies that the Company requires. 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. Our 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 GSK CH is appropriately managed and achieves business objectives. Our Board remains committed to the highest standards of corporate governance and integrity.

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

Board of Directors meets 5-6 times a year to consider GSK CH's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments, licensing decisions and evaluates and monitors GSK CH's performance. Our Board comprises of 7 Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected. There are 2 executive and 5 non-executive directors on our Board, 2 of whom are independent directors. In view of the Company's policy of diversity, GSK CH maintains female representation on the Board with two Directors being a female.

Our 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.

Our 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.

DIRECTORS'

PROFILE



MR. M. Z. MOIN MOHAJIR

Independent Director (Chairperson)

Appointment: 26th April 2018, **Nationality:** Pakistan
Years of experience: 40 years of experience in business and finance field.

Education: Qualified Chartered Accountant with A.F. Ferguson & Co.

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.

He joined the Overseas Investors Chamber of Commerce and Industry (OICCI) in October 2011, where he is presently working as the Deputy Secretary General. He also serves as the Independent Member of the Board of Directors and Chairman Audit Committee of Pakistan Oxygen Limited, Archroma Pakistan Limited, Wyeth Pakistan Limited and Loads Limited. He is also a Member of Federal Tax Ombudsman Advisory Committee (South), Member of Advisory Committee set up by Chief Commissioner Inland Revenue, Karachi, to facilitate/resolve issues of trade bodies falling under the Civil Division of Karachi and a Member of the Investigation and Taxation committees of the Institute of Chartered Accountants of Pakistan (ICAP).

His previous other responsibilities include; Member of the Board of Directors and Chairman Audit Committee – Pakistan Industrial Development Corporation (PIDC), Member of the Board of Directors and Audit Committee – Standard Chartered Leasing Limited, Member of the Board of Directors and Audit Committee – Sindh Modaraba Limited, Chairman of the Election Committee – ICAP, Member of the Finance Subcommittees of two major Clubs.



MR. SOHAIL AHMED MATIN

Executive Director (Chief Executive Officer)

Appointment: 6th January 2016

Nationality: Pakistan

Years of experience: 36 years of experience in pharmaceutical field.

Education: Sohail Matin holds a master's degree in Mechanical Engineering from Stevens Institute of Technology, followed by an MBA in Management from Oklahoma State University.

Sohail Ahmed Matin is CEO & GM of GSK Consumer Healthcare Pakistan. He started his career in Supply Chain with Glaxo Laboratories Pakistan Limited in 1986, and then moved to SK&F and Sterling Winthrop.

He joined SmithKline Beecham in 1997, and since then, has worked as Director, Quality Assurance & Manufacturing Development in Pakistan, as well as Area Regulatory & Business Development Director, Middle East & Africa in Dubai, before moving back to Pakistan in 2007 and taking on his current role.

In GlaxoSmithKline, his biggest achievement was the turnaround of the Consumer Healthcare Pakistan business, delivering a compound annual growth of 25% for the last six years. The key to his success was putting together a high-performance team, significantly improving the company's Commercial Execution capability, and articulating and aligning everybody behind the company's high growth ambition (Vision 4X).

He is also on the Board of Directors of Pakistan LNG Limited.



MRS. ANNELIZE ROBERTS

Non - Executive Director

Appointment: 23rd June 2016

Resignation: 16th January 2020

Nationality: United Kingdom

Education: Qualified as a Chartered Accountant in South Africa, completed her articles with KPMG. Annelize is also a Chartered Management Accountant (ACMA) and holds degrees in Accounting and Information Systems.

Years of experience: 22 years of experience in the finance field.

Annelize Roberts recently took on the role of VP Finance -Global Industrial Operations & Quality-GSK Vaccines based in Belgium, following on from her role as VP finance Global Trading Partner Entities and the successful consolidation of entities onto 1 ERP system. Initially based in Dubai, she was the Finance Director for the Middle East Consumer from Jan 2013 till 2015. Thereafter in May 2015, she relocated back to London to take on the Global Finance Integration role for the new GSK Consumer joint venture with Novartis. Annelize joined GSK in 1999 and has worked across several parts of the organization including roles in the Consumer Healthcare, Corporate, ViiV Healthcare covering finance partnering, supply chain planning, finance support services and project integration roles.



SYED ANWAR MAHMOOD

Independent Director

Appointment: 23rd June 2016, **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.

Mahmood joined the Central Superior Services (CSS) of Pakistan in November in 1971. After training 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 Chairman of the Board, including PTV, PBC, SRBC, APP and the Press Information Department.



SYED AZEEM ABBAS NAQVI

Non – Executive Director

Appointment: 6th January 2016, **Nationality:** Pakistan
Years of experience: 23 years of experience in the law field.

Education: Qualified lawyer with an LLB from Punjab University.

Syed Azeem Abbas Naqvi is the Cluster Legal Director for Pakistan, Iran and Bangladesh and the Company Secretary of GlaxoSmithKline Pakistan Limited. He has 22 years' of experience as an inhouse and practicing lawyer. He is an enrolled Advocate of High Court and joined GSK in the year 2014 as Head of Legal and Company Secretary. Prior to GSK, he has served as Head of Legal and Company Secretary at Nestle Pakistan Limited for 11 years and worked as Head of Legal with PTCL, Bank of Punjab and PARCO as well.

He has a diversified background and expertise in corporate, constitutional, civil and industrial law. As an expert business lawyer, he has strong insight in business development, regulatory and legal environment in Pakistan, Iran and Bangladesh jurisdictions.

He has significantly contributed to many critical projects at GSK for which he received the General Counsel Award along with several other commendations for his achievements.



MR. TALAL JAVED AHMED

Executive Director (Chief Financial Officer)

Appointment: 29th October 2018, **Nationality:** Pakistan
Education: Talal Javed Ahmed is a Chartered Accountant and Certified Internal Auditor who holds qualifications from ICAP (Pakistan), ACCA (UK) and IIA (US).
Years of experience: 14 years of experience in the finance field.

Talal Javed Ahmed joined GSK Pakistan Limited in 2008 after obtaining audit and assurance experience from A.F. Ferguson & Co. (a member firm of the PwC network). Initially working with GSK as a Finance Business Partner, he played a pivotal role in the merger & integration of BMS and Stiefel entities; and continued to work on business planning and transformation projects.

In 2012, he took up regional and global roles in GSK to optimize financial systems and deploy improved frameworks and practices for managing our trade channel investments across diverse market archetypes. At the same time, he also served as the Head of Internal Audit for GSK Pakistan Limited. In October 2018, he joined GSK Consumer Healthcare Pakistan Limited as Chief Financial Officer.



MS. EMINE TASCI KAYA

Non – Executive Director

Appointment: 23rd June 2016, **Nationality:** Turkey
Years of experience: 15 years of experience in supply chain.

Education: Bachelor's degree in Economics from Yildiz Technical University and has a master's degree in Logistics and Supply Chain Management from University of South Australia.

Emine Tasci Kaya joined GSK in February 2016 as Customer Supply Chain Director for Middle East markets. In this role Emine oversees end to end supply chain activities for the markets in the Middle East Area and provides single point of contact for the commercial organization on Supply Chain Performance.

Before joining GSK, Emine spent ten years working in regional and global supply chain roles both in Turkey and Asia Pacific in FMCG and Pharmaceutical industries.

OUR BOARD COMPOSITION

There are 2 executive and 5 non-executive directors on our Board, 2 of whom are independent directors. Both independent directors are appointed as per Section 166 of the Companies Act 2017. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications, who actively ensure that all shareholders' and stakeholders' 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.

GSK CH values and ensures effective, efficient and independent decision making. The Board as a group includes competencies and diversity considered relevant in the context of Public Limited Company's operations. 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 the pharmaceutical, finance, investment, legal 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 Code of Corporate Governance, issued by the Company on page 114.

CHANGES IN THE BOARD COMPOSITION

The existing board was re-elected as directors of the company for a term of three years. This election of directors was conducted for appointment of new members to the Board of Directors through Annual General Meeting of the shareholders on 23rd April 2019.

BOARD OF DIRECTORS MEETINGS

Our 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 GSK CH'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 the Board Meetings, HR and Remunerations Committee and Audit Committee Meetings are scheduled for the coming year. The Board Members are issued Meeting Notices within statutory timelines. The Board Folder is sent seven days prior to the Board Meeting which comprises of the Notice, Agenda and Financial Documents along with other business papers on which decisions or approvals are to be considered.

Audit Committee and Human Resource & Remuneration Committee are held according to an annual schedule circulated before each fiscal year to ensure maximum director participation.

Scheduled Board and Committee attendance during 2019 is set out below:

Sr. No.	Name of Board Director	Board of Director Meeting	Audit Committee Meeting	HR and Remunerations Committee Meeting	Integration & SNO committee Meeting
		6	5	2	1
1	Ms. Annelize Roberts	5/6	-	-	-
2	Mr. Sohail A. Matin	5/6	-	1/2	1/1
3	Syed Azeem Abbas Naqvi	6/6	5/5	2/2	1/1
4	Mr. M.Z. Moin Mohajir	6/6	5/5	-	-
5	Syed Anwar Mahmood	6/6	5/5	2/2	-
6	Mr. Talal Javed Ahmed	6/6	-	-	1/1
7	Ms. Emine Tasci Kaya	4/6	-	-	-

MEETINGS HELD DURING THE YEAR - 2019

Board of Directors Meeting held on	Audit Committee Meeting held on	HR&R Committee Meeting held on	Integration & SNO Committee Meeting held on
25-Feb-19	25-Feb-19	18-Mar-19	18-Nov-19
18-Mar-19	18-Mar-19	24-May-19	
23-Apr-19	23-Apr-19		
21-Jun-19	27-Aug-19		
27-Aug-19	25-Oct-19		
25-Oct-19			

DIRECTORSHIPS

Directors	Organizations
Ms. Annelize Roberts	GlaxoSmithKline Consumer Healthcare Pakistan Limited
Mr. Sohail A. Matin	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	Pakistan LNG Limited
Syed Azeem Abbas Naqvi	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	GlaxoSmithKline Consumer Healthcare Pakistan Limited
Mr. M.Z. Moin Mohajir	Archroma Pakistan Limited
	Wyeth Pakistan limited
	Pakistan Oxygen Limited
	Loads Limited
Syed Anwar Mahmood	GlaxoSmithKline Consumer Healthcare Pakistan Limited
Mr. Talal Javed Ahmed	GlaxoSmithKline Consumer Healthcare Pakistan Limited
Ms. Emine Tasci Kaya	GlaxoSmithKline Consumer Healthcare Pakistan Limited

BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON

The board of directors has appointed a Chairperson from among the 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 Code of Corporate Governance 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 to ensure 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.

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:

- 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.
- Take actions on matters recommended and/or reported by the 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 finance team to develop a solid cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs.
- Act as a strategic advisor and consultant offering expert advice on contracts, negotiations or business deals that the Company may enter into.
- Report on governance, risk management and compliance issues.
- Evaluate company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

BOARD COMMITTEES

The Board has formed the following Committees in line with best practices and requirements of the Code of Corporate Governance:

AUDIT COMMITTEE

GSK CH's Audit Committee comprises of 3 members, all of whom are Non-Executive Directors including the Chairman of the Committee, who is an Independent Director.

The Audit Committee composition is made up of one member, who is a Chartered Accountant, while one member has a M.Sc. in Finance and Economics and the third member is a lawyer. The Audit Committee members have extensive experience in the fields of financial management, accounting, business, economics and law.

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

The 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 Committee held 5 Meetings in 2019 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 Committee also met with the external auditors without the CFO and Head of Internal Audit being present.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustment resulting from the audit;
 - Going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with these regulations and other statutory and regulatory requirements; and
 - All related party transactions.
- Review of preliminary announcements of results

prior to external communication and publications;

- Facilitating the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of Management, where necessary);
- Review of Management letter issued by the external auditors and Management's response thereto;
- Ensure coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and Management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales. Receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider referral of any matter to the external auditors or to any external body;
- Determining of compliance with relevant statutory requirements;
- Monitoring compliance with these regulations and identification of significant violations thereof;

- Review of arrangement for staff and Management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof; and
- Consideration of any other issue or matter as may be assigned by the Board of Directors.
- Recommend to the Board for consideration and approval of a policy framework for determination of remuneration of Directors (both executive and non-executive directors and members of senior management).
- Recommend selection, evaluation, development, compensation (including retirement benefits) and succession planning of the CEO, CFO, Company Secretary and Head of Internal Audit.
- Consider and approve recommendations of CEO on matters related to key management positions who report directly to CEO.
- To approve and ensure dissemination of Company's Code of Conduct across the company.
- Undertake annually a formal process of evaluation of performance of the Board as a whole and its committees.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Company has established this Committee in accordance with the requirements of the Code of Corporate Governance. This 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 of the CEO on matters related to succession planning of key management positions and ensuring proper compensation to GSK CH employees. This Committee meets at least once in a year.

TERMS OF REFERENCE OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

- Comprising of at least 3 members; consisting of mainly Non-Executive Directors, including one Independent Director.
- Recommend HR Management Policies to the Board

INTEGRATION AND SUPPLY NETWORK OPTIMIZATION COMMITTEE

The Integration and Supply Network Optimization Committee comprises of 4 members of the Board. The purpose of this committee is to explore significant Supply Network opportunities and facilitate a smooth Integration process. The committee is currently focused on assessing the post-merger scenario of GSK OTC and GSK CH.

ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES

In accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has carried out an evaluation of performance of its individual members, the board and the performance of its Committees.

Board evaluation process was conducted internally by the Company Secretary who prepared an annual Evaluation Assessment Questionnaire which is circulated amongst the Board Members to provide

clarifications and further insights and perspectives on the performance of the Board.

The salient features of the board self-evaluation are given below:

- Board composition and quality
- Understanding the Business including Risks
- Strategic planning
- Board's overall scope of responsibilities, processes and procedures
- The effectiveness and efficiency of the operation of the Board, CEO and its committees,
- Oversight of the Financial Reporting Process, including Internal Controls
- Ethics and Compliance
- Evaluating the flow of information
- The effectiveness and efficiency of the operation of the Board and its committees

The Company Secretary then draws all the responses together from the information gathered. Strict level of confidentiality is practiced upon receiving of filled questionnaire and Directors' comments by the Company Secretary. Results from performance evaluations are then discussed in detail in the subsequent Board meeting to address the highlighted areas and improve the Board's performance.

As a part of good governance, following the discussion with the Board as a whole, areas of focus and improvement are identified by the Board. Currently, the areas of focus as identified by the Board are risk management, business growth and opportunities and providing oversight to the management.

It was further decided by the company management that the Board Performance Evaluation is also to be carried out by external consultant (Pakistan Institute of Corporate Governance - PICG), once every 3 years. In this regard the Company will appoint an external consultant to do the needful for the year 2020.

Committees annual evaluation process was also conducted internally by the Secretaries of each respective Committee. The evaluation was conducted through an annual evaluation questionnaire which was circulated amongst the Committee Members to provide clarifications and further insights and perspectives on the performance of the Committee.

INCLUSION AND DIVERSITY IN THE BOARD

Our Board takes a progressive approach with regard to inclusion and diversity because we want everyone to be at their best and bring their own perspectives to our business. Together, these unique perspectives and wide variety of personal experiences make our business stronger, enhancing our ability to innovate and respond to the diverse needs. Therefore, keeping in line with GSK CH's inclusion and diversity and in order to meet the requirements of the law, GSK CH is fully compliant with the female representation on the Board of Directors.

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 orientating and familiarising new Directors with our industry, organisation, governance and our long-term IPT priorities.

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

The induction programme for Executive Directors normally 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 normally includes explanations of GSK CH'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 Non-Executive Directors develop and maintain a greater insight and understanding of the business and key stakeholders, they:

- Go through the process of familiarisation with the industry and GSK CH.
- Review the board's operations, legal requirements and duties, committee structures and relevant charters.
- Review the Board's chair and committee chair roles along with the CEO's roles and responsibilities
- Review director duties and the business judgment rule
- Review any policy that impact the directors such as conflict of interest, whistle blowing, 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 Non-Executive and Executive Directors' induction programmes.
- Receive documents explaining the following:
 - GSK CH'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 the Directors under the Companies Act, 2017;
 - Roles and responsibility of the Directors

under the Code of Corporate Governance and other laws and regulations of Pakistan;

- 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

DIRECTOR TRAINING

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. Your Company conducts various training programs to make sure the entire board is aligned with the organization's missions and corporate governance.

Names of Directors who have successfully completed the Director Training program certification from SECP approved institutions are provided below.

- Mr. Sohail Ahmed Matin
- Syed Azeem Abbas Naqvi
- Mr. M.Z. Moin Mohajir
- Mr. Talal Javed Ahmed

All the other directors possess sufficient skills and experience as described in the Code of Corporate Governance.

Four out of our seven directors have obtained training from SECP approved institutions.

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. Keeping in view of the Company's objectives, GSK CH operates an independent and transparent method in order 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). HR&RC recommends remuneration package of the directors to the Board. The Company ensures that the remuneration of the Board of Directors remains market-based in accordance with their experience.

The key element of determining the remuneration is by market benchmarking against other key players of the 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.

Every Director, including all non-executive and independent Directors, is 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 / Extra Ordinary General Meetings.

Detail summary of the remuneration paid to executive and non-executive Directors during the year is given in Note No. 36 of the annexed financial statements.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

All foreign directors on our Board are required submit relevant documents, including declarations and/or undertaking and any document required to facilitate security clearance undertaken by the Ministry of Interior. The 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 made onto the Board are subject to provision of security clearance certificate from the ministry.

EXECUTIVE DIRECTOR IN THE COMPANY SERVING AS NON-EXECUTIVE DIRECTOR.

Mr. Sohail Matin the Chief Executive Officer (Executive Director) of the Company is serving a non-executive director in Pakistan LNG Limited.

TRADING IN SHARES BY DIRECTORS AND EXECUTIVES

One (1) share of the Company was transferred in name of Syed Anwar Mahmood (Independent Director) during the year 2019. All relevant disclosures and updates with regards to the same have been made on a regular basis with accordance to the rules and law.

POLICY OF RELATED PARTIES

The Company has a formal policy of Related Parties' Transactions which is approved by the Board of Directors. The Policy covers the procedures with regards 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. 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 arm's length, the Company must ensure that the terms are in the best interest of the Company. Further, where majority of Directors of GSK CH Pakistan Limited are interested, the transaction is referred to the 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 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. 37 and detailed disclosure regarding related party transactions has been presented in Note No. 37 of the Financial Statements.

BOARD MEETINGS OUTSIDE PAKISTAN

No Board meeting was held outside Pakistan during the year, 2019.

BUSINESS CONTINUITY PLAN

We routinely monitor 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, we minimise our 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. We use 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.

PRESENCE OF THE CHAIRPERSON AUDIT COMMITTEE AT THE AGM

In view of Company's priority of being transparent with all its shareholders and stakeholders, members of the Board and senior management and the Chairman of the Audit Committee were present at the Annual General meeting of the Company in order to address all concerns and queries raised by the shareholders.

ISSUES RAISED AT LAST AGM

No significant issues were raised by the shareholders during the last Annual General Meeting, however same routine questions on the accounts and business were raised by the shareholder and general clarifications were sought.

DIVERSITY & INCLUSION POLICY

We take a progressive approach to inclusion and diversity because we want everyone to be themselves

and bring their own perspectives to our business. Together, these unique perspectives and wide variety of personal experiences make our business stronger, enhancing our ability to innovate and respond to the diverse needs of patients and consumers around the world.

We believe that everyone has a part to play in creating a fair and inclusive work environment that respects human rights and the diversity of the cultures we operate in. When we embrace diversity and individuality, we can support and inspire each other to achieve great things.

We do not tolerate harassment, unwelcome, unreasonable or offensive behavior, or discrimination of any kind. This includes any form of harassment and, in 2019, we included a module in our mandatory Code of Conduct training to reinforce our zero-tolerance approach. This emphasised the importance of bystander intervention to empower our employees to intervene if they see harassment occurring. Being a modern employer, we have 14.5% of female representation within the Company.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

Keeping in line with the rules and laws, GSK CH circulates the notice for its general meetings in widely circulated English and Urdu newspapers across Pakistan. In addition to the above, Annual General Meeting will be held as a convenient location in order to facilitate the attendance of the shareholders.

DIRECTORS' TRAINING PROGRAM ATTENDED BY FEMALE EXECUTIVES AND HEAD OF DEPARTMENT AND/OR EXEMPTIONS

The Company has successfully complied with the requirement of the revised Code of Corporate Governance regarding training of at least one head of department and one female executive every year.

Details of the Directors' Training Program attendance are given below:

Directors' Training Program was attended by Company Secretary Ms. Mehar Ameer in November 2019. The Directors' Training Program was conducted by Pakistan Institute of Corporate Governance.

COMMUNICATION OF FINANCIAL RESULTS

Quarterly unaudited financial statements of the Company along with Director's Review, were approved, published and circulated to the shareholders on a timely basis. Half-yearly financial statements were subjected to a limited scope review by the statutory auditors. This annual financial statements have been audited by the external auditors and approved by the Board and will be presented to the shareholders at Annual General Meeting for approval. 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 initialed by the external auditors before presenting it to the Audit Committee and the Board of Directors for approval.

MANAGEMENT COMMITTEE

The Management Committee comprises of 7 senior directors who meet and discuss significant business plans, issues and progress updates of their respective functions. Significant matters to be put forth in the Board as per the Code of Corporate Governance are also discussed for onward approval.

Roles of the Committee are:

- Reviewing business risks
- Reviewing business strategy
- Reviewing the business plans
- Reviewing issues and progress of the same for respective functions
- Review and advise the improvements to policies/ procedures
- Monitor the implementations of the same

COMPOSITION OF THE MANAGEMENT COMMITTEE

Mr. Sohail Matin	Chief Executive Officer
Mr. Talal Javed Ahmed	Chief Financial Officer
Mr. Ahmed Jamil Baloch	Brands Director
Mrs. Sadia Nasir	Sales Director
Mr. Mazhar Shams	Head of Regulatory
Mr. Irfan Qureshi	Head of Supply Chain
Mr. Faisal Rafiq	Head of Expert



BUSINESS OVERVIEW

CALENDAR OF MAJOR FINANCIAL EVENTS 2019



Additional Board Meeting
regarding Company - Budget

25-Feb-19

Meeting of the Board of
Directors - Annual 2018

18-Mar-19

4th Annual General Meeting

23-Apr-19

Election of Directors

23-Apr-19

Meeting of the Board of
Directors-1st Quarter 2019

23-Apr-19

Additional Board Meeting
regarding d-MERPS (ERP)

21-Jun-19

Meeting of the Board of
Directors-2nd Quarter 2019

27-Aug-19

Corporate Briefing Session

10-Oct-19

Meeting of the Board of
Directors-3rd Quarter 2019

25-Oct-19

MARKETING CALENDAR 2019

Launch of Parodontax Time
Campaign TVC

January
2019

Voltral 2% launch

February
2019

Launch of Sensodyne new
Condition Awareness Campaign

April
2019

Calcium Awareness Campaign

May
2019

Launch of "Sensodyne Hasaas
Rishtay" Digital Campaign

June
2019

Launch of CaC Lemon T-20

June
2019

New Sensodyne Herbal
variant launch

October
2019

Launch of Panadol CF Day

November
2019

FINANCIAL CALENDAR 2020



OVERVIEW OF THE YEAR 2019

Your company has achieved yet another milestone in 2019 as part of its journey to establish itself as the best Fast-Moving Consumer Healthcare (FMCH) Company. The journey that started in 2016 as an independent Company driven by science and values, has now achieved its identity and is now much more agile in its speed, resilience and focus.

During the year, we drove significant category expansion through two major launches: ‘Panadol CF Day’ and ‘Sensodyne Herbal’. Through such initiatives, your Company is maintaining its focus on increased customer value, innovation, better performance and greater trust. Emphasis is placed on increased productivity, reduced cost and improved technology to be able to sustain long-term profitability and fulfil the dynamic needs of our consumers and healthcare professionals.

PERFORMANCE SUMMARY



SWOT ANALYSIS



STRENGTHS

- 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 26 distributors nation-wide.
- 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.

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.

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.

THREATS

- 1) Weak implementation of Intellectual Property Rights can lead to loss of market share.
- 2) Deteriorating exchange rates pose a high risk to our profitability as we depend heavily on imported raw materials.

CHAIRPERSON'S REVIEW



MESSAGE FROM THE CHAIRPERSON

“ It gives me great pleasure to report another year of key milestones. I am proud to say that despite the economic downturn, regulatory constraints and challenging business dynamics, your Company managed to achieve its goals. ”

We remain firm in our promise to expand our outreach to every corner of the country and to provide easy access to quality healthcare products. Our priority is to improve performance and focus on new product innovations to drive top line growth and serve our consumers better.

Your Company is committed to enhance shareholder value and continue manufacturing of innovative healthcare products that provide people around the nation with healthier and fulfilled lives, every single day.

BOARD EVALUATION

As part of our internal review process on the performance of Board, we evaluated the Board in terms of their business knowledge, industry knowledge, attendance and contribution in meetings, compliance with rules, and oversight of business as an independent body. The key learnings and insights were adequately deliberated, and necessary steps were taken to build the collective knowledge of the board. From the results, we can conclude that our Directors are well versed with their main responsibilities to facilitate the Company's strategic direction and management.

FINANCIAL REPORTING

With strong oversight on the reporting, the Board has a responsibility to provide clear visibility of financial reports to stakeholders in accordance with the Financial Reporting framework applicable in Pakistan. During the year we incorporated the new IFRS requirements and ensured compliance with the

disclosure requirements of the new Companies Act. During the year SAP deployment took place in our Supply Chain. This was a fast-paced deployment which the GSK Consumer Healthcare Pakistan Limited team managed successfully through their hard work, dedication and without any business interruption.

BOARD COMMITTEES

GSK CH have three committees, as stated below, to assist the Board for its optimal performance. The details about the Committees are provided in detail on page 64.

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

CULTURE OF THE COMPANY

Our culture and values drive everything we do. We expect our employees to share our values, to act transparently and with integrity.

We motivate our employees to put our values at the heart of every decision they make through strong leadership, offering individual development opportunities and rewarding employees for how they work as well as what they achieve. We want everyone at GSK CH to feel proud of: the work that they do, the Company they work for, and the difference they make.

ACKNOWLEDGMENT

I would like to extend my gratitude to the Board of Directors for their valuable support and commitment. I would also like to sincerely thank our employees for all their efforts, as well as our customers and suppliers for placing their trust in us. It is with your support that we are growing swiftly and expanding rapidly year by year.



MR. M.Z. MOIN MOHAJIR

Chairperson

FAREWELL MESSAGE FROM MRS. ANNELIZE ROBERTS:

Dear Shareholders, 4 years have passed since I took office as the Chairperson of GSK Consumer Healthcare Pakistan Limited's ("GSK CHC") Board of Directors back in 2016. I would like to take this

opportunity to express my sincere thanks to you, our valued shareholders, for your ongoing support, trust, and confidence you have given to me over the years at our company. I am convinced that my designated successor Mr. M.Z. Moin Mohajir, with his comprehensive expertise and deep knowledge of the economy and industry, will prove to be an excellent Chairman of GSK CHC's Board of Directors. I would like to extend my best wishes and continued success to GSK CHC, all its shareholders, employees, and business partners and last but not least my colleagues in the Board of Directors and the entire management team.

Yours sincerely,



MRS. ANNELIZE ROBERTS

DIRECTORS' REPORT TO THE SHAREHOLDERS



Dear Shareholders,

“ I am pleased to present your Company’s audited financial statements for the year ended December 31, 2019, 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. ”

REVIEW OF OPERATING RESULTS

Net Turnover of the Company for the year was recorded at Rs. 16,317 million, being 10% higher than the corresponding period last year. The core business witnessed a healthy 19% growth in both Over the Counter (OTC) and Fast-Moving Consumer Goods (FMCG) portfolios, with healthy growth of 20% in the Oral Healthcare category, 16% in the Skin Health category, 13% in the Nutrition and Digestive Health category and 23% in the Pain category, as compared to the corresponding period last year. The Company also registered export revenue amounting to Rs. 332 million.

During the year, a reduction in demand was experienced in the Respiratory Health category as well as the toll manufacturing business. This was due to reasons such as diminishing consumption of controlled-substance products and bilateral supplier restrictions respectively.

Gross Margins for the year have been maintained at 31% of sales, despite the nearly 10% devaluation of the Pakistani Rupee since the beginning of the year. The potential decline in margins was averted through the implementation of the much-awaited price increases that have been granted during the first and third

quarters of 2019. Consequently, the Company has been able to sustain its gross margins at the level of the prior year.

Selling, marketing and distribution expenses were recorded at Rs. 2,740 million. This includes advertising and promotional expenses to support our key categories such as oral care, pain and skin amounting to 1,819 million (11% of sales). The remaining expenses grew at a nominal rate of 8% in line with inflation. Profit before tax for the year was recorded at Rs. 1,700 million which is 16% higher than the last year. Cash inflows from operations were recorded at Rs. 1,334 million which were utilized to meet internal financing needs and offset the use of running finance facility.

Your Company posted a net profit after tax of Rs. 1,258 million, which is 17% higher than the last year. The profit after tax recorded at 7.7% of net sales.

HOLDING COMPANY

As at December 31, 2019, GlaxoSmithKline Consumer Healthcare B.V. held 100,423,259 shares of Rs. 10 each, representing 85.79 % of the total shares of GlaxoSmithKline Consumer Healthcare Pakistan Limited (GSK CH).

PATTERN OF SHAREHOLDING

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2019 and other related information is set out on pages 162 to 164.

CHAIRMAN'S REVIEW

The Chairman's message to the shareholders on pages 54 to 55 deals with:

- Board evaluation;
- Board committees which include audit committee, human resource and remuneration committee, integration and supply network optimization committee; and
- Culture of the Company.

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

BASIC EARNINGS PER SHARE

Basic earnings per share after taxation was Rs. 10.74 as compared to Rs 9.18 earnings per share in 2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The people at GSK CH believe that respect for the environment and its people is an integral part of conducting a business, which in turn boosts success and consumer engagement of the brand. As a healthcare company, we truly understand the core necessity for outreach programs institutionalizing on the importance on health, hygiene, nutrition and other community development programs in Pakistan. Improving environmental sustainability is another key

area of concern. For this purpose, the Company has taken CSR initiatives with Green Crescent Trust for which investment activities are underway.

GSK CH plans more investments for skill set training and contribution towards operating expense for the deaf community school.

HUMAN RESOURCE DEVELOPMENT AND SUCCESSION PLANNING

GSK CH takes great pride in being a Company that not only recognizes its people as the key asset but also ensures that this belief is translated into a working environment that provides growth opportunities, respect, empowerment and inspiration. As a Company that is geared towards helping people 'Do More, Feel Better, Live Longer', we ensure that our employees are not only committed to this vision with the utmost passion and sincerity, but are also well equipped to perform and deliver at their best potential.

With this objective in mind, our Human Resource Development team engages and develops policies including training, remuneration, performance evaluation and succession planning. This includes an exposure to a wide range of opportunities as well as international assignments. This is supported through implementation of an internal talent development system that helps provide leaders with the data needed for strategic alignment and decision making. Along with this it carries out a continuous feedback, evaluation and communication program, through which we ensure that our employees are well aligned with, and really believe in, our core values of *Being Consumer Focused, Respecting People, Acting with Integrity and Operating with Transparency.*

In addition to this, we prioritize the highest standards

of individual accountability, and are constantly trying to evolve in terms of our ability to recognize and reward the deserving talent that demonstrate the right mix of commitment and dedication.

Given that we operate within the Fast-Moving Consumer Healthcare business and exist solely to give our consumers better access to world class brands with health-related benefits that promotes a quality of life, we understand the criticality of having the right team in place. Our recruitment drives and processes are effectively designed to acquire high potential talent, by targeting top tier universities and acquiring the right mix of talent that can evaluate future challenges and has the potential to face and resolve them adequately.

With our truly high-performance culture, we are constantly evaluating and building a team that truly considers itself the foundation of GSK CH and draws its strength from and contributes towards the evolution of a Company that aims to be a high-performance Consumer Healthcare Goods Company in the industry.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

GSK CH is committed to comply with all relevant environmental, occupational health and safety standards; through an established framework of compliance. EHS is an integral part of the Company's business and the company promotes a safe, injury free and energy resilient workplace.

GSK CH implements its global standards and procedures to deliver best quality products while ensuring the safety of its employees. In order to ascertain this objective, there is a strong emphasis on continuous improvement and effective oversight. The initiatives have been instrumental in achieving

following Health & Safety objectives of the company:

- Improved management of workplace risks and development of a safe working environment
- Prioritizing safety over every operational task
- Ensuring that Environment, Health & Safety are the essential elements of GSK CH's business strategy
- Promotion of a conducive work-environment to help our employees Do More, Feel Better, and Live Longer.

The company is committed to retain Health & Safety as its foremost priority through assurance and oversight. It will keep its focus on the challenges to occupational health & safety, in the manufacturing and sales of its products and develop robust mechanism to mitigate all emerging risks.

OCCUPATIONAL SAFETY AND HEALTH

With numerous sustainable processes in place, GSK CH continues a legacy in its ability to fulfill its purpose without compromising the occupational safety of its dedicated employees. To successfully achieve this objective, the following robust programs and measures have either been implemented, or are currently in progress, that aims to strengthen the EHS (Environment, health, and safety) system to improve the quality of our working environment:

- Ensuring our employees are aware of operational risks and are fully able to effectively manage these risks when needed.
- Enhancing employee capability that trains them to consider occupational safety as the number one priority under all circumstances.
- Implementing standards of conservation that

help minimize our water and energy consumption, thus promoting a greener environment

GSK CH aims to further enhance its EHS policies across its supply chain as well as production plants. We strive for the highest quality in Environmental Health and Safety by monitoring the performance and setting new challenges and targets.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

At GSK CH, we strongly believe in the value of integrity. It lies at the core of everything we do and is the heart of every decision we make, with our values serving as our guiding principles. Our anti-bribery and anti-corruption (ABAC) program includes risk assessments, standards and practice guidance designed to prevent non-compliance.

With this commitment, the Board of Directors of the Company has set acceptable business practices and standards of behavior within our 'Code of Conduct'. Our core values are:

- Consumer First
- Respect
- Transparency
- Integrity

The Code is disseminated for training and signing by all employees, including the senior management, and is also available on GSK CH's website.

RISK MANAGEMENT, GOVERNANCE AND CLASSIFICATION

GSK CH recognizes the significance of effective risk management which eventually helps the business to deliver and perform exceptionally. In order to sustain

the highest standards within the Company, our risk management structure and internal controls function as a combination to enable our leaders to successfully focus on managing the core and principal risks of the business. Our Risk Management and Compliance Board (RMCB) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter.

Both internal and external factors play a part in your Company's risk exposure. The Risk Management and Compliance Board is responsible for placing appropriate policies and strategies in place that continuously evaluate the key risks that threaten the objectives of your Company and minimize any potential risks. For this purpose, our risk management framework ensures that the right policies and strategies remain intact and serve to mitigate key risks through an adequate 'identify, record and minimize' strategy.

Furthermore, the Internal Control Framework established by the Company ensures risk mitigation plans, designated accountability plans and the upward communication of any significant issues as and when they may arise.

For this purpose, the RMCB has formed a structure whereby designated Risk Owners are responsible for identifying and treating significant risks while 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 part of business operations.

At GSK CH, we prioritize compliance in line with legal requirements and therefore, our Risk Management and Corporate Ethics and Compliance teams work in collaboration to ensure protection of shareholder investment and Company assets.

RELATED PARTY TRANSACTIONS

GSK CH ensures compliance with Code of Corporate Governance for all the related party transactions. The details of the transactions are provided in note no. 37 of the annexed financial statements.

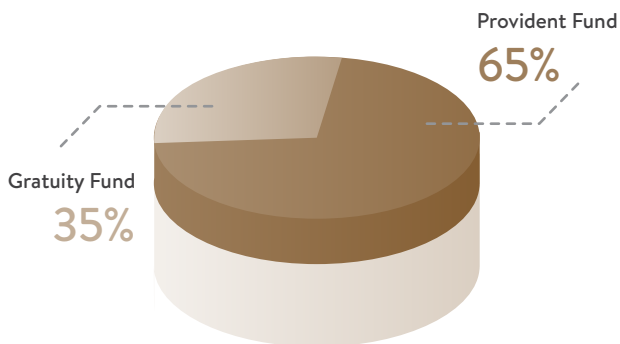
AUDITORS

The present auditors, Deloitte Yousuf Adil Chartered Accountants had indicated their consent to continue as auditors. The Board of Directors endorses the recommendation of the Audit Committee for their continuation as the Auditors of the Company for the financial year ending December 31, 2020, 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 December 31, 2019 was as follows:

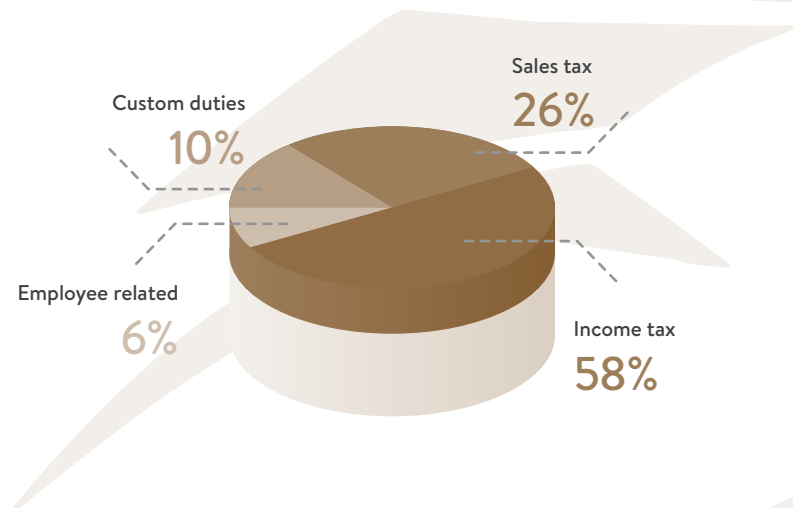
Rs.	2019
Provident fund	Rs. 191 Million
Gratuity fund	Rs. 103 Million



CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

Your Company made a total contribution of Rs 973 million to the National Exchequer by way of custom duties, income tax, sales tax and employees' tax during the year 2019.

Our contribution through Sales Tax totaled Rs. 252 million, Income Tax Rs. 565 million, Custom Duty Rs. 97 Million and Rs. 59 Million through Employee related taxes.



ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors have set up effective internal financial controls across all functions. 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.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As per the Code of Corporate Governance, Directors have carefully reviewed the accounts published and hence conclude that:

- a. The financial statements prepared by the

management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

- b. Proper books of account of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent view.
- d. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in Pakistan.
- e. The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalized by the Board's Audit Committee and is updated as and when needed.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- h. The key operating and financial data is set out on pages 89 to 95.

FUTURE OUTLOOK AND CHALLENGES

The country has experienced some unprecedented devaluation during the year where the Pakistani Rupee reached an all-time low (Rupees 163 to the

USD), leading to a rising consumer price index and a tightening monetary policy with rising borrowing rates. These economic indicators continue to pose challenges in maintaining our internal production costs and external financing costs. At the same time, the Company remains conscious of the consumers' purchasing power while taking pricing decisions to maintain a viable business model. We remain hopeful that the Government will continue to support an equitable pricing policy for the well-being and sustainability of all stakeholders.

To meet the current challenges, your Company remains agile and proactively engaged in supply chain optimization initiatives as well as strengthening our pipeline of high-quality innovations. During the year, we drove significant category expansion through two major launches: 'Panadol CF Day' and 'Sensodyne Herbal'. Through such initiatives, your Company is maintaining its focus on increased customer value, innovation, better performance and greater trust. Emphasis is placed on increased productivity, reduced cost and improved technology to be able to sustain long-term profitability and fulfil the dynamic needs of our consumers and healthcare professionals.

To achieve our long-term high growth ambition, it is imperative that the Company continues to invest in our established brands to increase consumption and brand equity. With enhanced Sales structure focused on commercial excellence, we plan to drive exponential growth in key trade channels and display agility to address the challenging business environment.

The coronavirus outbreak situation is evolving in the country and its potential impact on the Company's financial performance and supply continuity remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the financial results of the Company. Presently, healthcare businesses

have been allowed to continue their operations by both provincial and federal governments in order to ensure availability of our products in the market. We continue to monitor the situation closely, including the market demand, supply continuity and wellbeing of employees.

REMUNERATION POLICY

The Non-Executive Independent Board of Directors of GSK CH are entitled to a remuneration approved by the HR and Remuneration Committee, based on market benchmark of the Consumer Healthcare Industry and other similar style of business.

COMPOSITION OF THE BOARD

The total number of directors are 7 as per the following:

- a) Male: 5
- b) Female: 2

The Board's composition and the details of its committees are provided on Page 64.

SUBSEQUENT EVENTS

Subsequent to the year end (i.e. with effect from January 17, 2020), the marketing authorisations and permissions for certain OTC products have been transferred to the Company and therefore, the Company is now involved in procurement, manufacturing, marketing and managing of such inventory items. This is disclosed in note 1.2 to the financial statements.

ACKNOWLEDGMENT

The Board of Directors would like to take this opportunity to extend appreciation to our employees, suppliers, and partners for their continued support and dedication in the achievement of the Company's

results. The professionalism and self-motivation displayed by employees is truly inspirational.

By order of the Board

Sincerely,



SOHAIL MATIN
Chief Executive Officer
March 12, 2020



TALAL JAVED AHMED
Director



OUR **PEOPLE**

CORPORATE INFORMATION



BOARD OF DIRECTORS

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

Mr. Sohail Matin
Syed Anwar Mahmood
Syed Azeem Abbas Naqvi
Ms. Emine Tasci Kaya
Mrs. Annelize Roberts*
Mr. Talal Javed Ahmed

AUDIT COMMITTEE

Syed Anwar Mahmood**
(Chairman)

Syed Azeem Abbas Naqvi
Mr. M.Z. Moin Mohajir

SECRETARY

Ms. Varisha Shahid

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Syed Anwar Mehmood
(Chairman)

Mr. M.Z. Moin Mohajir***

Syed Azeem Abbas Naqvi
SECRETARY

Mr. Farqaleet Iqbal****

INTEGRATION SUPPLY AND NETWORK OPTIMIZATION COMMITTEE

Ms. Emine Tasci Kaya
(Chairperson)

Syed Azeem Abbas Naqvi
Mr. Sohail Matin
Mr. Talal Javed Ahmed

SECRETARY

Mr. Irfan Qureshi

MANAGEMENT COMMITTEE

Mr. Sohail Matin
Mr. Talal Javed Ahmed
Mrs. Sadia Nasir
Mr. Ahmed Jamil Baloch
Mr. Faisal Rafiq
Mr. Irfan Qureshi
Mr. Mazhar Shams

*Mrs. Annelize Roberts resigned w.e.f 16th January 2020 and Mr. M.Z. Moin Mohajir appointed as the Chairperson w.e.f 12th March 2020.

**Replaced Mr. M.Z. Moin Mohajir and appointed as the Chairman w.e.f 12th March 2020.

***Replaced Mr. Sohail Matin w.e.f 12th March 2020.

****Replaced Ms. Tania Zahid and appointed as HR Country Head of GSK Pakistan Ltd w.e.f 2nd December 2019.

Company Secretary

Ms. Mehar-e-Daraksha Ameer

CHIEF FINANCIAL OFFICER

Mr. Talal Javed Ahmed

HEAD OF INTERNAL AUDIT

Ms. Varisha Shahid

BANKERS

Citibank N.A

Standard Chartered Bank (Pakistan) Ltd.

EXTERNAL AUDITORS

Deloitte Yousuf Adil

Chartered Accountants

LEGAL ADVISORS

Hashmi & Hashmi

Mandviwalla & Zafar

REGISTERED OFFICE

35 Dockyard Road, West Wharf,

Karachi-74000

Tel: 92-21-111475-725

(111-GSK-PAK)

Fax: 92-21-323-148-98

INVESTOR RELATIONS CONTACT

Share Registrar

CDC Share Registrar Services Limited

CDC House, Main Shakra-e-Faisal, Karachi.

Tel: 021 111-111-500

Email: info@cdcsrsl.com

GSKCH Shares Department

35 Dockyard Road, West Wharf,
Karachi-74000

Tel: 021 35274838

Email: pk.shareinfo@gsk.com

WEBSITE

www.pk-consumerhealthcare.gsk.com

BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Mentioned in note no. 44 of the annexed
financial statements.

FINANCE

Finance at GSK CH is an integral function that ensures efficient financial management and financial control. We engage effectively with all areas of the business by optimizing the company's financial performance, combining focus and adding a positive attitude towards a range of business finance functions. This includes financial planning, allocating investments across our valuable brands, monitoring of business performance, assessing risks and opportunities, integrating businesses and managing liquidity.

These decisions and core planning skills directly influence the development, growth and health of our brands.



Our Finance goals and ambitions, which are aligned with the Company and Global Finance strategy, broadly cover the following areas:

Deliver the finance and commercial strategy

Be a world class finance team

Balance risk and opportunity

In 2019, the finance team partnered strongly with the business along with a continuous focus on team development through rotations and roll out of development framework and leadership material.

The team continued to support business expansion through a successful merger and integration of GSK OTC Pvt Ltd resulting in savings and reduced costs due to synergies achieved. Despite the last-minute court order prompting the consolidation of financial statements, the statutory audit of 2018 was completed in a timely fashion during Q1 2019 and financial statements were also published to the PSX and SECP with a comprehensive set of company-wide other information.

Moreover, margin dilution was mitigated through monitoring the impacts of devaluation on P&L together with implementing timely price increases on both FMCG and OTC portfolios. The team was also able to achieve a healthy cash to conversion ratio during the year along with a Zero-Based Budgeting exercise to improve the management of overheads.

Furthermore, SAP successfully went live in manufacturing division on its targeted date of 8th July

2019. This was followed by several rounds of highly engaged F2F sessions with functional consultants visiting Pakistan. New IFRSs were adopted by the Company during the year and the team members underwent all the necessary trainings pertinent to such accounting standards. With a greater focus on Business Intelligence (BI) this year, various BI tools were deployed such as PowerBI (for secondary sales, primary sales, and team KPIs) and Qlikview (for spend management of advertising, promotion and other overheads) to have a stronger oversight for management as well as statutory reporting.

Finance is constantly focused on strengthening and upholding internal controls to mitigate risk and thereby protect value for shareholders. Moreover, our finance business partners seek to add value for business through their contributions in various initiatives pertaining to product innovations and simplifying the operating model.

MARKETING



In-line with GSK CH values, the Marketing Team has continued to innovate its science driven brands to evolve with the consumer journey. The objective in 2019 was to develop GSK CH's media and digital capability to maximize utilization of established and emerging channels.



The marketing function is effectively engaged in designing communication of its brands to connect with consumers at all levels; enabling them to better understand how our brands help them in everyday life.

In 2019, several exciting campaigns were executed successfully across the Consumer Healthcare portfolio within Calcium & Oral Health categories. This included the Calcium Awareness HCP TVC, building condition awareness campaign for Sensodyne, and creating awareness for bleeding gums through the Paradontax Time campaign. These strategies reinforce our existing interactions across channels aimed at providing a holistic consumer experience. This is a prime example of GSK CH's commitment to help people do more, feel better and live longer.

We have also brought in global scientific product innovations. In 2019, we made significant category

expansion through two major launches: 'Panadol CF Day' and 'Sensodyne Herbal'. This helps in continued focus via innovation and building our reputation through strong partnerships with retailers, healthcare professionals and shoppers.

Combining innovation in product and communication, we aim to strategically invest in our power brands and develop class-leading communication through use of the ever-expanding digital platforms and tools. This pro-active approach will not only enable us to grow but also support in reaching our consumers in a unique and personalized manner.

COMMERCIAL EXCELLENCE



Commercial Excellence (ComEx) is a newly evolved department and the focus has been to formulate channel specific strategies, conduct shopper activations, building capabilities, business analytics, develop e-commerce business and drive profitability.



In ComEx, Shopper marketing is a process of understanding shoppers and using that understanding to develop a marketing mix which influences shopper behavior in such a way as to positively impact consumption of the brand and/or category.

Pharmacy being the biggest channel has been targeted through projects such as CATMAN & Spearhead to enhance visibility of our mega brands along with effective communication which is fundamental to shopper awareness. Further, impactful Shopper Activations such as Plaque Checker and Chill test have been conducted to identify consumers with Sensitivity or Gum Health

issues and provide them with solutions for their oral care.

With the increasing trends of shopper towards online shopping, setting up first dedicated distributor and growing in FMCG & OTC categories on E-commerce has helped to achieve highest ever sales along with strong brand presence on all major e-retailers.

There are many ways that ComEx can create an impact on the business is what make it such an essential engine for the organization especially in terms of saving revenue through our Net Revenue Management pillars. Look forward to an even better 2020!

SALES



2019 was a very strong year for GSK CH's sales team as it proved to comply to transparency and core sales values. Despite external challenging circumstances, our Sales team remained highly engaged and delivered impressive results closing the business at an underlying 15% growth excluding the toll manufacturing and exports. They adhered to our values of Consumer first, Respect, Integrity and Transparency.



Both our portfolios, OTC and FMCG performed very well. Our leading brand Sensodyne, achieved a double-digit growth of 16% during 2019, demonstrating the strength of GSK CH's sales team, supported by the launch of new variant, Sensodyne Herbal. This was launched with the objective of reaching more consumers through more accessible price point.

Moreover, with the support from our dedicated team of distributors coupled with our increased footprint in the government sectors, our institutional business evolved with a tremendous growth in 2019. Panadol and CaC continued to do very well given the season and increased awareness for calcium deficiency.

The pharmacy channel continues to be the largest contributor to our business, followed by both General and Modern Trade. Throughout the year 2019, the company's focus has been on developing strategic

channels to expand the current business landscape. E-Commerce was another Route to Market model which GSK CH continues to support.

With a strong customer focus and respect for people, we ensure to become the first choice for shoppers and customers alike. Our sales team brings life to GSK values and our aim is to become the largest Fast-Moving Consumer Healthcare Company.

EXPERT

As a healthcare company, we regularly work with healthcare professionals, by collaborating on continuous education programmes that provide high quality, balanced information about our products. In all our interactions we aim to be transparent about our work, operate with integrity, and always put the interests of patients first.

The Expert Sales Team's strategy is driven by our science, training and development. With this goal in mind, we strive to be the first-choice for experts in Healthcare Profession. We focus on sharing the research and competitive advantage that brands offer. Being the industry leaders in various categories in Pakistan and globally, backed by science and innovation, the prescription data speaks for itself. The below points will highlight the Expert Team's efforts which they execute in their day-to-day activities to meet the company expectations and goals.



Primary focus including key activities/ brands/products: Our experienced team interact with Health Care Professionals on daily basis and details key features of our precious brands and benefits for the patients. We mainly focus on the safety parameters of our brands for patients and emphasise on right dosages in right indication.

Customer Engagement

Our teams conducted Audio Visual Activities throughout the year on major brands like Panadol, CaC1000 Plus, Voltral Emulgel, Sensodyne and Parodontax to discuss the advantages of our products in specific indication. Further, they participated in Medical conferences like FamilyCon, Doctorscon, Gynycon, Peadscon, to introduce our products to those that are not on our regular reach. We also conducted Bone Mineral Density activation, BMI camps on CaC1000 Plus and Horlicks Growth+. Similarly chill test activations were done for Sensodyne for condition awareness.

Highlights on the performance, policies, initiatives and plans

Our focus remained on expansion in Oral Care Coverage for engaging the remaining customers, while utilising a state of the art global CRM tool which is VEEVA. For customer segmentation, we executed global Customer Validation and S&T exercise 2.0 continuously enhancing the capabilities of our sales force by refreshers on product & disease knowledge and soft skills through first choice expert.

Key performance indicators (KPIs)

HCP Reach, Frequency, Call Average, Product Knowledge score, coaching index and IQVIA brick level category potential for business opportunities. We retained the Category leadership position on top brands like Panadol, CaC1000 Plus, Sensodyne throughout the period.

INFORMATION TECHNOLOGY



Advanced communication tools and technologies are used to establish a capable, fruitful simplified resolution with value-added advantages such as increased competence. Our department manages the installation and maintenance of computer network systems and emphasises on providing fit-for-purpose business solutions that would help GSK CH to grow.



In the year 2019, the tech team took some ground-breaking initiatives such as bringing data analytics in the company. We went live with Project Picasso, a Primary Sales Dashboard which is directly connected to JDE and gets refreshed on a daily basis. It shows the real-time primary sales figures to the Sales, Marketing and Supply Chain functions which have critical use for this data. Furthermore, expense System was launched for users to submit their expenses online. It helped automating the approval process which was quite a tedious process before.

Many iLounge sessions were conducted in 2019 to spread awareness in users about the latest technology and processes present in the company.

In the upcoming year 2020, we aim to bring change by automating more processes and identifying user's requirements and coming up with better and effective solutions.

SUPPLY CHAIN



Another successful year comes to an end with a very strong business performance across all areas. The business managed to deliver a Net sales underlying growth of 15% over last year (excluding toll manufacturing and exports) despite challenges around country's economic situation and complex regulatory environment.



With excellent coordination across all Supply Chain streams and impeccable End-to-End (E2E) distribution of stocks, we supplied around 200 million packs to our Consumers across Pakistan. Strong focus on innovation remained a priority with successful product launches of Sensodyne Herbal and Panadol CF Day.

One of the key focus of 2019 was to support the business by creating synergies and cost saving opportunities in Warehousing and Distribution activities. The warehousing network was further optimized with the inclusion of Multan warehouse

thus making the products available closer to the customers.

During the year, Pakistan team was re-audited on the Level 2 maturity in the Demand Management process and successfully sustained the Level 2 Certification. As we enter 2020, the focus would be to keep the business growing ahead of the market with strong Warehousing & Distribution (W&D) infrastructure, cost efficiencies and a simplified operating model. We look forward to making 2020 yet another successful year.

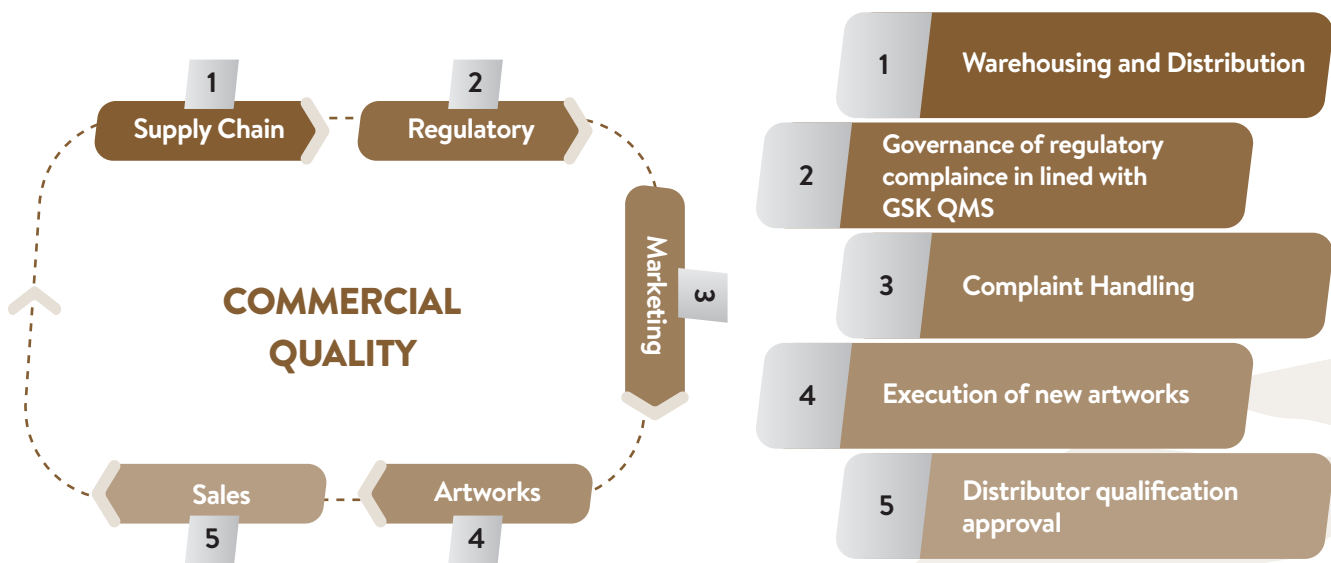
QUALITY MANAGEMENT SYSTEM (QMS)



On a corporate level, quality management allows GSK CH to enhance its brand quality. The Quality function outlined clear KPIs that can be used to fuel discussions with suppliers and customers. We can get real-time feedback on their processes and adjust in a timely manner. Moreover, the local teams can easily adhere to industry regulations, such as ISO compliance and regulatory requirements.

“To attract and retain customers, companies must continue to improve their capabilities across the entire business”.





In year 2019, the Quality team has delivered multiple benefits to the business. Training marketing team in workflow management to quickly and easily collect data without compromising daily tasks. It collected, organized and analyze meaningful data to help improve business operations with supply chain, relay information to customers and suppliers for making strategic decisions. Adhered to the strictest compliance requirements and protect brand reputation.

The success of 2019 was also contributed by launch of Complaint management system which allows for adherence and efficiency in the complaint management and response process. It's a robust system in which processes are automated and aligned with other stake-holders.

Yet another success was the implementation of Artwork development system which is an aligned process to facilitate business delivery and timely launches. It also behaves as a real-time workflow

system to manage data submissions and approvals from disparate sources across the organisation. GSK CH describes its philosophy towards quality as consumer-focused—their requirements strongly influence our decision to invest in total quality management.

Looking ahead, GSK CH can harness the power of business intelligence to achieve total quality management. Meanwhile, the vision for 2020 is improved implementation of reporting system and cycles for better quality processes. We continue to work towards ensuring that we predict errors before they occur, preventing recalls and reducing scrap.

REGULATORY AFFAIRS



Regulatory Affairs is a strategic business partner, particularly in the pharmaceutical industry. Within GSK CH, our focus is not only on the business, but also on key commercial and strategic projects. Achieving business goals through trust-based relationship with our stakeholders further strengthen the expectations from us.



2019 was an interesting year as interim organization GSK OTC (Pvt) Limited was merged in December 2018 into surviving organization GSK Consumer Healthcare Pakistan Limited. Therefore, the regulatory assets were also transferred across the entities during this merger and all this was done to ensure business continues as usual. Besides all these activities, we were able to receive innovation approvals of some strategic products and launched Panadol CF Day. During 2019, we identified similar brand names or look alike products in the market that could have been misleading for consumers &

patients. These matters were raised and resolved through Drug Regulatory Authority of Pakistan.

For 2020, we have planned key innovations to further fuel the business and enhance our ability to compete. In addition, we remain supportive for future business integrations as well as any digital advancements in the industry. Now we are all set and moving in the right direction by planning new projects and engagement of different stakeholders in becoming Number 1 Consumer Healthcare Company of Pakistan.

LEGAL



GSK CH's Legal Department provides robust support to and advise on preventive and corrective measures to mitigate business risk.

GSK CH legal team is committed to delivering agile and high quality legal and corporate secretarial services to the Company to foster an integrated and competitive business environment in a complex market and with GSK CH Values at the heart of each decision.



Our team is trained to provide timely and quality legal support on all critical areas including day to day advisory, business development projects, merger and acquisitions, contract drafting and negotiations, divestments, digital processes, e-commerce and litigation.

For the better understanding, information and knowledge of business teams, legal team frequently holds training sessions for relevant audience on new laws, regulations and policies of the company.

In 2019, Legal focused on its “Business Partner Guardian” role in order to provide smart, effective, quality advice and support to business directly aligned with GSK CH Expectations & Values and its priorities of Innovation, Performance and Trust strategy of “Run Legal Like a Business for the Business”.

Going forward, Legal envisages to navigate 2020 as an agile and synergized team focused on digital initiatives, smart risk taking, stakeholder knowledge management, and simplification to truly embody “One Team Many Skills”.



COMPANY SECRETARY

Ms. Mehar Ameer is the Company Secretary of GlaxoSmithKline Consumer Healthcare Pakistan Limited and Senior Legal Manager. She graduated from Manchester Metropolitan University and was called to the Bar from the Honorable Society of Middle Temple. She is also enrolled as an Advocate and has over 8 years of diversified work experience in litigation, corporate and in-house.

Company Secretarial (CS) plays a central role in ensuring adherence to the company's governance structure in conformity with best practices. This department supports the Board of Directors and its committees, in this context, CS liaises with directors, organizes board and committee meetings, assists departments in preparing relevant documents for presentation and records minutes of the meetings and proactively coordinates in the implementation of board decisions.

HUMAN RESOURCE



GSK CH's Priorities & Performance System: Innovation, Performance & Trust

In 2019, we continued to build on our GSK CH Priorities of Innovation, Performance and Trust as part of our commitment to deliver game changing business results. The focus on ensuring that our strategy was advocated through strong leadership, employee development and our continued focus on being a Modern Employer.

Our GSK CH expectations of Courage, Accountability, Development and Teamwork re-iterated through our global #Let's Talk initiatives across the Company, coupled with our values of Consumer First, Transparency, Respect and Integrity, all form the basis of 'Our DNA', guiding us to be one of the world's most innovative, best performing and trusted healthcare companies.



INNOVATION

Coupled with our renewed focus on "Business First" and 'Making it Easier' for our customers, we aim to focus on optimizing the business' organization design, leveraging the GSK CH performance system to drive and develop high quality leaders and drive the development of critical business capabilities and skills needed to develop and launch a pipeline of new products that meet the needs of patients and consumers.

PERFORMANCE

This continued to be a focal point for HR, as we focus on enhancing the quality and depth of talent, especially for critical roles along with improving the diversity of our talent and also, we are focusing on young talent, through which we aim to achieve industry-leading growth by investing effectively in our business, developing our people and delivering flawlessly when it comes to business results.

TRUST

This will continue to be a key HR pillar, intertwined across all our performance measures, by supporting our leadership team in inculcating a culture of clear communication, trust and openness. We are committed to building trust through our approach to engagement and excellent customer experience.

DIVERSITY & INCLUSION

The year 2019, marked further success of GSK's Women Leadership Initiative (WLI). We were also successful in completing the focus groups at the manufacturing site and presenting the challenges to the Site Leadership. The main Site challenges we were able to overcome with the commitment from Site leadership teams, support from HR and by conducting workshops with external facilitators.

Apart from the above, the WLI team conducted 'Breakfast with the leadership team' and 'Let's Connect and Learn' sessions, under the Modern Employer Agenda, providing an opportunity for all employees to connect with leaders. These sessions had employee development and #ifyoureallyknewme themes followed through with a discussion around what WLI means for all employees and not only women.

The WLI team received very positive feedback from the business after all these sessions as employees were encouraged to learn inclusivity and better ways of communication by overcoming subconscious biases and gender stereotypes.

EMPLOYEE HEALTH & WELL BEING

At GSK CH, our purpose to help people do more, feel better, live longer starts with our employees. In 2019, we completed another of our Global Challenge initiatives which is a 100-day virtual journey around the world, where employees complete a series of fun physical activity challenges. It's a collaborative, fun way to think about our lifestyle choices and develop healthy habits together. We had around 1000 employees from across the globe who participated enthusiastically in the Global Challenge. It motivated and encouraged them to adopt a healthy lifestyle and therefore, developing energy and resilience across the organization.

Moreover, 2019 marked the launch of mental health awareness sessions, part of World Mental Health Day celebrations and under the umbrella of GSK's Modern Employer agenda. In these sessions, renowned psychiatrists were called as speakers and consultation

desks were set up for all employees to understand and discuss any mental health concerns that they are facing at work. These sessions were appreciated by employees at all levels of the organization since they provided an opportunity to learn more about mental health and get themselves assessed on psychological distress levels.

At GSK CH, we are also focused on promoting the Environment Health and Safety agenda – by including the reporting of unsafe incidents in employee objectives.

GSK CH is committed to providing such programs and facilities that enable employees to understand and protect their health and make healthy choices – to feel healthier, happier and energized.

DEVELOPING OUR PEOPLE

Our continued commitment to developing and sustaining our talent pipeline by attracting and retaining the most talented people is a key success factor in GSK CH's outstanding results. In 2019, as part of our ongoing focus to make our systems and processes easier for our customers, we launched an improved recruitment process which can be directly facilitated through Workday. This uses innovative technology to deliver a cutting-edge global recruitment platform that not only makes it quicker and easier for recruiters and managers to fill vacancies with the best candidates but also makes it easier and a better experience, for external candidates and employees to find new job opportunities.

At GSK CH, we view career development as a bridge towards building experience and capability instead of focusing solely on promotion and advancement. We inspire our managers to promote a culture where straight talk is encouraged, and diverse opinions are accepted. This is further strengthened through regular check-in sessions between employee and his / her line manager and the use of One80 survey tool in which employees give anonymous feedback to their managers to help them adopt a better leadership style, suited for their team's needs.

In 2019, we also conducted a Let's Connect and Learn Session with HR which provided an opportunity to

employees to reflect about their development and encourage them to own their development plans. This was very positively received by all employees.

FUTURE LEADERS PROGRAM

GSK CH's Future Leaders Program is a key driver of our talent pipeline, designed to attract, develop and nurture talented individuals. We aim to enable them to become our Future Leaders through our robust program which provides ambitious individuals with various opportunities to lead GSK CH in to the future whilst developing their own long-term careers. We place immense focus on our values when we hire future leaders; these are consumer first, integrity, respect for people and transparency.

In 2019, we on boarded 3 FLPs out of 3000 plus applications (approximately). Our motto is to select the best talent and facilitate them to hone their technical skills and business acumen and enable them to not only deliver but drive successful business results so that they are prepared to perform at home and abroad.

MAKING IT EASIER INITIATIVES

In 2019, GSK CH launched a chatbot by the name of 'HR KAY' to answer common HR queries in less than 20 seconds. This not only promoted self-service but also encouraged employees to acquaint themselves with a variety of GSK CH's online facilities.

RESILIENCE AND WORK-LIFE BALANCE

We at GSK CH, under the Modern Employer Agenda 2019, were focused to give our employees a congenial environment that makes them feel at ease – where their work is more valued than adherence to a strict work schedule. We launched various policies to support this culture in 2019, including and not limited to the launch of sabbatical leave policy and employee development policy, enhancement of parental leave policy and putting a formal flexible working policy in place.

Furthermore, we designed certain communications to

further facilitate this agenda and connected it to our value of Respect for People e.g. the launch of respect for work hours where employees were encouraged to be respectful of each other's personal and family time, make efforts to disconnect ourselves from work after business hours and reflect twice before contacting a fellow colleague via call / text /emails unless there's an emergency to connect immediately.

Similarly, we were also able to launch a 'No Meetings Day on Wednesdays' communication, highlighting how meetings can quickly add up to create a significant demand on individual time and can impact working on our core deliverables. And hence the need to establish a 'No Meeting Day', to release energy at the workplace, improve our daily interactions and provide opportunities for better prioritizing of work.

ENGAGEMENT

At GSK CH, we see employee engagement, to strengthen ties at all levels of the organization and build on our culture. In 2019, HR and the Leadership Team led the engagement agenda across all GSK CH locations and sites. These included our Eid Milan Breakfasts, Pakistan Independence Day Celebrations, Annual Milad, as well as various cultural celebrations that are part of our GSK CH heritage.

In line with our value of Transparency, the Global GSK Engagement Survey was rolled out company wide, allowing employees' a chance to put forward their views on a variety of areas, including our GSK CH Values and Priorities. The 2019 GSK Engagement Survey results reported Employee Engagement levels of 90%, with the highest ever response rate to date, proves that GSK CH's strength lies in our ability to create a lasting bond with our employees and goes to show that everyone has a role to play in contributing to our culture.



OUR **BRANDS**

Panadol

Panadol is one of the largest Consumer Healthcare brands of the country based on history of trust and credibility spanning over decades. It is the first choice for pain and fever relief among Doctors and Consumer because of its strong brand equity built on science and trust.

In 2019, Panadol grew exponentially by 29% vs last year, making it a PKR 5 billion brand. It is the most prescribed brand in Pakistan by experts in the analgesic's category with a market share of 46.6%¹.

Panadol offers a diverse portfolio of products including Fever, Pain, and Cold and Flu of various strengths and for all age groups. In 2019 we launched Panadol Cold and Flu – Day variant which has been very well received in the market by experts and consumers.

Our marketing activities are at the heart of our brands. During 2019, we rolled out a 360-degree marketing communication which not only focused on strengthening expert connection, but also focused on TV, Radio and Print coupled with the emerging Digital marketing activities to stay connected to our

consumers. On the shopper front we successfully launched “Project Spearhead” to enhance instore visibility at pharmacy channel. This is a first of its kind initiative in the industry and has created disruption in terms of brand visibility and shelf share.

Going forward, Panadol will continue to deliver innovative pain solutions catering to a wide range of pain sufferers.



¹ IMS Data Rx Jun'19 & share Oct'19

CaC-1000 PLUS

DRIVEN BY PURPOSE

Calcium deficiency is a prevalent issue in Pakistan as every 1 in 2 women² suffer from this condition. GSK CH, being the market leader in the Category, took it as a challenge to build awareness of this problem among the masses and in the process of doing so, fueled the Category growth in Pakistan.

MAINTAINING MARKET LEADERSHIP

CaC-1000 PLUS is the biggest brand in the Calcium Category with a value share of 37%³ driven by utmost trust of Consumers and Healthcare Professionals alike. CaC-1000 PLUS is an effervescent tablet, available in 4 flavors; Orange, Cola, Lemon and Mango (sugar-free).

#1 PRESCRIBED CALCIUM SUPPLEMENT

CaC-1000 PLUS has strong scientific credentials as it has double Calcium in the form of Calcium Carbonate and Calcium Lactate Gluconate in an effervescent formulation. Combined, the quantity of Calcium is in line to support the average daily requirements of an adult. These factors along with a pleasant taste are acknowledged by Healthcare Professionals and their confidence in our brand has resulted in CaC-1000 PLUS constantly and successfully maintaining the #1 Prescribed Calcium Supplement position in Pakistan with a prescription share of 25% in 2019.

CELEBRATING RECORDS

The year 2019 saw CaC-1000 PLUS deliver phenomenal results as it achieved the milestone of PKR 3Bn in local sales and a growth of 32% vs last year.

Other achievements in 2019 include winning the first-ever Effie award in Pakistan in the 'Positive change – Social good (Brands)' Category for our Calcium Awareness Campaign, the launch of Lemon flavor in a T-20 bottle in the peak summer season along with its extensive taste-trial drives in Clinics & Pharmacies, a new TVC with HCP endorsement for Calcium supplements exclusively for the summer season, a digital campaign on World Osteoporosis Day & testing ~160K patients for Calcium deficiency through free BMD tests, to name a few.



² National Nutrition Survey, '11

³ IMS MAT Sales Data, Nov '19



Sensodyne, a legacy brand of GSK CH has created a significant impact in the toothpaste segment. As a leading sensitivity brand, it has managed to reach new levels of success during 2019. The rapid product innovation and exceptional customer engagement strategies have resulted in remarkable Brand evolution for Sensodyne. As a result, today, it is one of the most reliable brands for consumers, shoppers and experts around the world.

Sensodyne successfully fulfilled its goals and objectives for the year 2019. The launch of Sensodyne Herbal Multi Care made a vital contribution to its increased brand presence. In addition to this, the Sensitivity Condition Awareness Campaigns also enhanced the entire brand positioning experience by creating a sense of urgency for potential consumers who experience tooth sensitivity. This along with other PR and Digital

Campaigns across different platforms have augmented consumer penetration to a great degree.

Moreover, a special initiative was taken to build direct to consumer connections with the Checkup activation and partnerships with food festivals across metro cities. Consequently, the brand value of Sensodyne has crossed PKR 2 Billion and as of this year, it occupies a market share of 14%⁵.

Sensodyne understands that sensitivity pain is a hinderance in enjoying small festivities in life and is committed to enabling consumers in combatting this condition and ultimately helping them to do more, feel better and live longer. The Portfolio includes 7 variants of toothpastes, 4 brushes and a mouthwash – all specially designed to treat sensitivity supported with their own unique propositions.



⁵ Nielsen NOV'19

parodontax

Parodontax is a specialist gum health toothpaste and is clinically proven to be 4x more effective at removing the main cause of bleeding gums than a regular toothpaste.

In 2019, only the third year since Parodontax was re-launched, the brand strengthened its current range by launching the Time campaign. Time is constant in every single person's life and time stops for no one. By dialing this up via various creative tools, we demonstrated the life impact of gum disease as our protagonist lives through the symptoms. It built brand conviction by emphasizing that it's *Time to Leave Bleeding Gums Behind*.

Gum Health in Pakistan is often neglected by the general population. Parodontax's main objective is to create awareness on Gum Health and Bleeding Gums and build relevance for Parodontax as a solution.

Parodontax continued to be on air, with the 360-degree campaign, creating awareness on gum disease and showing bleeding gums as the first sign of dental concern of weak gums. To support the communication, the brand was also leveraged on the growing digital platform, including website, Facebook, Google, local publishers and videos on YouTube. Moreover, having a strong relationship with dentists in the past, GSK CH leveraged its expert force to re-build expert communication and recommendation – primarily supported with the sampling of our extra fresh variant. On the shopper front, Parodontax tools were placed on shelves, with the key message of 'Leave Bleeding Gums Behind with Parodontax', activities in modern trade and general trade outlets including free trial of

Parodontax Extra Fresh were also conducted. We also took an initiative to conduct Free Gum Health Test instores by a plaque detector, a hand-held device, which when held up to the mouth, illuminates the 'residual' plaque that can lead to gum problems. This activation helped us create condition awareness about bleeding gums problem and use Parodontax as a preventive solution to treat it.

Above mentioned efforts resulted in gaining in an exponential growth of over 100% over the previous year and a market share of 1.7%.

BLEEDING GUMS WHEN YOU BRUSH?

THE CLOCK IS TICKING ON GUM DISEASE

parodontax EXTRA FRESH

Helps stop and prevent bleeding gums

4x MORE EFFECTIVE VS REGULAR TOOTHPASTE*
AT REMOVING THE MAIN CAUSE* OF BLEEDING GUMS

Ask your dentist about gum problems.

© 2019 GSK Consumer Healthcare
Date of prep: January 2019

*After a professional clean and twice daily brushing.

OTHER BRANDS



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



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



Topical Emulgel for neck, back and muscular pain



Chewable calcium tablets for strong bones and teeth



For the treatment of mild acne



For the treatment of warts and corns

Actifed

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

Anti-allergic

T-Day (Levocetirizine Dihydrochloride)

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

IODEX

For topical pain segment to provide relief from head, neck, back and muscular pain

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

SpectraBAN

Non-greasy, water-resistant, hypoallergenic sunblock that controls sebum and provides protection from harmful UV rays

ENO

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



FINANCIAL STAKEHOLDER AND INFORMATION

FINANCIAL PERFORMANCE AT A GLANCE



Rupees in million	2019	2018	2017	2016
Net Sales	16,317	14,875	8,298	5,376
Gross Profit	4,986	4,340	3,101	1,509
Operating Profit	1,892	1,688	1,179	858
Profit Before Tax	1,700	1,463	1,171	856
Taxation	(442)	(388)	(464)	(311)
Profit after taxation	1,258	1,075	707	545
Earnings per share Rs.	10.74	9.18	7.39	7.6
Dividend per share Rs.*	5.00	5.00	5.00	-
Return on equity	27.94%	28.02%	30.77%	34.16%
Market capitalisation (Rs. In millions)	30,015	31,182	30,986	-
Paid-up Capital (Rs. in million)	1,170.5	1,170.5	956	956

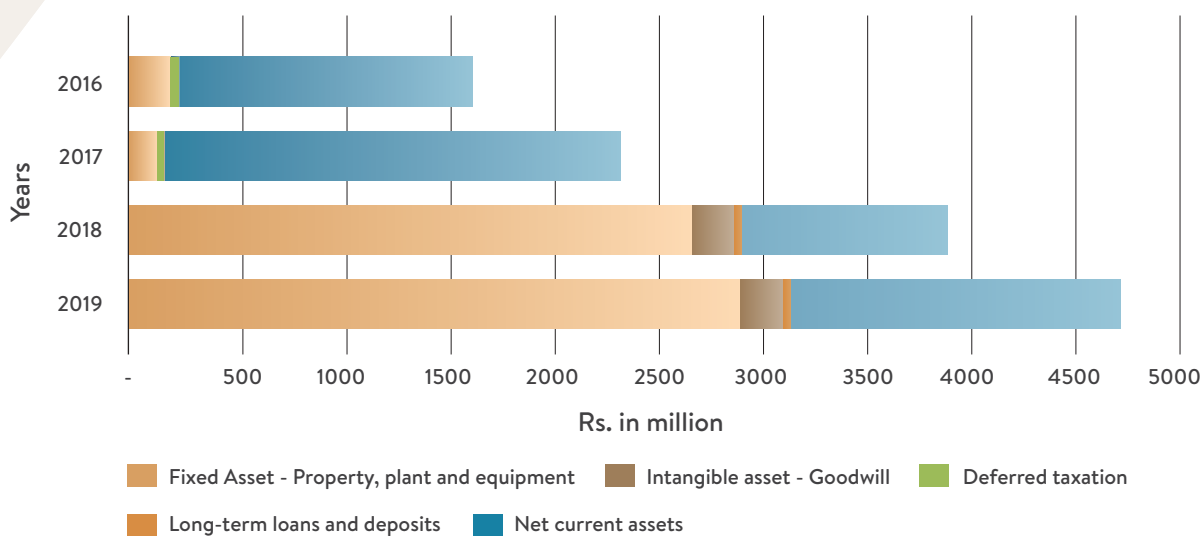
* Represents final cash dividend @ Rs 5 per share proposed by the Board of Directors subsequent to the year end.

KEY OPERATING AND FINANCIAL DATA & RATIOS

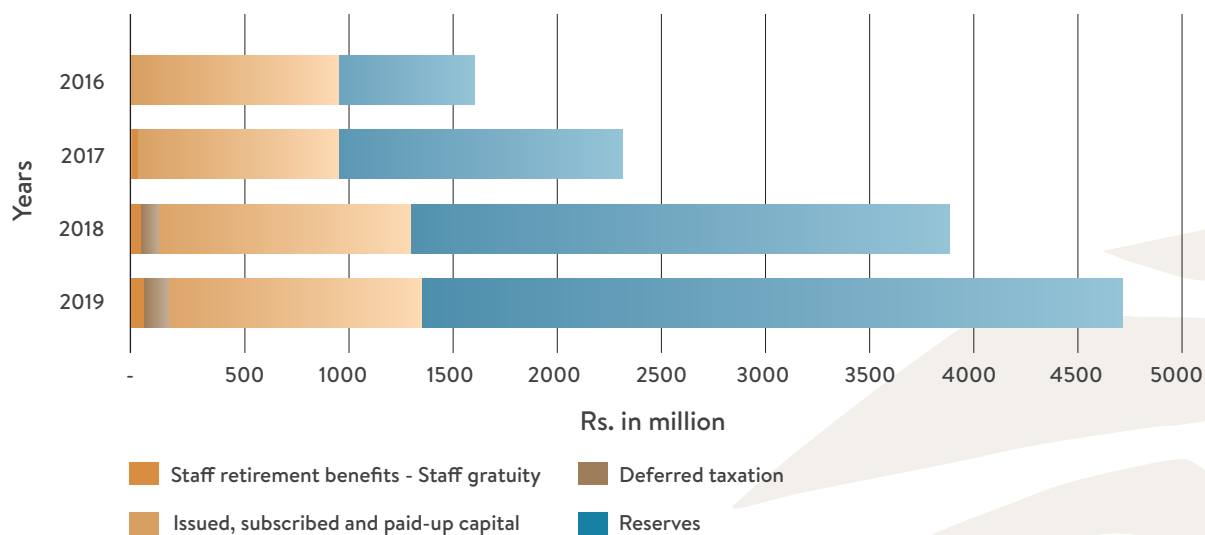


Statement of Financial Position (Rs. in million)	2019	2018	2017	2016
Assets employed				
Fixed Assets - property, plant and equipment	2,915	2,650	125	132
Intangible asset - Goodwill	128	128	-	-
Deferred taxation	-	-	8	17
Long-term loans and deposits	17	11	1	1
Net current assets	1,626	1,174	2,183	1,456
	4,685	3,962	2,316	1,605
Less: Non-Current Liabilities				
Staff retirement benefits - Staff gratuity	54	38	20	9
Deferred taxation	131	90	-	-
	185	127	20	9
Net assets employed	4,501	3,835	2,297	1,597
Financed by				
Issued, subscribed and paid-up capital	1,171	1,171	956	956
Reserves	3,330	2,664	1,341	641
	4,501	3,835	2,297	1,597

Statement of financial position - Asset employed



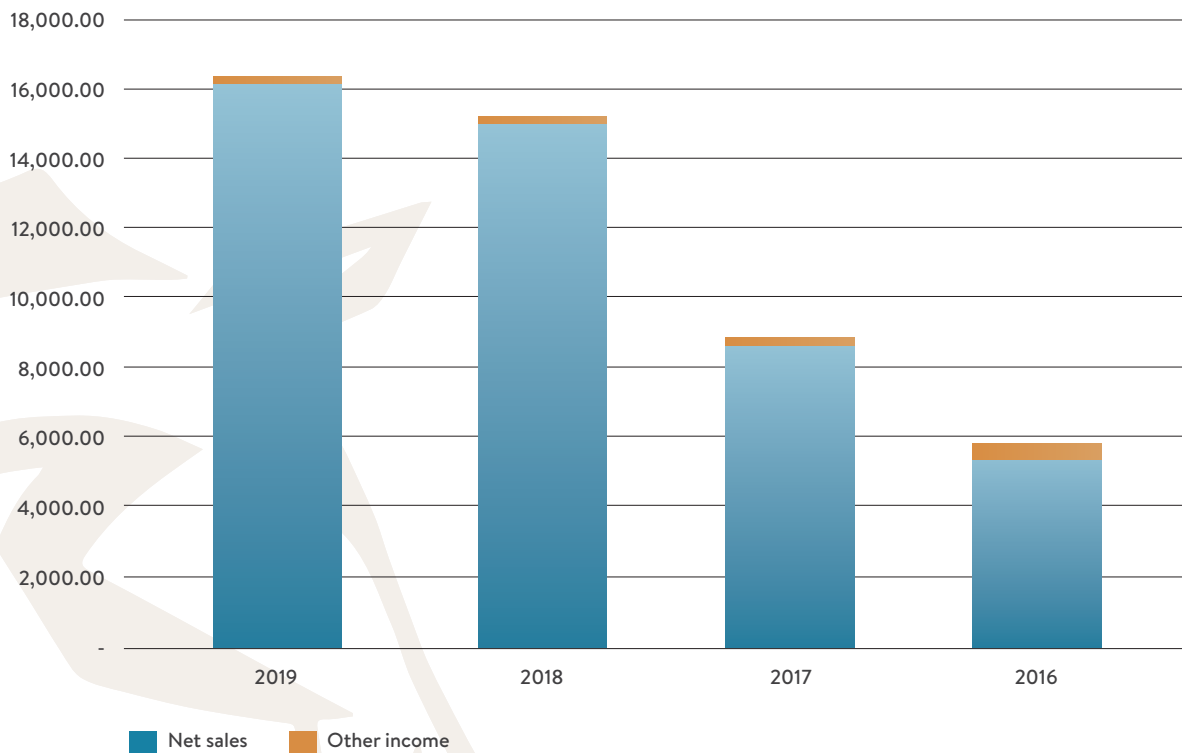
Statement of financial position - Non current Liabilities & Shareholder's equity



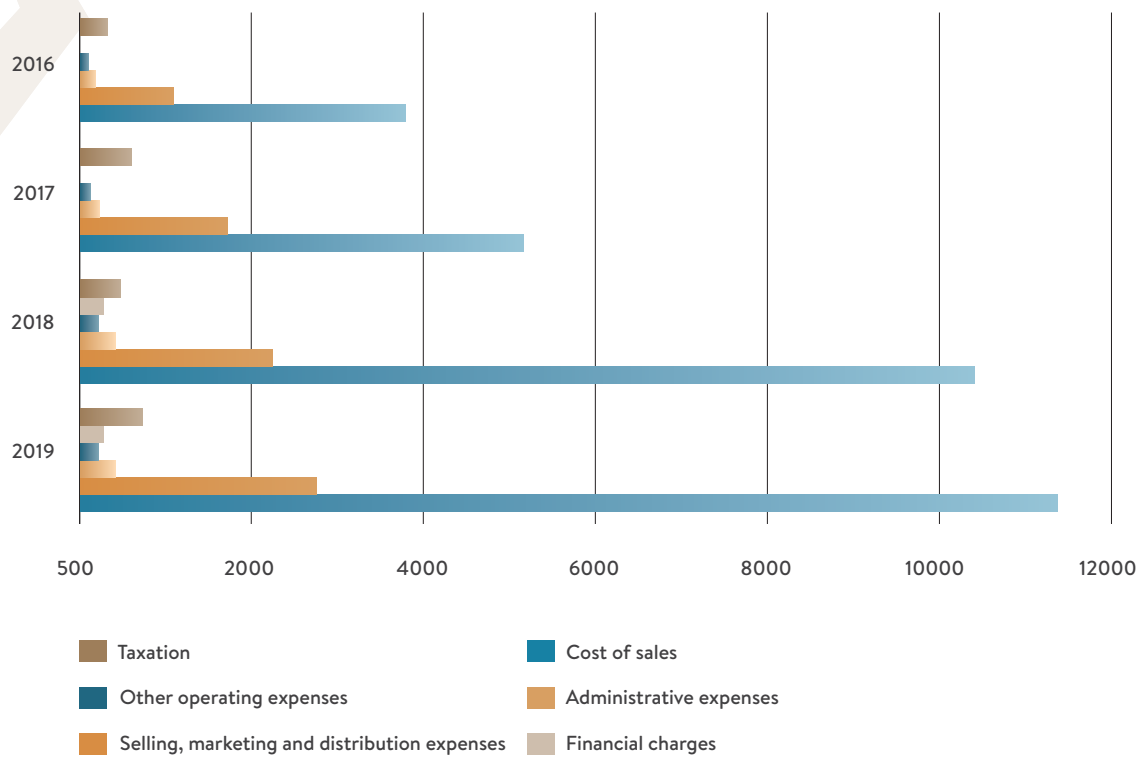
Turnover and profit

		2019	2018	2017	2016
Net sales	Rs. in million	16,317	14,875	8,298	5,376
Gross profit	Rs. in million	4,986	4,404	3,101	1,509
Operating profit	Rs. in million	1,892	1,688	1,179	858
Profit before taxation	Rs. in million	1,700	1,463	1,171	856
Taxation	Rs. in million	(442)	(388)	(464)	(311)
Profit after taxation	Rs. in million	1,258	1,075	707	545
EBTIDA	Rs. in million	2,146	1,899	1,202	866
Cash Dividend including bonus shares	Rs. in thousand	585,273	585,273	477,751	-
Sales per employee	Rs. in thousand	32,830	30,990	131,717	97,742

Statement of Profit Loss - Net sales & other income (Rs. in million)



Statement of Profit or Loss - Expenses (Rs. in million)

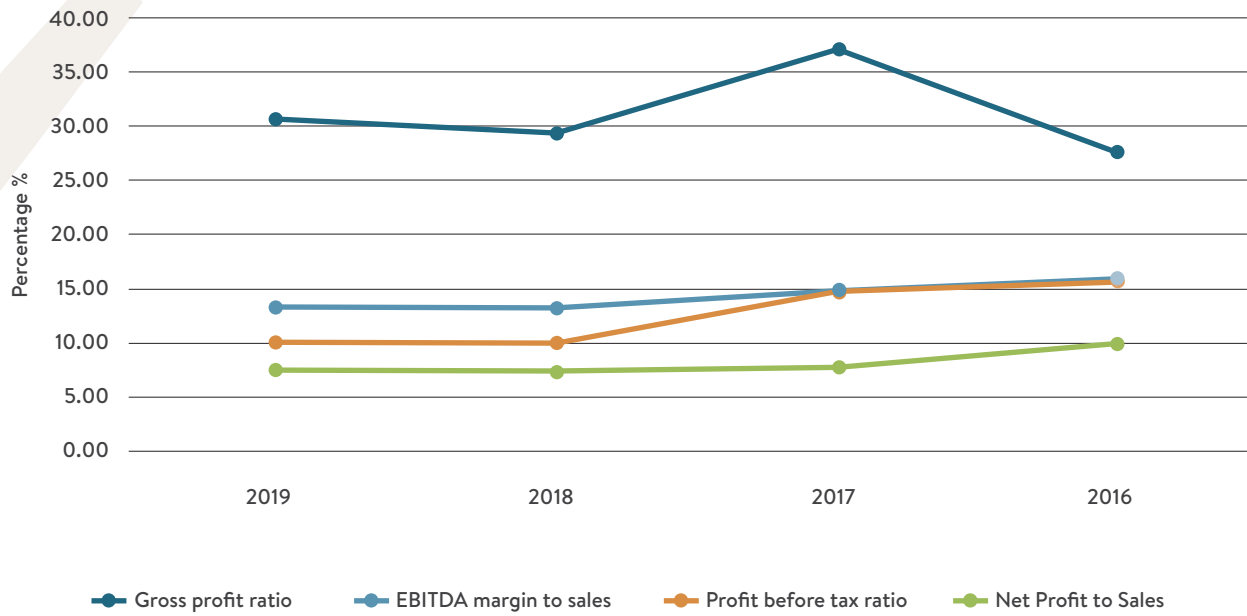
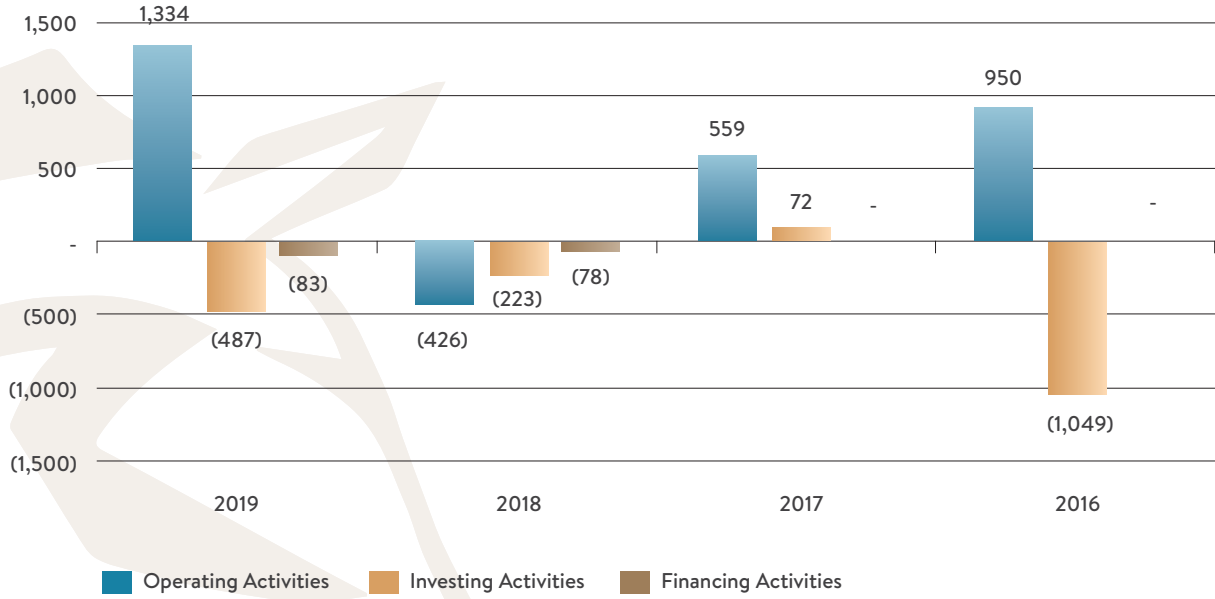


Cashflows		2019	2018	2017	2016
Operating Activities	Rs. in million	1,334	(426)	559	950
Investing Activities	Rs. in million	(487)	(223)	72	(1,049)
Financing Activities	Rs. in million	(83)	(78)	-	-
Changes in Cash equivalents	Rs. in million	764	(727)	631	(99)
Cash & equivalents - Year end	Rs. in million	(120)	(884)	1,302	670

Financial Highlights		2019	2018	2017	2016
Cash dividend per share (Rs)	Rupees	5.0	5.0	5.0	-
Bonus shares	%	-	-	-	-
Market value per share - year end	Rupees	256.42	266.39	324.29	-
Market value per share - high	Rupees	353.53	529.00	365.00	-
Market value per share - low	Rupees	164.10	258.00	100.63	-
Market capitalization	Rs.in million	30,015	31,182	30,986	-

Profitability Ratios		2019	2018	2017	2016
Profit before tax ratio	%	10.42	9.83	14.11	15.92
Gross Yield on Earning Assets	%	2.98	8.76	8.14	3.53
Gross Spread ratio	Times	0.25	0.24	0.23	0.36
Cost / Income ratio	Times	0.63	0.63	0.64	0.58
Return on Equity	%	27.94	28.02	30.77	34.16
Return on Capital employed	%	26.83	27.12	30.51	33.98
Gross Profit ratio	%	30.56	29.61	37.37	28.07
Net Profit to Sales	%	7.71	7.22	8.52	10.15
EBITDA Margin to Sales	%	13.15	12.77	14.48	16.14
Operating leverage ratio	Times	1.2	0.5	0.7	0.0

Statement of cash flows (Rs. in million)



Investment/Market Ratios		2019	2018	2017	2016
Earnings per share (EPS)	Rupees	10.74	9.18	7.40	7.60
Price Earnings ratio	Times	23.88	29.02	43.88	2.20
Price to Book ratio	Times	6.86	8.41	13.49	-
Dividend Yield ratio (%)	%	1.95	1.88	1.54	-
Dividend Payout ratio	Times	0.47	0.54	0.68	-
Dividend Cover ratio	Times	2.15	1.84	1.48	-
Break-up Value per share	Rupees	37.36	32.76	24.04	16.71

Capital Structure Ratios		2019	2018	2017	2016
Earning assets to total assets ratio	%	7.16	8.89	32.9	23.4
Net assets per share	Times	38.45	32.76	24.0	16.7
Debt to Equity ratio	Times	0.03	0.24	-	-
Financial leverage ratio	Times	0.18	0.43	-	-
Weighted average cost of debt	%	11%	6%	0%	0%
Interest Cover ratio	Times	15.65	11.18	281.0	856.1

Liquidity Ratios		2019	2018	2017	2016
Current ratio	Times	1.38	1.29	2.3	2.16
Quick / Acid test ratio	Times	0.72	0.72	1.8	1.72
Cash to Current Liabilities	Times	0.15	0.18	0.8	0.53
Cash flow from Operations to Sales	%	8.17	(2.79)	6.7	17.67

Activity / Turnover Ratios		2019	2018	2017	2016
Inventory turnover ratio	Times	4.4	6.8	7.5	7.0
No. of Days in Inventory	Days	83	54	49	53
Debtor turnover ratio	Times	20.1	29.0	28.3	17.0
No. of Days in Receivables	Days	19	13	13	22
Creditor turnover ratio	Times	15.4	17.1	14.3	14.4
No. of Days in Creditors	Days	24	22	26	26
Total Assets turnover ratio	Times	1.82	1.87	2.1	1.9
Fixed Assets turnover ratio	Times	5.6	5.6	66.5	40.8
Operating Cycle	Days	78	46	36	49

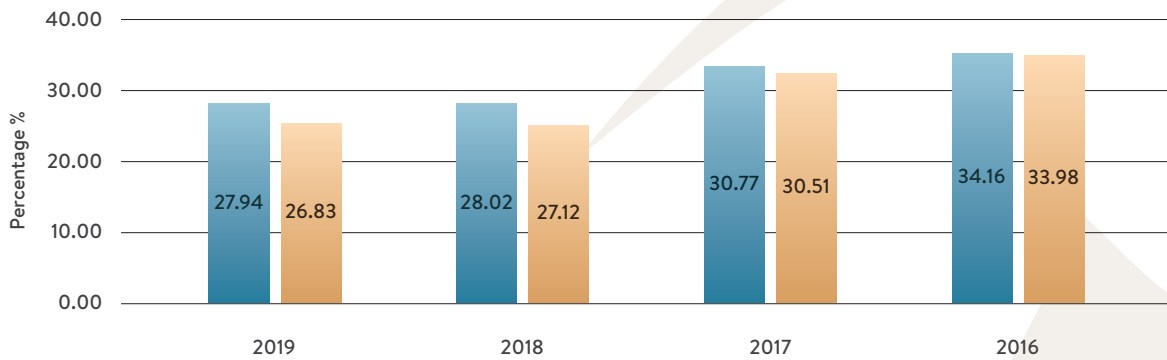
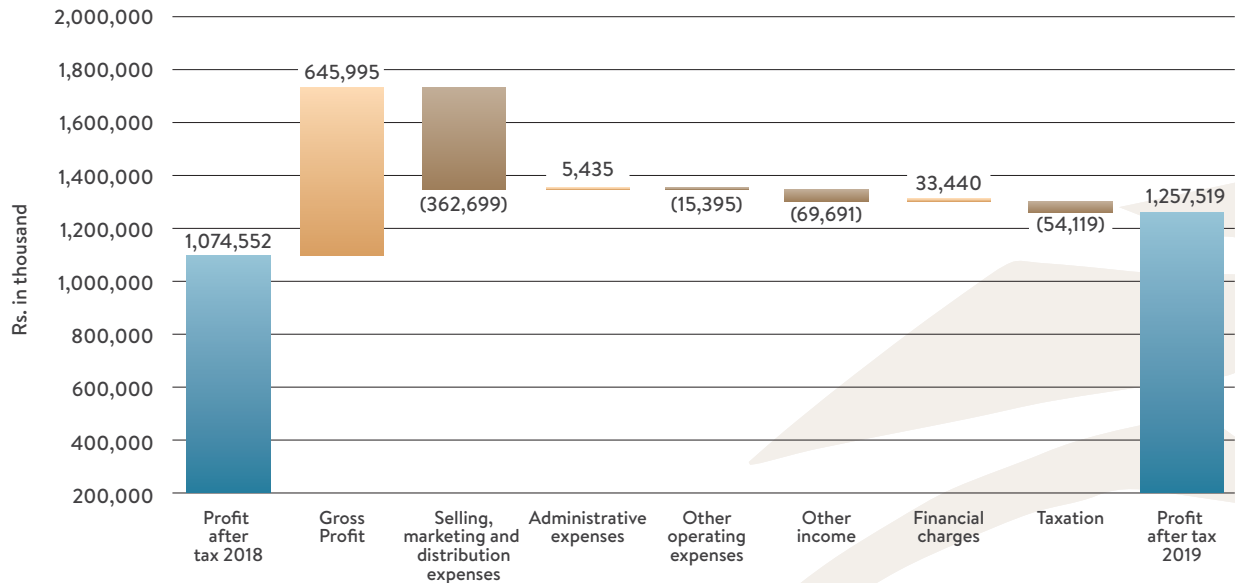
Methods and assumptions used in compiling the indicators.

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.

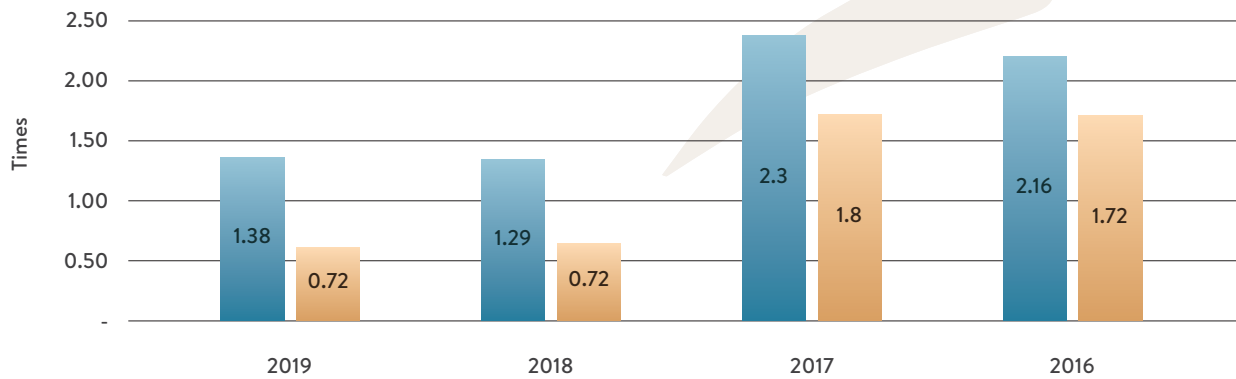
GRAPHICAL PRESENTATION



Variance analysis of Profit after tax (2018-2019)

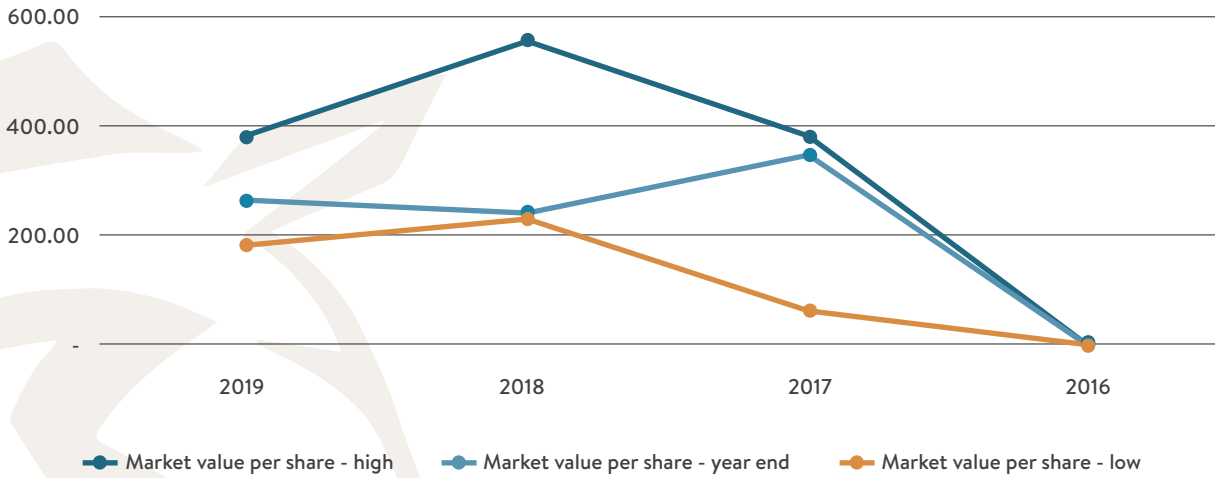


Return on Equity Return on Capital employed

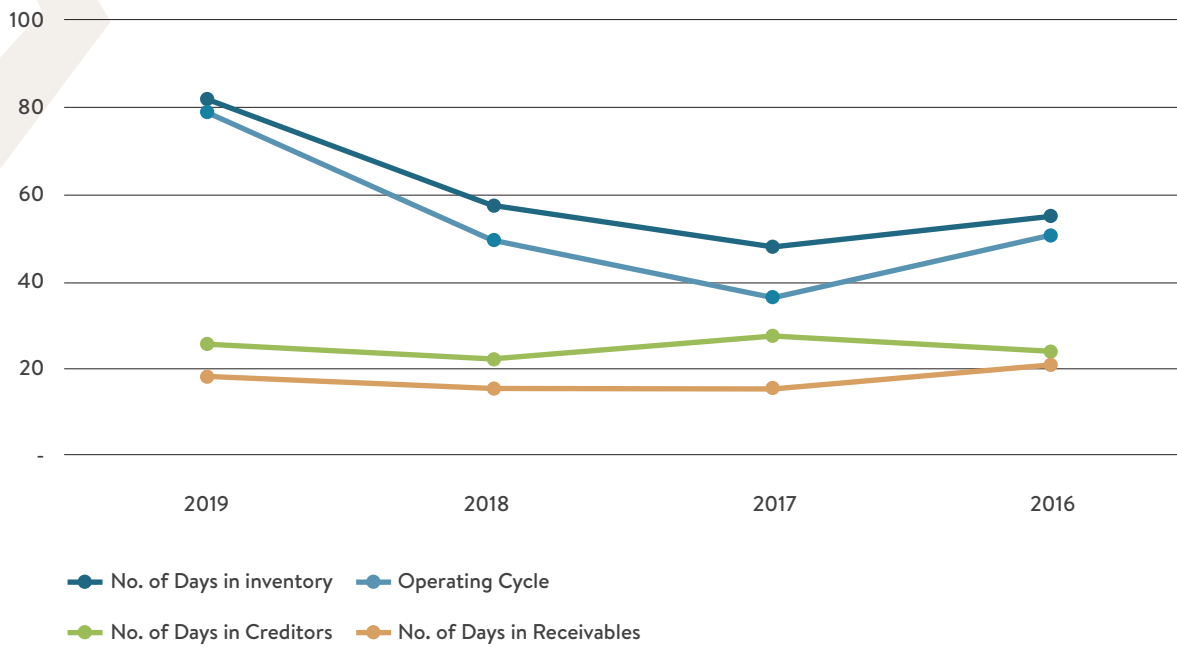


Current ratio Quick / Acid test ratio

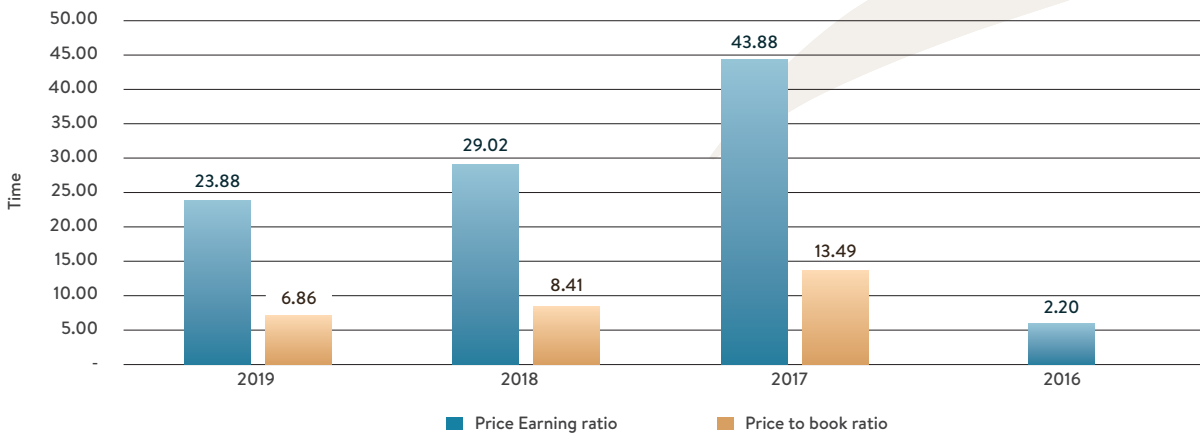
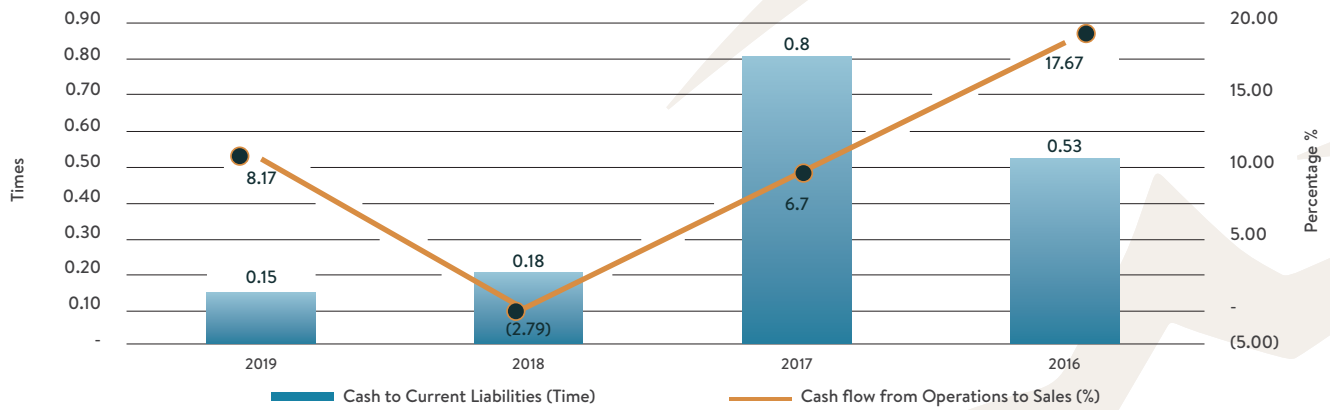
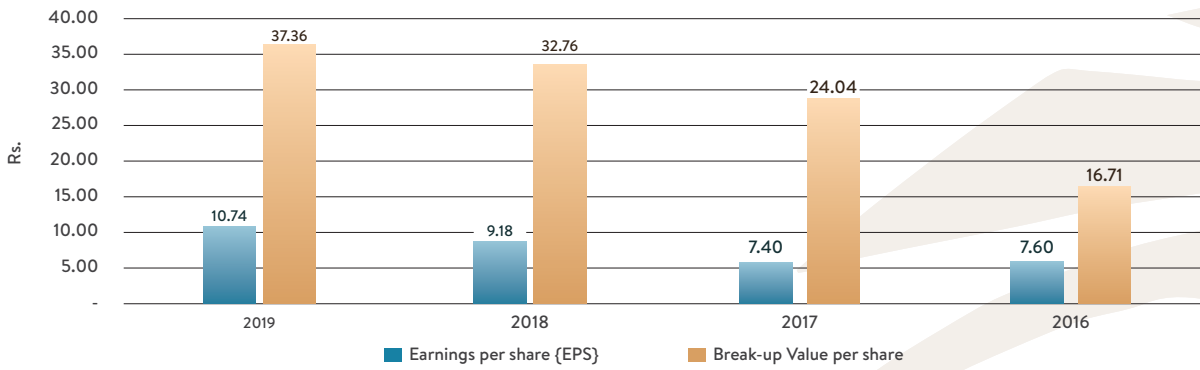
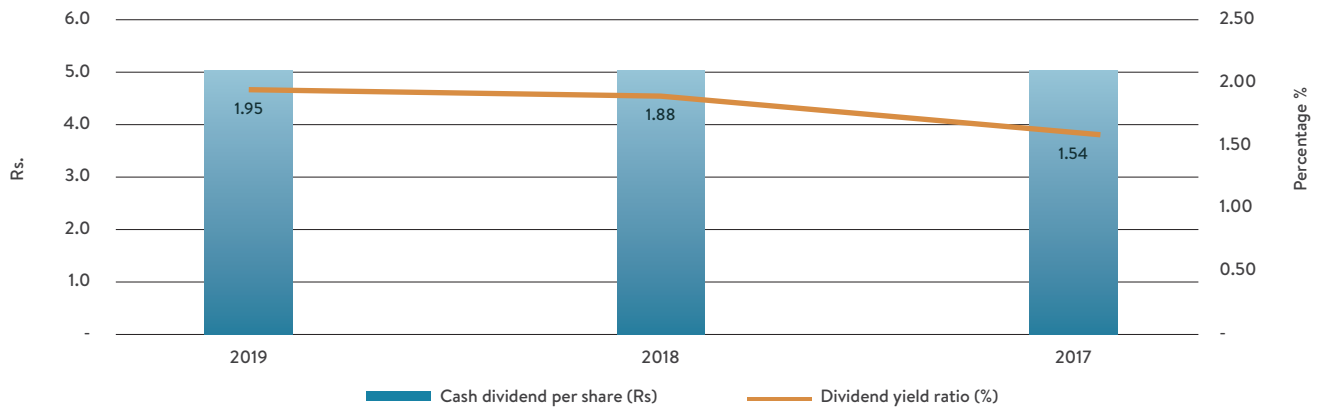
Share price (Rs.)



Working capital and operating cycle (In days)



Dividend



COMMENTS ON FINANCIAL RATIOS



PROFITABILITY RATIOS

Profitability ratios of the Company, in general, have increased versus last year, mainly on account of price adjustments, volume growth and new product development.

Profit after Tax increased by 17.03% compared to prior year. Gross profit margin climbed to 30.56% versus 29.61% last year. Net profit margin increased to 7.71% versus 7.22% during 2018 which is in line with the reasons mentioned above.

LIQUIDITY RATIOS

Cash inflows from operating activities has significantly improved versus last year primarily on account of increase in profitability and decrease in working capital changes. The Company remains sufficiently liquid and has Rs. 643.24 million of cash and cash equivalents as of 31st December 2019 to meet its investment and operational cash requirements. Current ratio (2019: 1.38, 2018: 1.29) improved versus last year, quick / acid test ratio (2019: 0.72, 2018: 0.72) remained stagnant and cash to current liabilities (2019: 0.15, 2018: 0.18) have declined versus last year mainly on account of higher payable balances.

ACTIVITY / TURNOVER RATIOS

Operating cycle has increased to 78 days in 2019 from 45 days in 2018 mainly due to higher payable balances as compared to last year. Total assets turnover ratio (average assets) decreased to 1.82 in 2019 from 1.87 in 2018 mainly due to increase in capital expenditure during the year. Fixed assets turnover ratio (average assets) declined to 5.60 in 2019 from 5.61 in 2018 mainly due to significant capital expenditure during the year.

INVESTMENT / MARKET RATIOS

Earnings per share jumped to Rs. 10.74 in 2019 from Rs. 9.18 in 2018 as a result of increase in profit after tax by 17.03% as mentioned above.

Price Earnings ratio declined to 23.88 in 2019 from 29.02 in 2018, mainly due to increase in earnings per share.

Dividend yield ratio remained stagnant to 1.9%

Dividend pay-out ratio decreased to 0.47 (times) in 2019 from 0.54 (times) in 2018, on account of increase in profit after tax by 17.03% as mentioned above.

Break-up value per share has increased to Rs. 37.36 in 2019 from Rs. 32.76 in 2018 due to increase in total equity by Rs. 666 million as compared to prior year on account of increase in profitability.

Market capitalisation has decreased to Rs. 30,015 million in 2019 from Rs. 31,182 million in 2018 due to decrease in market price per share to Rs. 256.42 on 31st December, 2019 from Rs. 266.39 on 31st December, 2018.

CAPITAL STRUCTURE ADEQUACY ANALYSIS

Total equity increased by 17.36% to Rs. 4,501 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 10% growth as compared to last year, which was supported by the increase in OTC and FMCG portfolio by 17% and 6% respectively. This progress was marginally offset by decrease in Exports and toll manufacturing portfolio.

COST OF SALES

Cost of sales of the Company increased primarily on account of increase in currency devaluation and inflation.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year increased by 12% mainly attributable to advertising and sales promotion expenditure.

OTHER CHARGES

Increase in other charges during the current year by 12% is primarily on account increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase 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. Major capital expenditure incurred during the year was for expanding manufacturing capacity, enhancement of productivity, and improvement of plant efficiency.

CURRENT ASSETS

The increase in current assets is mainly due to increase in inventories, trade debts and advance tax payments primarily on account of increase in volumes. This has been partially offset by decrease in cash and bank balances and refunds due from government.

CURRENT LIABILITIES

Trade and other payables have increased over prior year mainly on account of increase in accrued liabilities due to timing differences.

EQUITY

Equity increased from prior year primarily due to increase in profitability.

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

There has been a significant increase in net cash flows from operating activities mainly due to higher profitability and favourable working capital changes versus last year.

CASH FLOWS FROM INVESTING ACTIVITIES

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

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflow from financing activities increased during the current year primarily on account of payment of dividend.

FORWARD LOOKING STATEMENT

A detailed insight on the Company's Future Outlook and Challenges by the Board of Directors is present in the Director's Report on pg. 61. Moreover, significant factors affecting external environment and the Company's responses to those factors are disclosed on pg. 25.

Sources of Information and Assumptions Used for Forecasts/ Projections

The Company makes a statutory budget every year in line with the objectives and strategies of the Company. These plans are approved by the Boards of Directors annually. Periodic reviews of performance are carried out against these plans to ensure adequate monitoring and control.

Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capex plans etc. Further, macro-economic indicators such as inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.

Status of the projects in progress and were disclosed in the forward-Looking Statement in the previous year

After Domestic-Manufacturing ERP Go-Live on July 8th, 2019, GSK CH will be deploying Commercial ERP in October, 2020 replacing the current system i.e J.D Edwards. This would result in GSK using one ERP system and one set of global processes and will increase efficiency for processes and operations.

There are no projects in progress that were disclosed in the forward-looking statement in the previous year.

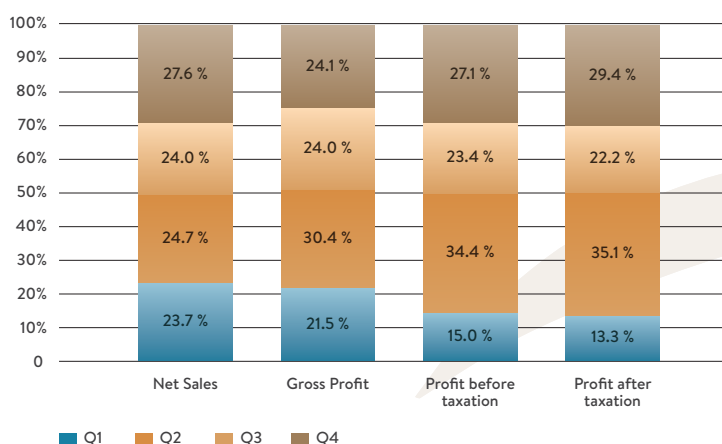
QUARTERLY ANALYSIS



FOR THE YEAR ENDED DECEMBER 31, 2019

	2019				Total
	Q1	Q2	Q3	Q4	
Net sales	3,872,871,492	4,025,731,486	3,913,657,094	4,504,484,477	16,316,744,549
Cost of sales	(2,799,319,548)	(2,511,295,959)	(2,715,910,259)	(3,304,151,304)	(11,330,677,070)
Gross profit	1,073,551,944	1,514,435,527	1,197,746,835	1,200,333,173	4,986,067,479
Selling, marketing and distribution expenses	(697,075,958)	(738,248,587)	(703,285,834)	(601,031,781)	(2,739,642,160)
Administrative expenses	(71,130,949)	(42,176,625)	(72,367,973)	(97,685,639)	(283,361,186)
Other operating expenses	(22,449,200)	(46,104,558)	(33,017,554)	(41,021,355)	(142,592,667)
Other income	11,002,169	17,384,724	13,508,435	29,776,211	71,671,539
Operating profit	293,898,006	705,290,481	402,583,909	490,370,609	1,892,143,005
Financial charges	(38,135,246)	(120,149,664)	(4,967,195)	(29,112,932)	(192,365,037)
Profit before taxation	255,762,760	585,140,817	397,616,714	461,257,677	1,699,777,968
Taxation	(88,448,076)	(143,638,116)	(118,091,880)	(92,081,086)	(442,259,158)
Profit after taxation	167,314,684	441,502,701	279,524,834	369,176,591	1,257,518,810

Quarterly Analysis



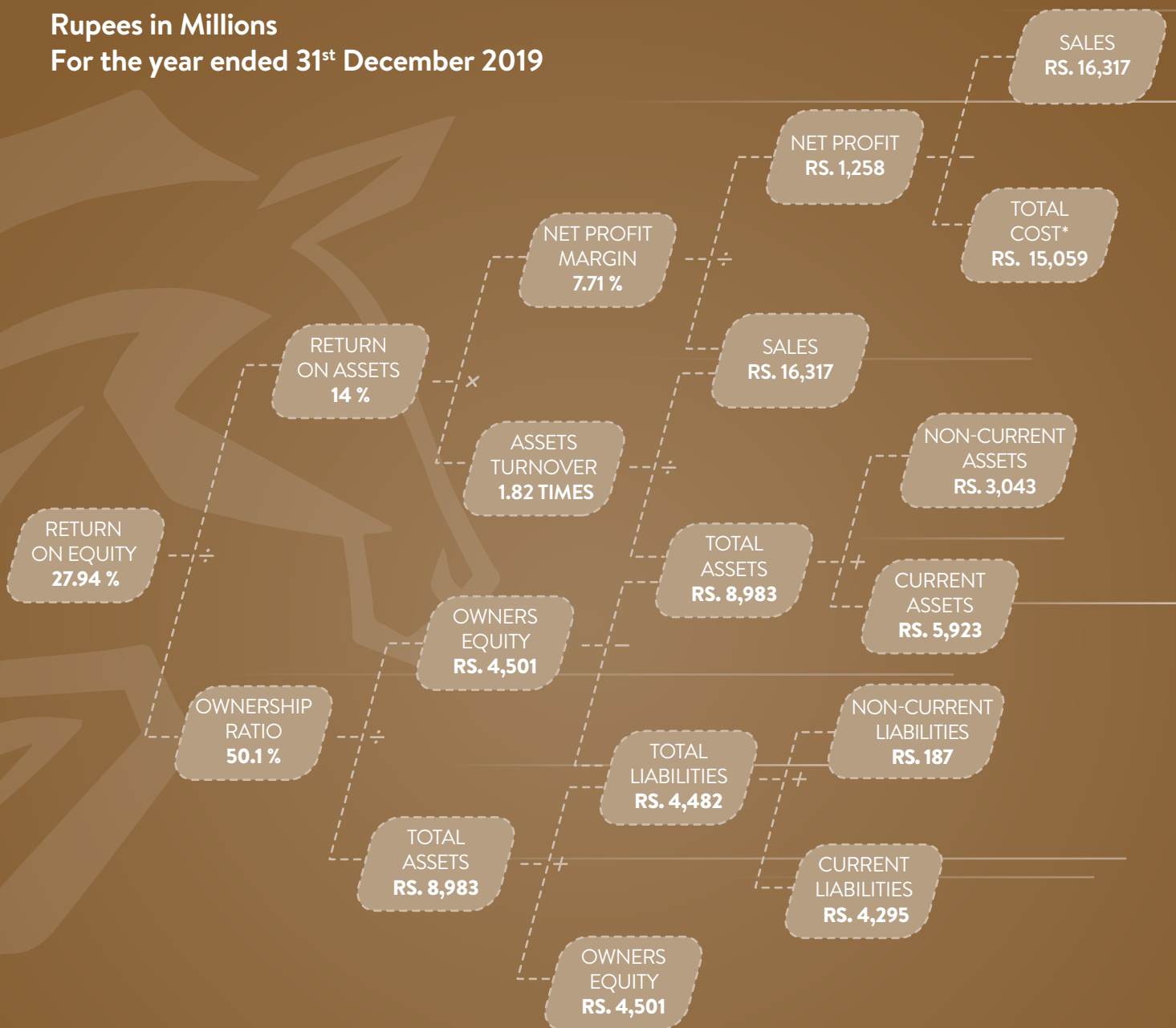
Comments:

Profit before tax (PBT) represented 15% of the total PBT in Q1 due to lowest sales in Q1 amongst all four quarters and price increases by the Drug Regulatory Authority of Pakistan (DRAP) that were availed in the last three quarters of 2019. Consequently, Profit after tax (PAT) of Q1 contributed only 13% of the total PAT because of the reasons mentioned above and a very high effective tax of 35% was charged in the same quarter due to the legislative change which came in effect by Finance Supplementary (Second Amendment) Act, 2019 dated 10th March 2019. In the light of this supplementary bill the Income stream from Commercial Imported goods was classified in Final Tax Regime which prevented company from adjusting the loss of Rs. 18.5 million with its taxable income from locally manufactured goods which resulted in higher taxable income.

DUPONT ANALYSIS

Rupees in Millions

For the year ended 31st December 2019



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

Comments on Duopont Analysis

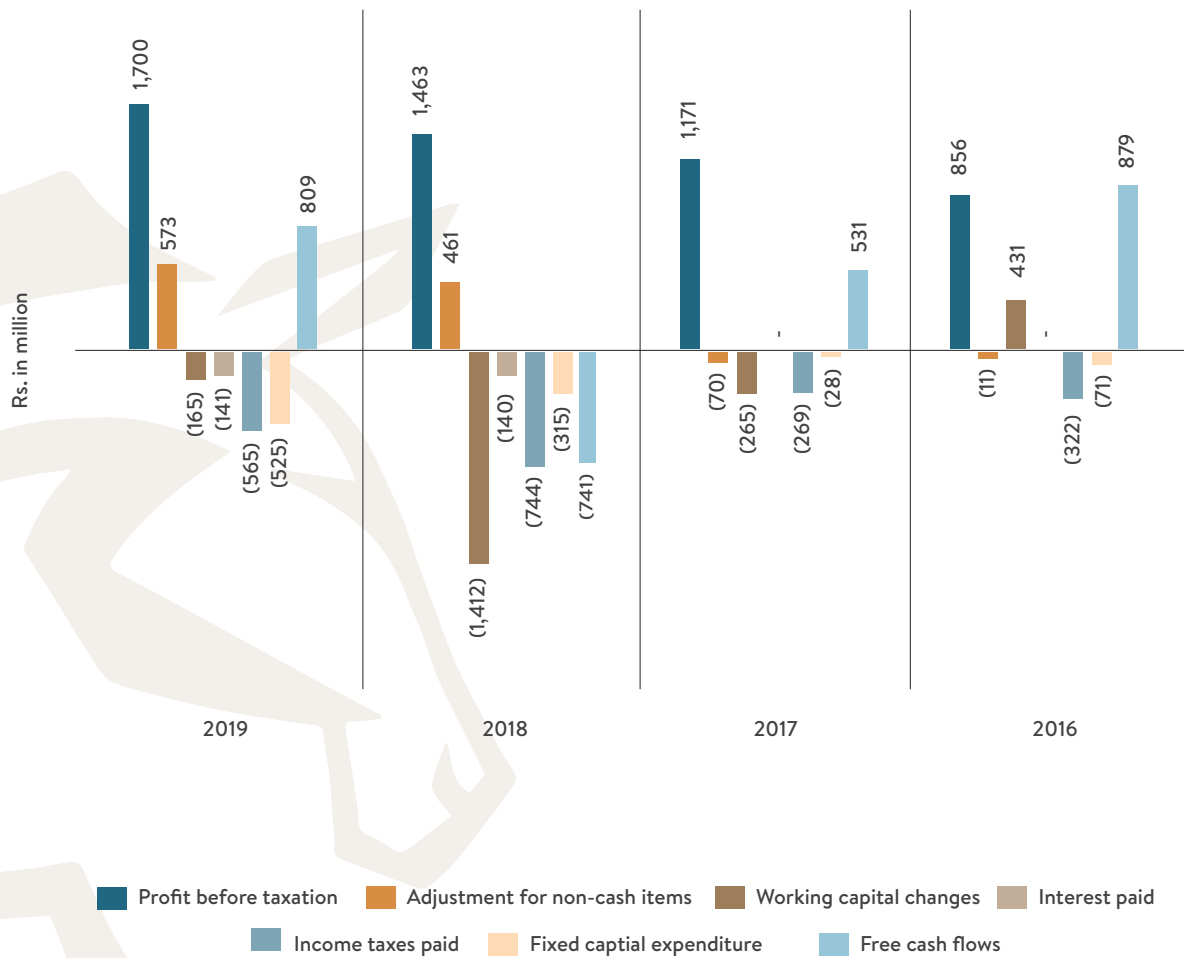
The Company has been able to maintain its Return on Equity at 28% since last year due to sustainability of Net Profit Margin, Asset turnover and eventually the Ownership Ratio. Furthermore, the decline in reserves has also been constant due to the same rate of dividend announced for the year 2018 as well as 2017 i.e Rs. 5/share.

FREE CASH FLOWS



FOR THE YEAR ENDED DECEMBER 31, 2019

	December 31,			
	2019	2018	2017	2016
Profit before taxation	1,699,777,968	1,462,692,352	1,170,838,613	856,063,755
Adjustment for non-cash items:				
Depreciation	231,400,913	210,635,453	22,964,631	10,147,985
Operating assets written off	-	-	1,641,963	-
Interest expense	123,894,333	143,996,225	-	-
Gain on disposal of operating assets	(7,907,067)	(2,413,577)	(2,510,570)	(278,683)
Interest income	(19,147,292)	(61,984,940)	(105,970,375)	(23,671,109)
Provision / (reversal) for slow moving, obsolete and damaged stock - net of stock written off	130,630,520	114,024,886	4,340,498	(2,111,796)
Allowance for impairment of trade debts	23,929,083	23,302	158,196	152,035
Provision for impairment of fixed assets	22,500,000	-	-	-
Provision for staff retirement benefits	67,944,287	57,046,298	9,106,715	5,202,470
	573,244,777	461,327,647	(70,268,942)	(10,559,098)
Working capital changes	(165,329,986)	(1,411,637,059)	(264,856,374)	430,982,829
Staff retirement benefits paid	(61,189,122)	(52,738,206)	(7,492,213)	(5,019,828)
Interest paid	(140,971,147)	(139,780,490)	-	-
Income taxes paid	(565,408,911)	(743,788,903)	(268,655,682)	(321,665,543)
(Increase) / decrease in long-term loans to employees	(3,232,511)	(1,840,854)	(215,575)	56,395
Increase in long-term deposits	(3,106,198)	-	-	-
	(939,237,875)	(2,349,785,512)	(541,219,844)	104,353,853
Net cash generated from / (used in) operating activities	1,333,784,870	(425,765,513)	559,349,827	949,858,510
Fixed capital expenditure	(524,793,174)	(314,785,896)	(28,387,509)	(71,003,854)
Free cash flows	808,991,696	(740,551,409)	530,962,318	878,854,656



Comments on Free Cash Flows

Company's free cash flows increased versus last year mainly on account of increase in cash flows from operating activities contributed primarily by increase in profit before taxation, favourable working capital changes due to an increase in payables of the Company and lower income taxes paid. This increase in cash flows from operating activities was offset by an increase in capital expenditure which led to a partial decline in the free cash flows.

DIRECT CASHFLOW



FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	16,302,866,159	14,764,941,373
Cash paid to suppliers / service providers	(13,040,633,124)	(12,963,230,105)
Cash paid to employees	(1,066,774,516)	(1,052,079,619)
Payment of indirect taxes and other statutory duties	(94,104,469)	(239,089,563)
Staff retirement benefits paid	(61,189,122)	(52,738,206)
Interest paid	(140,971,147)	(139,780,490)
Income taxes paid	(565,408,911)	(743,788,903)
Net cash generated from / (used in) operating activities	1,333,784,870	(425,765,513)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(524,793,174)	(314,785,896)
Proceeds from sale of operating assets	19,018,527	8,556,401
Return received	18,969,210	82,828,667
Net cash used in investing activities	(486,805,437)	(223,400,828)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(80,744,750)	(77,903,044)
Lease rental paid	(2,236,079)	-
Net cash used in financing activities	(82,980,829)	(77,903,044)
Net increase / (decrease) in cash and cash equivalents	763,998,604	(727,069,385)
Cash and cash equivalents at beginning of the year	(884,337,324)	1,301,554,423
Net cash and cash equivalents transferred from GSK OTC	-	(1,458,822,362)
Cash and cash equivalents at end of the year	(120,338,720)	(884,337,324)

HORIZONTAL ANALYSIS



Statement of Financial Position Analysis	2019	2018*	2017	2016
Share Capital and Reserves	17.4	67.0	43.9	100.0
Non Current Liabilities	46.6	552.0	128.5	100.0
Current Liabilities	7.6	143.8	30.3	100.0
Total Equity and Liabilities	12.9	101.2	38.2	100.0
Non Current Assets	9.7	1,983.7	(10.6)	100.0
Current Assets	14.7	35.2	40.9	100.0
Total Assets	12.9	101.2	38.2	100.0

Statement of Profit or Loss Analysis	2019	2018*	2017	2016
Net sales	9.7	79.3	54.4	100.0
Cost of sales	8.2	101.5	34.4	100.0
Gross profit	13.2	42	105.6	100.0
Selling, marketing and distribution expenses	12.2	34	85.1	100.0
Administrative expenses	(1.9)	49.7	46.2	100.0
Other operating expenses	12.1	43.8	35.8	100.0
Other operating income	(49.3)	(22.0)	(65.8)	100.0
Operating profit	12.1	43.2	37.5	100.0
Financial charges	(14.8)	2,676.1	423.2	100.0
Profit before taxation	16.2	24.9	36.8	100.0
Taxation	13.9	(16.4)	49.4	100.0
Profit after taxation	17.0	52.0	29.6	100.0

Comments on Horizontal Analysis

Statement of Financial Position Analysis

The increase in Non current liabilities of 46.6% pertains to an increase in the Staff retirement benefits, additional deferred tax liabilities this year on accelerated tax depreciation and amortisation and assets under IFRS 16 and lease liability arising for the assets under IFRS 16.

Furthermore, the increase in current assets pertains to increase in in-transit inventory, higher tax receivables due to advance taxes paid and higher receivable from NPPL against toll manufacturing and sale of goods.

Statement of Profit or Loss Analysis

The decrease in administrative expenses is majorly because of a significant decrease in legal and professional charges due to the decrease in merger related legal and professional charges which was concluded in 2018. Furthermore, other operating income has decreased by 49.3 %. This is majorly due to the insurance claim recovery, most of which was realised in 2018.

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

VERTICAL ANALYSIS



Statement of Financial Position Analysis (%)	2019	2018	2017	2016
Share Capital and Reserves	50.1	48.2	58.1	55.8
Non Current Liabilities	2.1	1.6	0.5	0.3
Current Liabilities	47.8	50.2	41.4	43.9
Total Equity and Liabilities	100.0	100.0	100.0	100.0
Non Current Assets	34.1	35.1	3.4	5.2
Current Assets	65.9	64.9	96.6	94.8
Total Assets	100.0	100.0	100.0	100.0

Statement of Profit or Loss Analysis (%)	2019	2018	2017	2016
Net sales	100.0	100.0	100.0	100.0
Cost of sales	(69.4)	(70.4)	(62.6)	(71.9)
Gross profit	30.6	29.6	37.4	28.1
Selling, marketing and distribution expenses	(16.8)	(16.4)	(22.0)	(18.3)
Administrative expenses	(1.7)	(1.9)	(2.3)	(2.5)
Other operating expenses	(0.9)	(0.9)	(1.1)	(1.2)
Other operating income	0.4	1.0	2.2	9.9
Operating profit	11.6	11.4	14.2	16.0
Financial charges	(1.2)	(1.5)	(0.1)	(0.0)
Profit before taxation	10.4	9.8	14.1	15.9
Taxation	(2.7)	(2.6)	(5.6)	(5.8)
Profit after taxation	7.7	7.2	8.5	10.1

Comments on Vertical Analysis

Statement of Financial Position Analysis

Share Capital and Reserves of the Company have increased on account of Profit after Tax of the Company which has been offset by the dividend payment for 2018. This increase has not been fully offset by an equal increase in liabilities. Therefore, equity of the Company has increased. Further, Non current liabilities have increased by 47% this year due to the increase in the Staff retirement benefits, additional deferred tax liabilities this year on accelerated tax depreciation and amortisation and assets under IFRS 16 and lease liability arising for the assets under IFRS 16. As compared to these, current liabilities have only increased by 8% this year leading to a decrease in the share of Total equity and Liabilities from 50.2% to 47.8%.

Non current assets which constituted 35% of the total assets of the Company in 2018 have only increased this year by 10% majorly due to Capital expenditure on plant and machinery and office equipment. Whereas, current assets have increased by 15% in 2019 due to increase in in-transit inventory, higher tax receivables due to advance taxes paid and higher receivable from NPPL against toll manufacturing and sale of goods.

Statement of Profit or Loss Analysis

The Company's Gross profit increased from 30% to 31% in 2019 due to the price increase from which the Company benefitted in the OTC portfolio. Further, increase in sales by 15% excluding toll manufacturing and exports, also helped the Company to achieve a higher profit. A higher Profit after tax % was achieved due to the decrease in expenses explained earlier and a benefit of Rs. 79 million for prior year in the current taxation expense of the Company.



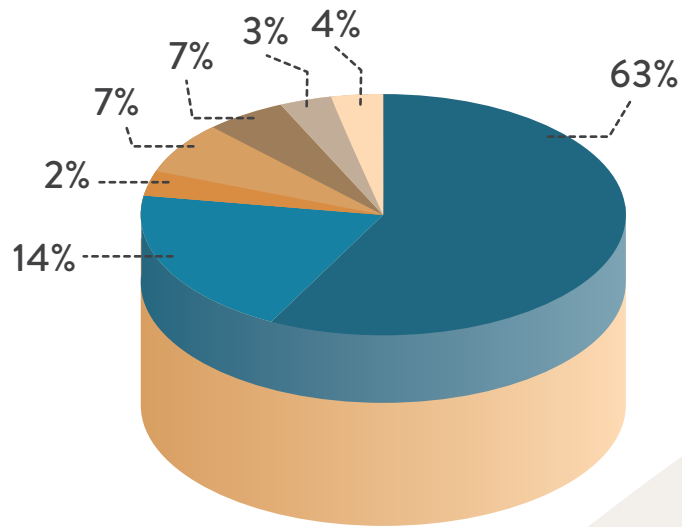
STATEMENT OF VALUE ADDED



	2019 Rs. 000		2018 Rs. 000		2017 Rs. 000		2016 Rs. 000		
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	
Revenue Generated									
Total revenue	17,013,794	100.0	15,592,219	100.0	8,964,312	100.0	6,240,136	100.0	
Revenue distributed									
Bought-in -materials and Services	10,725,828	63.0	9,778,493	62.7	5,191,856	57.9	3,861,819	61.9	
Selling, Marketing and Distribution Expenses	2,332,364	13.7	2,168,821	13.9	1,682,861	18.8	882,265	14.1	
Administrative Expenses and Financial Charges	358,475	2.1	414,601	2.7	109,104	1.2	74,604	1.2	
Income tax	442,259	2.6	388,140	2.5	464,023	5.2	310,598	5.0	
Worker's funds and Central research fund	142,593	0.8	127,198	0.8	88,464	1.0	65,156	1.0	
Sales tax	625,378	3.7	575,589	3.7	484,964	5.4	334,137	5.4	
To Government	1,210,230	7.1	1,090,927	7.0	1,037,451	11.6	709,891	11.4	
		-							
Salaries,Wages and other benefits	1,129,379	6.6	1,064,825	6.8	236,224	2.6	166,091	2.7	
To Employees	1,129,379	6.6	1,064,825	6.8	236,224	2.6	166,091	2.7	
		-							
Donations	Donation During the year	-	-	-	-	-	-	-	
To Society	Donation During the year	-	-	-	-	-	-	-	
		-							
Cash dividend per share	Cash Dividend Excluding Bonus Shares	585,273	3.4	585,273	3.8	477,751	5.3	-	
To Shareholders	Cash Dividend Excluding Bonus Shares	585,273	3.4	585,273	3.8	477,751	5.3	-	
		-							
Retained in the Business		672,246	4.0	489,279	3.1	229,065	2.6	545,465	8.7
		17,013,794	100.0	15,592,219	100.0	8,964,312	100.0	6,240,136	100.0

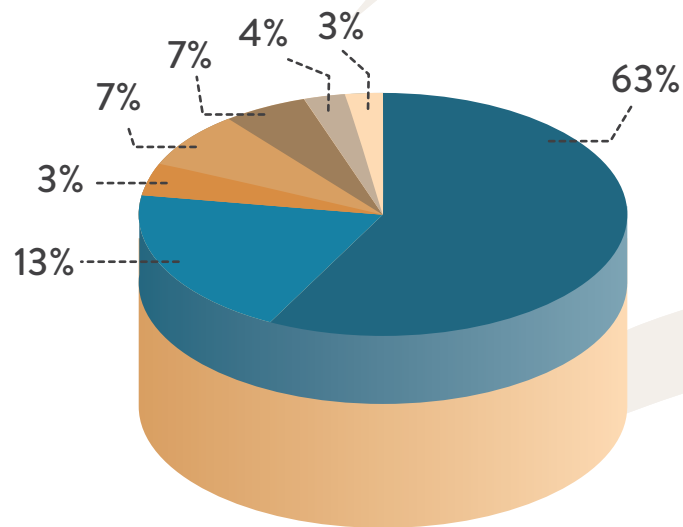
* Represents final cash dividend @ Rs 5 per share proposed by the Board of Directors subsequent to the year end.

2019 (%)



■ Bought-in -materials and Service
 ■ Selling, Marketing and Distribution Expenses
 ■ Retained in the business
■ Administrative Expenses and Financial Charger
 ■ To Government
 ■ To Employees
 ■ To Shareholders

2018 (%)



■ Bought-in -materials and Service
 ■ Selling, Marketing and Distribution Expenses
 ■ Administrative Expenses and Financial Charger
■ To Government
 ■ To Employees
 ■ To Shareholders
 ■ Retained in the business

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



GlaxoSmithKline Consumer Healthcare Pakistan Limited Year ending December 31, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 7 with following diversity:

a) Male:	5
b) Female:	2

2. The composition of the Board is as follows:

Category	Name
Independent Directors	<ul style="list-style-type: none"> • Syed Anwar Mahmood • M. Z. Moin Mohajir
Executive Directors	<ul style="list-style-type: none"> • Sohail Matin • Talal Javed Ahmed
Non-Executive Directors	<ul style="list-style-type: none"> • Annelize Roberts • Syed Azeem Abbas Naqvi • Emine Tasci Kaya
Female Directors	<ul style="list-style-type: none"> • Annelize Roberts • Emine Tasci Kaya

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 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 Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and in her 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 frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Majority of the Board members have attained training under Directors' Training Program in prior years and collectively meet the requirements of the regulations.
10. Except for appointment of Company Secretary, there was no fresh appointment of CFO and Head of Internal Audit during the year ended December 31, 2019. The Board has approved appointment of 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. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a) Audit Committee

- i. Mr. M.Z. Moin Mohajir - Chairman
- ii. Syed Anwar Mahmood
- iii. Syed Azeem Abbas Naqvi

b) HR and Remuneration Committee

- i. Syed Anwar Mahmood - Chairman
- ii. Mr. Sohail Matin
- iii. Syed Azeem Abbas Naqvi

c) Integration Supply and Network Optimization Committee

- i. Ms. Emine Tasci Kaya - Chairperson
- ii. Syed Azeem Abbas Naqvi
- iii. Mr. Sohail Matin
- iv. Mr. Talal Javed Ahmed

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

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

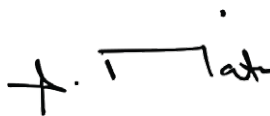
- a) Audit Committee Quarterly
- b) HR and Remuneration Committee 1st & 2nd Quarter
- c) Integration & SNO Committee 4th Quarter

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;

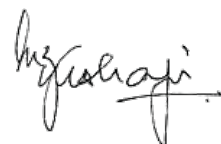
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance 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; and

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.



Sohail Matin
CEO



M. Z. Moin Mohajir
Chairperson

Karachi
March 12, 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GLAXO SMITHKLINE 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, 2019** 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, 2019**.

Chartered Accountants

Place: Karachi

Date: April 20, 2020

INDEPENDENT AUDITORS' 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, 2019, 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, 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, 2019 and of the profit and other comprehensive loss, 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 matters	How the matter was addressed in our audit
1	<p>Impairment assessment of intangible asset - goodwill</p> <p>As disclosed in note 5 to the financial statements, the Company has an intangible asset in the form of goodwill having carrying value of Rs. 127.67 million (2018: Rs. 127.67 million) at year end.</p> <p>The goodwill was recorded as a result of an acquisition of business from Novartis Pakistan (Private) Limited (NPPL) by then GSK OTC (Private) Limited which was merged into the Company last year, and hence on merger, this goodwill became asset of the Company.</p> <p>As per the accounting and reporting standards as applicable in Pakistan, the Company is required to, at-least annually, perform impairment assessment of goodwill.</p> <p>For performing impairment, management has allocated goodwill to appropriate cash generating units (“CGUs”). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. Management concluded that goodwill was not impaired as of December 31, 2019.</p> <p>We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and terminal growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p>	<p>In response to this matter, we performed the following procedures:</p> <ul style="list-style-type: none"> - Obtained understanding of management’s process over the impairment assessment of goodwill. - Obtained management’s future cash flow forecasts and tested arithmetical accuracy of underlying value-in-use calculations. - Assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, terminal growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management’s basis for determining the assumptions, and compared them to economic growth forecasts from available external sources. We also engaged our internal experts to assist us in assessing the reasonableness of the key assumptions used by management. - Performed sensitivity analysis around some assumptions to ascertain that selected adverse changes to discount rate would not cause the carrying amount of goodwill to exceed the recoverable amount.

S. No	Key audit matters	How the matter was addressed in our audit
2	<p>Valuation of inventories</p> <p>Refer to note 2.5 to the financial statements.</p> <p>As at December 31, 2019, the gross carrying amount of Company's inventories amounts to Rs. 2,917.81 million against which adjustment for provision for obsolete slowing / obsolete stock of Rs. 148.69 million has been recorded.</p> <p>We identified valuation of inventories as a key audit matter as it involves significant management judgement with respect to standard costs, determination of net realizable value and determination of obsolescence of stock.</p>	<p>In this respect, we performed the following audit procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding of procedures followed by the Company with respect to valuation of inventories; - Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with accounting and reporting standards as applicable in Pakistan; - On a sample basis, verified supporting documents for purchases of inventories and the production costs; - Obtained working of variances recorded by management, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of inventories at year end; - Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable 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; - 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 - Tested provision recorded for obsolete stock to ensure that whether it was as per the policy of the Company.

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, 2019, but does not include the financial statements, our auditor's report thereon, and 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 when available, 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.

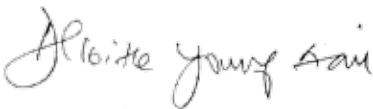
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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) 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 Naresh Kumar.



Chartered Accountants

Date: April 20, 2020

Place: Karachi

STATEMENT OF FINANCIAL POSITION



AS AT DECEMBER 31, 2019

ASSETS	Note	2019	Rupees	2018
Non-current assets				
Property, plant and equipment	4	2,914,891,968		2,649,778,094
Intangible	5	127,674,000		127,674,000
Long-term loans to employees	6	10,593,307		7,360,796
Long-term deposits		6,496,198		3,390,000
		3,059,655,473		2,788,202,890
Current assets				
Stores and spares		52,489,669		48,000,000
Inventories	7	2,769,124,471		2,231,361,076
Trade debts	8	866,168,074		754,862,976
Loans and advances	9	307,289,523		261,832,746
Trade deposits and prepayments	10	60,034,056		77,485,540
Interest accrued		178,082		-
Refunds due from Government	11	17,172,528		107,339,973
Other receivables	12	676,633,822		614,158,713
Taxation - payments less provision		530,637,270		363,570,251
Bank balances	13	643,240,843		707,442,531
		5,922,968,338		5,166,053,806
Total assets		8,982,623,811		7,954,256,696
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	14	1,170,545,080		1,170,545,080
Reserves	15	3,330,058,855		2,664,440,057
		4,500,603,935		3,834,985,137
Liabilities				
Non-current liabilities				
Staff retirement benefits	16	53,665,103		37,635,450
Deferred taxation	17	130,975,506		89,705,256
Lease liability		1,989,219		-
Current liabilities				
Trade and other payables	18	2,599,790,956		1,956,690,220
Running finance under mark-up arrangement	19	763,579,563		1,591,779,855
Accrued mark-up		25,874,258		43,612,907
Provision for severance	20	-		-
Unpaid dividend	21	904,375,661		399,847,871
Current portion of lease liability		1,769,610		-
		4,295,390,048		3,991,930,853
Total liabilities		4,482,019,876		4,119,271,559
Total equity and liabilities		8,982,623,811		7,954,256,696
Contingencies and commitments				
	22			

The annexed notes 1 to 47 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, 2019



	Note	2019	2018
		Rupees	
Revenue from contracts with customers	23	16,316,744,549	14,875,267,507
Cost of sales	24	(11,330,677,070)	(10,471,298,980)
Gross profit		4,986,067,479	4,403,968,527
Selling, marketing and distribution expenses	25	(2,739,642,160)	(2,440,839,843)
Administrative expenses	26	(283,361,186)	(288,796,048)
Other operating expenses	27	(142,592,667)	(127,197,769)
Other income	28	71,671,539	141,362,334
Operating profit		1,892,143,005	1,688,497,201
Financial charges	29	(192,365,037)	(225,804,849)
Profit before taxation		1,699,777,968	1,462,692,352
Taxation	30	(442,259,158)	(388,140,409)
Profit after taxation		1,257,518,810	1,074,551,943
Other comprehensive loss			
Items that will not be reclassified to profit or loss:			
Remeasurement of staff retirement benefits		(9,274,488)	(3,359,141)
Impact of deferred tax		2,647,016	940,958
Other comprehensive loss for the year		(6,627,472)	(2,418,183)
Total comprehensive income		1,250,891,338	1,072,133,760
Earnings per share	31	10.74	9.18

The annexed notes 1 to 47 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, 2019

	Capital reserves		Revenue reserve		
	Share capital	Reserve arising under the Scheme of Arrangement - note 1.1	Reserve arising on amalgamation under the Scheme of Merger - note 1.3 Rupees	Unappropriated profit	Total
Balance as at January 01, 2018	955,501,830	101,913,533	-	1,239,417,710	2,296,833,073
Transactions with owners					
Final dividend for the year ended December 31, 2017 @ Rs. 5 per share	-	-	-	(477,750,915)	(477,750,915)
Issue of shares pursuant to amalgamation under the Scheme of Merger (note 1.3)	215,043,250	-	-	-	215,043,250
Reserve arising on amalgamation under the Scheme of Merger (note 1.3)	-	-	728,725,969	-	728,725,969
	215,043,250	-	728,725,969	(477,750,915)	466,018,304
Total comprehensive income for the year ended December 31, 2018					
Profit after taxation for the year ended December 31, 2018	-	-	-	1,074,551,943	1,074,551,943
Other comprehensive loss for the year ended December 31, 2018	-	-	-	(2,418,183)	(2,418,183)
	-	-	-	1,072,133,760	1,072,133,760
Balance as at December 31, 2018	1,170,545,080	101,913,533	728,725,969	1,833,800,555	3,834,985,137
Transactions with owners					
Final dividend for the year ended December 31, 2018 @ Rs. 5 per share	-	-	-	(585,272,540)	(585,272,540)
Total comprehensive income for the year ended December 31, 2019					
Profit after taxation for the year ended December 31, 2019	-	-	-	1,257,518,810	1,257,518,810
Other comprehensive loss for the year ended December 31, 2019	-	-	-	(6,627,472)	(6,627,472)
	-	-	-	1,250,891,338	1,250,891,338
Balance as at December 31, 2019	1,170,545,080	101,913,533	728,725,969	2,499,419,353	4,500,603,935

The annexed notes 1 to 47 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, 2019

	Note	2019	2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	2,107,692,759	512,382,940
Staff retirement benefits paid		(61,189,122)	(52,738,206)
Interest paid		(140,971,147)	(139,780,490)
Income taxes paid		(565,408,911)	(743,788,903)
Increase in long-term loans to employees		(3,232,511)	(1,840,854)
increase in long-term deposits		(3,106,198)	-
Net cash generated from / (used in) operating activities		1,333,784,870	(425,765,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(524,793,174)	(314,785,896)
Proceeds from sale of operating assets		19,018,527	8,556,401
Return received		18,969,210	82,828,667
Net cash used in investing activities		(486,805,437)	(223,400,828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	34	(80,744,750)	(77,903,044)
Lease rental paid		(2,236,079)	-
Net cash used in financing activities		(82,980,829)	(77,903,044)
Net increase / (decrease) in cash and cash equivalents		763,998,604	(727,069,385)
Cash and cash equivalents at beginning of the year		(884,337,324)	1,301,554,423
Net cash and cash equivalents transferred from GSK OTC	1.3	-	(1,458,822,362)
Cash and cash equivalents at end of the year	33	(120,338,720)	(884,337,324)

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2019

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 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 a subsidiary of GlaxoSmithKline Consumer Healthcare B.V. The ultimate parent of the Company is GlaxoSmithKline plc, UK. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company is listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

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, marketing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GSK Pakistan. Subsequent to the year end (i.e. with effect from January 17, 2020), the marketing authorisations and permissions for certain OTC products have been transferred to the Company and therefore, the Company is now involved in procurement, manufacturing, marketing and managing of such inventory items.

1.3 Merger of GlaxoSmithKline OTC (Private) Limited with and into the Company

In 2018, GlaxoSmithKline OTC (Private) Limited (GSK OTC), a wholly owned subsidiary of GlaxoSmithKline Consumer Healthcare B.V., was merged with and into the Company with effect from January 01, 2018 through a Scheme of Merger sanctioned by SHC vide its order dated December 12, 2018, which was also endorsed by Drug Regulatory Authority of Pakistan (DRAP) vide its letter no. F.2-4/88-Lic (Vol-IV) dated March 07, 2019.

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 (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standard (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), 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 Companies Act, 2017 differ with the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017 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 the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. 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) Intangibles (note 3.2 and 5)
- ii) Provision for retirement benefits (note 3.8 and 16)
- iii) Depreciation and impairment of non-current assets (note 3.1 and 3.15)
- iv) Provision for obsolete and slow moving stock (note 3.4 and 7)
- v) Allowance for impairment of trade debts (note 3.5 and 8)
- vi) Taxation (note 3.19 and 30)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result 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. Revision 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.

2.5 Change in estimate of variances on cost of Inventories

During the year, the Company in line with the group instructions has implemented the new enterprise resource planning system and accordingly changed the method for deferral of variances between standard cost and actual cost of inventories at the level of statement of financial position to align with the group practices. Had the change in method been made in the comparative period, profit before tax for the year ended December 31, 2018, would have been higher by Rs. 126.58 million.

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

2.6.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2019

The following standards, amendments and interpretation are effective for the year ended December 31, 2019. These standards, interpretations and the 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 except for the impact of IFRS 16 (refer 2.6.1.1).

	Effective from accounting period beginning on or after
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
- Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

2.6.1.1 Adoption of IFRS 16 - Leases

IFRS 16 replaces the previous lease standard: IAS 17 'Leases'. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. As allowed by the aforesaid standard, the Company has adopted IFRS 16 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

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. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From January 01, 2019, 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 lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are either based on an index or a consistent rate or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets 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 are recognised as an expense on a straight line basis over the lease term.

On adoption of IFRS 16, the Company, with effect from January 01, 2019, recognised lease liabilities in relation to leases which had previously been classified as 'operating lease' under the principles of IAS 17 Leases. These liabilities, are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 01, 2019 was 12.41%. Subsequently, lease payments made are allocated between the liability and finance cost. The finance cost is charged to profit or loss 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 recognise lease liability and right-of-use assets amounting to Rs. 5.33 million each as on January 01, 2019. With effect from January 01, 2019, the right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Net change in net assets and impact on statement of profit or loss and other comprehensive income were assessed to be immaterial to the financial statements.

2.6.2 New accounting standards and IFRS interpretations that are not yet effective but relevant

The following standards, amendments and interpretations are effective for accounting periods, beginning on or after the date mentioned against each of them, and are relevant to the Company. Management is in the process of assessing their impact on the financial reporting of the Company:

	Effective from accounting period beginning on or after
- IFRS 14 'Regulatory Deferral Accounts'	January 01, 2020
- Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	January 01, 2020
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) issued, requiring additional disclosures around uncertainty arising from the interest rate benchmark reform	January 01, 2020
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
- Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020

2.6.3 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (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, except as disclosed in note 2.6.1.1

3.1 Property, plant and equipment

(i) 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 operating assets are included in profit or loss currently.

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

(ii) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their construction and installation.

3.2 Intangibles

In a business combination, goodwill is recognised at the acquisition date and measured at the fair value of consideration paid less the fair value of net assets acquired. 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 upto 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 valued at the 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. 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 costs necessary to be incurred to make the sale. Provision is made for slow moving and expired inventory where considered necessary.

3.5 Trade debts, loans and other receivables

Trade debts, loans and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts, loans, and other receivables. Bad debts are written off when considered irrecoverable.

Exchange gains or losses arising in respect of trade debts, loans and other receivables in foreign currency are added to their respective carrying amounts.

3.6 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 cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, balances with banks on current, savings and deposit accounts, short-term investments having maturity of upto three months and short-term borrowings under running finance.

3.7 Share Capital

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of shares are shown in equity as a deduction (net of tax) from the proceeds.

3.8 Staff retirement benefits

3.8.1 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. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in 'Other Comprehensive Income' as they occur. 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 profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

3.8.2 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.

3.9 Compensated absences

The Company provides for compensated absences of its non-management employees on unavailed balance of leave in the period in which the leave is earned.

3.10 Trade and other payables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liability.

3.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources 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.

3.12 Share based payments

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

3.13 Financial assets and liabilities

a) 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. These are subsequently measured at fair value or amortised cost as the case may be.

b) 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.

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 the 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.

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.

c) Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive (loss) income.

Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value plus transaction costs, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and 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. Currently, there are no financial liabilities designated at FVTPL.

d) Impairment of financial assets at amortised cost

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

e) 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 profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

(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 the statement of profit or loss and other comprehensive income.

3.14 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.

3.15 Impairment of non-financial assets

Carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. 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, these are written down to their recoverable amount and the resulting impairment is charged to 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.

3.16 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'.

3.17 Revenue recognition

Revenue from contracts 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 or service fee is recognised when or as control of goods or services have been transferred to a customer either over time or at a point in time, when the performance obligations are met.
- Returns on saving accounts, deposit accounts and investments at amortised cost are recognised using effective interest rate method.
- Insurance commission is recognised when performance obligations is met.
- Promotional allowance is recognised when the right to receive the allowance is established.

3.18 Ijarah

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'Ujrah payments' (lease rentals) against ijarah

financing as an expense in the profit or loss account on a straight line basis over the ijarah term.

3.19 Taxation

3.19.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the final tax regime.

3.19.2 Deferred

Deferred tax is recognised using balance sheet liability method for all major temporary differences 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 profit and loss account, 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 Institute of Chartered Accountants of Pakistan.

3.20 Foreign currency transactions and translation

Foreign currency transactions are recorded into Pakistani Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into Pakistani Rupee at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in income currently.

The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

3.21 Dividend

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

3.22 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.

3.23 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.

	Note	2019	2018
		Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	2,484,606,742	2,098,217,111
Capital work-in-progress	4.5	426,729,845	551,560,983
Right-of-use assets - building and improvements on leasehold land		3,555,381	-
		2,914,891,968	2,649,778,094

4.1 Operating assets

	Leasehold land (note 4.4)	Building and improvements on Leasehold land	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Total
	Rupees						
Net carrying value basis							
Year ended December 31, 2019							
Opening net book value	6,738,915	642,577,225	1,231,412,790	31,008,611	134,079,559	52,400,011	2,098,217,111
Additions (at cost)	-	73,987,713	370,076,655	2,687,621	72,126,500	108,245,823	627,124,312
Disposals							
- Cost	-	-	-	-	(20,432,268)	(892,546)	(21,324,814)
- Accumulated depreciation	-	-	-	-	9,320,808	892,546	10,213,354
	-	-	-	-	(11,111,460)	-	(11,111,460)
Depreciation / amortisation charge	(300,621)	(22,868,230)	(140,829,383)	(5,649,566)	(40,874,785)	(19,100,636)	(229,623,221)
Closing net book value	6,438,294	693,696,708	1,460,660,062	28,046,666	154,219,814	141,545,198	2,484,606,742
Gross carrying value basis							
At December 31, 2019							
Cost	7,646,000	771,878,741	1,890,610,500	52,615,809	256,673,642	225,073,170	3,204,497,862
Accumulated depreciation / amortisation	(1,207,706)	(78,182,033)	(429,950,438)	(24,569,143)	(102,453,828)	(83,527,972)	(719,891,120)
Net book value	6,438,294	693,696,708	1,460,660,062	28,046,666	154,219,814	141,545,198	2,484,606,742
Depreciation rate % per annum	4	2.5 and 10	6.67 and 25	10	25	10 to 33.33	
Net carrying value basis							
Year ended December 31, 2018							
Opening net book value	-	10,802,886	-	1,059,836	59,523,777	28,368,300	99,754,799
Transferred from GSK OTC (note 1.3)							
- Cost	7,646,000	685,639,939	1,520,533,845	35,121,090	22,170,500	74,556,831	2,345,668,205
- Accumulated depreciation / amortisation	(606,464)	(32,110,827)	(165,476,346)	(9,842,074)	(1,665,069)	(32,901,116)	(242,601,896)
	7,039,536	653,529,112	1,355,057,499	25,279,016	20,505,431	41,655,715	2,103,066,309
Additions (at cost)	-	-	-	12,645,545	97,599,845	1,928,890	112,174,280
Disposals							
- Cost	-	-	-	-	(10,228,503)	-	(10,228,503)
- Accumulated depreciation	-	-	-	-	4,085,679	-	4,085,679
	-	-	-	-	(6,142,824)	-	(6,142,824)
Depreciation / amortisation charge	(300,621)	(21,754,773)	(123,644,709)	(7,975,786)	(37,406,670)	(19,552,894)	(210,635,453)
Closing net book value	6,738,915	642,577,225	1,231,412,790	31,008,611	134,079,559	52,400,011	2,098,217,111
Gross carrying value basis							
At December 31, 2018							
Cost	7,646,000	697,891,028	1,520,533,845	49,928,188	204,979,410	117,719,893	2,598,698,364
Accumulated depreciation / amortisation	(907,085)	(55,313,803)	(289,121,055)	(18,919,577)	(70,899,851)	(65,319,882)	(500,481,253)
Net book value	6,738,915	642,577,225	1,231,412,790	31,008,611	134,079,559	52,400,011	2,098,217,111
Depreciation rate % per annum	4	2.5 and 5	6.67 and 15	10	25	10 to 33.33	

4.2 Details of assets sold, having net book value in excess of Rs. 500,000 where the aggregate book value of class of assets exceeds Rs. 5,000,000 are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Relationship of Purchaser with the Company	Particulars of purchaser
Rupees								
Motor vehicle	2,043,000	351,141	1,691,859	2,100,000	408,141	Company policy	Ex Executive	Ms. Hina Malik
"	1,789,000	671,063	1,117,937	1,665,000	547,063	Company policy	Ex Executive	Mr. Murad Soomani
"	1,734,500	785,945	948,555	1,725,000	776,445	Company policy	Ex Executive	Ms. Sarwat Akhoond
"	4,593,750	2,832,813	1,760,937	3,695,652	1,934,715	Tender	Third Party	Mr. Syed Muhammad Kamran Naseem - Flat No. B/6, Al-Rizwan Apartment, Gulshan-e-Iqbal, Block 14, Karachi.
"	2,379,000	84,964	2,294,036	2,164,800	(129,236)	Tender	Third Party	Mr. Adnan Ahmed Bhatti - E-148, Defence View, Phase -II, Karachi.
"	1,285,000	375,253	909,747	1,267,200	357,453	Tender	Third party	Mr. Maaz Saleem - A32/1 First Floor, Scheme 33, Madras Society Gulzar-e-Hijri, Karachi.
Total	13,824,250	5,101,179	8,723,071	12,617,652	3,894,581			

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 Leasehold land consists of land located at Jamshoro Taluka Kotri, District Dadu. The Company is the beneficial owner of the land, however, the title and lease is yet to be transferred in the name of the Company. The land is currently in the name of Novartis Pharma (Pakistan) Limited.

	Note	2019 Rupees	2018 Rupees
4.5 Capital work-in-progress			
Opening balance		551,560,983	24,964,872
Transferred from GSK OTC	1.3	-	323,984,495
Additions during the year		524,793,174	314,785,896
Transfers during the year		(627,124,312)	(112,174,280)
Less: Provision for impairment	4.6.1	(22,500,000)	-
Closing balance	4.6	426,729,845	551,560,983
4.6 As at December 31, capital work-in-progress represents:			
- Civil works		16,330,559	31,875,289
- Plant and machinery		263,822,738	374,228,564
- Furniture and fixtures		36,517,815	14,146,418
- Office equipments		94,416,269	109,248,467
- Advances to suppliers	4.6.2	15,642,464	22,062,245
	4.6.1	426,729,845	551,560,983

4.6.1 Capital work-in-process is net off accumulated impairment, pertaining to office equipments, amounting to Rs. 22.5 million.

4.6.2 The advances to supplier do not carry any interest or markup.

5. INTANGIBLE

This represents intangible acquired by the Company under the Scheme of Merger (note 1.3) which comprise of goodwill arisen on the business acquisition of Novartis Pharma (Pakistan) Limited (NPPL) by 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 rates
Determination of assumptions	Growth rates are internal forecasts 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	17.00%

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.

	Note	2019 Rupees	2018 Rupees
6. LONG-TERM LOANS TO EMPLOYEES			
Secured - considered good	6.1	14,369,440	10,495,280
Recoverable within one year	9	(3,776,133)	(3,134,484)
		<u>10,593,307</u>	<u>7,360,796</u>

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.

	Note	2019 Rupees	2018 Rupees
7. INVENTORIES			
Raw and packing materials [including in transit Rs. 465.08 million (2018: Rs. 70.07 million)]		1,490,083,243	931,347,660
Work-in-process		35,441,780	18,643,062
Finished goods [including in transit Rs. 145.9 million (2018: Rs. 147.71 million)]		1,392,293,893	1,366,678,049
Less: Provision for slow moving, obsolete and damaged stock	7.1 7.2	2,917,818,916 (148,694,445)	2,316,668,771 (85,307,695)
		<u>2,769,124,471</u>	<u>2,231,361,076</u>

	2019	2018
	Rupees	
7.1 Details of inventories held with third parties is as follows:		
For use in third party manufacturing		
- Roomi Enterprises (Private) Limited	208,890,747	112,902,974
Stock held at third party warehouse		
- DHL Global Forwarding Pakistan (Private) Limited	-	99,956,437
- Emirates Supply Chain Services (Private) Limited	331,131,601	191,575,980
- Connect Logistics (Private) Limited	414,371,785	385,538,399
- Glaciers (Private) Limited	144,465,577	-
- Parazelsus Pakistan (Private) Limited	-	409,960,345

7.2 During the year, inventories of Rs. 6.69 million (2018: Rs. 51.34 million) have been written off against provision.

7.3 Inventories include items costing Rs. 41.0 million (2018: Rs. 72.6 million) valued at net realisable value of Rs. 36.1 million (2018: Rs. 62.7 million).

	Note	2019	2018
		Rupees	
8. TRADE DEBTS			
Trade debts	8.1	893,313,894	758,079,713
Less: Allowance for impairment of trade debts		(27,145,820)	(3,216,737)
		866,168,074	754,862,976

8.1 These include Rs. 467 million (2018: 376 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:

	Note	2019	2018
		Rupees	
- Up to 3 months		37,114,960	39,410,443
- 3 to 6 months		8,725,031	2,699,074
- 6 to 12 months		5,103,525	49,407,944
- Over 1 year		26,993,747	-
		77,937,263	91,517,461

9. LOANS AND ADVANCES - considered good

Current portion of long-term loans to employees	6	3,776,133	3,134,484
Advances to:			
- employees	9.1	7,378,287	5,912,823
- suppliers		91,284,699	22,934,524
- against letter of credit		204,850,404	229,850,915
		307,289,523	261,832,746

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

Container deposits - considered good	9,633,060	14,642,301
Prepayments	50,400,996	62,843,239
	60,034,056	77,485,540

11. REFUNDS DUE FROM GOVERNMENT

These represent sales tax refundable due from Government which are considered good.

	Note	2019	2018
		Rupees	
12. OTHER RECEIVABLES			
Due from associated companies	12.1	387,937,558	519,026,698
Workers' Profits Participation Fund	18.5	-	10,501,694
Others		288,696,264	84,630,321
		676,633,822	614,158,713
12.1 Due from associated companies - considered good			
GlaxoSmithKline Pakistan Limited		387,356,336	511,456,053
GlaxoSmithKline Services Unlimited		581,222	5,748,285
GlaxoSmithKline Export Limited, UK		-	1,822,360
		387,937,558	519,026,698

12.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 748.33 million (2018: Rs. 519.03 million).

12.3 As at December 31, 2019, the age analysis of these related parties receivables are:

	Note	2019	2018
		Rupees	
Not yet due		-	-
Upto 3 months		387,937,558	519,026,698
3 to 6 months		-	-
		387,937,558	519,026,698
13. BANK BALANCES			
With banks:			
- on deposit accounts	13.1	500,000,000	400,000,000
- on PLS savings account	13.1	1,911,363	270,103,653
- on current account		141,329,480	37,338,878
		643,240,843	707,442,531

13.1 At December 31, 2019 the rates of mark-up on Term Deposit Receipt (TDR) and on PLS savings account were 13% (2018: 5.10% to 9%) per annum and 8% to 11.25% (2018: 7% to 8%) per annum respectively. The TDR has a maturity date of January 02, 2020.

14. SHARE CAPITAL

Authorised share capital

2019	2018		2019	2018
(Number of shares)			Rupees	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000

Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each

2019 (Number of shares)	2018		Note	2019 Rupees	2018
10,000	10,000	Shares allotted for consideration paid in cash		100,000	100,000
95,540,183	95,540,183	Shares allotted for consideration other than cash under the Scheme	1.1	955,401,830	955,401,830
21,504,325	21,504,325	Shares allotted for consideration other than cash under the Scheme of Merger	1.3	215,043,250	215,043,250
117,054,508	117,054,508			1,170,545,080	1,170,545,080

14.1 As at December 31, 2019, GlaxoSmithKline Consumer Healthcare B.V. and its nominees held 100,423,259 shares (2018: 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.

	Note	2019 Rupees	2018
15. RESERVES			
Capital reserves:			
- Reserve arising under the Scheme of Arrangement	1.1	101,913,533	101,913,533
- Reserve arising on amalgamation under the Scheme of Merger	1.3	728,725,969	728,725,969
Revenue reserve - unappropriated profit		2,499,419,353	1,833,800,555
		3,330,058,855	2,664,440,057

15.1 This represents reserve arising from merger of GSK OTC with and into the Company effective from January 01, 2018 (refer note 1.3).

16. STAFF RETIREMENT BENEFITS

16.1 Staff retirement benefit

16.1.1 The Company operates an approved funded gratuity scheme for all its eligible employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2019 using the Projected Unit Credit Method.

16.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plans, 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	2019	2018
		Rupees	
16.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation at December 31	16.1.5	156,520,711	108,057,269
Fair value of plan assets at December 31	16.1.6	(102,855,608)	(70,421,819)
Deficit		53,665,103	37,635,450
16.1.5 Movement in the present value of defined benefit obligation			
Balance at January 1		108,057,269	70,373,254
Balance transferred from GSK OTC	1.3	-	31,704,013
Benefits paid by the Plan		(5,506,844)	(33,945,870)
Current service cost		26,802,681	25,253,155
Interest cost		16,115,007	8,036,441
Remeasurement loss / (gain) on obligation		10,307,717	(1,164,998)
Balance transferred from GSK Pakistan	16.1.14	744,881	7,801,274
Balance at December 31		156,520,711	108,057,269
16.1.6 Movement in the fair value of plan assets			
Balance at January 1		70,421,819	50,842,176
Balance transferred from GSK OTC	1.3	-	21,266,874
Contributions made to the Plan		28,723,735	23,960,160
Benefits paid by the Plan		(5,506,844)	(33,945,870)
Interest income		7,438,788	5,021,344
Remeasurement gain / (loss) on plan assets		1,033,229	(4,524,139)
Balance transferred from GSK Pakistan	16.1.14	744,881	7,801,274
Balance at December 31		102,855,608	70,421,819
16.1.7 Expense recognised in statement of profit or loss			
Current service cost		26,802,681	25,253,155
Net interest cost		8,676,219	3,015,097
Expense recognised in statement of profit or loss		35,478,900	28,268,252

	Note	2019	2018
		Rupees	
16.1.8 Remeasurements recognised in other comprehensive income			
Experience loss / (gain)		10,307,717	(1,164,998)
Remeasurement (gain) / loss on plan assets		(1,033,229)	4,524,139
Remeasurements recognised in other comprehensive income		9,274,488	3,359,141
16.1.9 Net recognised liability			
Net liability at beginning of the year		37,635,450	19,531,078
Net liability transferred from GSK OTC	1.3	-	10,437,139
Expense recognised in statement of profit or loss		35,478,900	28,268,252
Contribution made to the Plan during the year		(28,723,735)	(23,960,160)
Remeasurements recognised in other comprehensive income		9,274,488	3,359,141
Recognised liability as at December 31		53,665,103	37,635,450

16.1.10 Plan assets of the Company comprise of the following:

	2019		2018	
	Rupees	%	Rupees	%
- Treasury bills	-	0%	-	0%
- Pakistan Investment Bonds	44,317,046	43%	52,870,284	75%
- Regular Income Certificates	24,266,800	24%	-	0%
- Defence Saving Certificates	21,652,715	21%	-	0%
- Bank balances	11,874,166	11%	9,750,261	14%
- Others	744,881	1%	7,801,274	11%
	102,855,608	100%	70,421,819	100%

16.1.11 Significant actuarial assumptions

	2019	2018
	%	%
Discount rate at December 31	11.75	13.75
Future salary increases	11.75	13.75

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.

The Company's gratuity expense for the year ending December 31, 2020 is expected to be Rs. 41.53 million.

16.1.14 During the current and previous years, certain employees were transferred from GlaxoSmithKline Pakistan Limited to the Company. Accordingly, their defined benefit obligations and related assets are transferred to the Company's gratuity fund.

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 we 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	
Discount rate at December 31	1%	(14,885,843)	17,514,672
Future salary increases	1%	11,421,955	(10,106,019)

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.

	2019	2018
Loss / (gain) on obligation (as percentage of plan obligation)	6.59%	-1.08%
(Gain) / loss on plan assets (as percentage of plan assets)	-1.00%	6.42%

16.4 The weighted average duration of approved funded gratuity scheme for its permanent employees is 10.25 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				
At December 31, 2019	14,753,339	14,429,132	60,107,805	234,217,317	323,507,593
At December 31, 2018	7,908,934	14,508,407	43,087,864	173,491,845	238,997,050

16.6 Figures in this note are based on the latest actuarial valuation carried out as at December 31, 2019.

17. DEFERRED TAXATION

	December 31, 2019			December 31, 2018			
	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)	Opening liability / (asset)	Transferred from GSK OTC (Note 1.3)	Charge / (reversal)	Closing liability / (asset)
Deferred tax liability on taxable temporary differences				Rupees			
- Accelerated tax depreciation and amortisation	122,848,358	74,366,126	197,214,484	4,786,318	121,748,010	(3,685,970)	122,848,358
- Assets under IFRS 16	-	1,014,508	1,014,508	-	-	-	-
Deferred tax asset on deductible temporary differences							
- Allowance for impairment of trade debts	(824,753)	(6,921,154)	(7,745,907)	(866,007)	-	41,254	(824,753)
- Liability under IFRS 16	-	(1,072,561)	(1,072,561)	-	-	-	-
- Unabsorbed depreciation and amortisation	-	-	-	-	(59,253,732)	59,253,732	-
- Provision for slow moving, obsolete and damaged stock	(21,926,669)	(21,194,721)	(43,121,390)	(6,859,863)	-	(15,066,806)	(21,926,669)
- Staff retirement benefits	(10,391,680)	(4,921,948)	(15,313,628)	(5,296,506)	-	(5,095,174)	(10,391,680)
	(33,143,102)	(34,110,384)	(67,253,486)	(13,022,376)	(59,253,732)	39,133,006	(33,143,102)
	89,705,256	41,270,250	130,975,506	(8,236,058)	62,494,278	35,447,036	89,705,256

17.1 Charge of deferred tax has been allocated to the statement of profit or loss and other comprehensive income is as follows:

	Note	2019 Rupees	2018
- taken to profit or loss for the year	30	43,917,266	36,387,994
- taken to other comprehensive income being tax impact of remeasurement gain on staff retirement benefits		(2,647,016)	(940,958)
		41,270,250	35,447,036

	Note	2019	Rupees	2018
18. TRADE AND OTHER PAYABLES				
Creditors:				
- Associated companies	18.1	369,265,291		311,040,880
- Others		238,470,833		143,661,843
Bills payable:				
- Associated companies	18.2	19,081,716		199,603,508
- Others		71,216,664		116,338,706
Accrued liabilities	18.3	1,390,080,621		833,945,341
Contract liabilities	18.4	290,693,482		193,266,774
Taxes deducted at source and payable to statutory authorities		44,953,487		31,518,086
Workers' Welfare Fund		108,419,978		76,369,551
Workers' Profits Participation Fund	18.5	3,488,937		-
Sindh Services Sales tax		2,605,971		1,279,975
Central Research Fund		18,346,860		15,899,721
Others		43,167,116		33,765,835
		2,599,790,956		1,956,690,220
18.1 Creditors include payable to the following associated companies:				
GlaxoSmithKline Consumer Trading Services Limited		51,170,271		-
GlaxoSmithKline Export Limited, UK		-		3,305,129
GlaxoSmithKline Consumer Health S.A.		318,095,020		307,735,751
		369,265,291		311,040,880
18.2 Bills payable include payable to the following associated companies:				
GlaxoSmithKline Consumer Trading Services Limited		-		75,278,178
GlaxoSmithKline Consumer Health Care Trading Limited		18,313,673		26,199,103
GlaxoSmithKline Biologicals S.A.		768,043		-
GlaxoSmithKline Limited, India		-		32,048,282
GlaxoSmithKline Consumer Health Care UK Limited		-		60,788,853
GlaxoSmithKline Services Unlimited, UK		-		5,289,092
		19,081,716		199,603,508
18.3 This includes liability for share based compensation amounting to Rs. 46.45 million (2018: Rs. 8.32 million).				
18.4 This includes advance from customers amounting to Rs. 165.88 million (2018: Rs. 73.65 million).				
18.5 Workers' Profits Participation Fund				
Opening balance liability		(10,501,694)		113,620,690
Transferred from GSK OTC	1.3	-		4,549,700
Allocation for the year		92,118,533		79,498,606
Payment to the fund		(78,127,902)		(208,170,690)
Closing balance liability / (asset)		3,488,937		(10,501,694)

19. RUNNING FINANCE UNDER MARK-UP ARRANGEMENT

As at December 31, 2019, the facility for running finance available from a bank amounted to Rs. 1.84 billion (2018: Rs. 1.84 billion). Rate of mark-up is one month KIBOR plus 0.3% to 1% (2018: one month KIBOR plus 1%) per annum. The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

	Note	2019	Rupees	2018
20. PROVISION FOR SEVERANCE				
Balance as at January 1		-		-
Transferred from GSK OTC	1.3	-		5,443,034
Reversal for the year		-		(5,443,034)
Payments made during the year		-		-
Balance as at December 31		-		-

21. UNPAID DIVIDEND

This includes part of final dividend for the year ended December 31, 2017 and December 31, 2018 which remained unpaid to the Company's shareholders. Out of total amount of unpaid dividend Rs. 896.71 million pertains to the Company's foreign shareholder GlaxoSmithKline Consumer Healthcare B.V. The dividend repatriation requires approval from the State Bank of Pakistan which is in process.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

(a) Income tax

(i) 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 (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. 19,345,630 along with default surcharge of Rs. 2,321,475. Subsequent to the show cause notice, the authorities passed the order dated January 30, 2019, raising demand of Rs. 4,434,856. Against the order, the Company has filed appeal before Commissioner Inland Revenue (Appeals) (CIRA) which is pending adjudication.

(ii) As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer has issued Order and raised the demand of Rs.15,044,304 (inclusive of default surcharge and penalty) on account of non-withholding of tax on certain expenses including meeting and symposia under section 156 of the Ordinance. The CIRA, 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 CIRA. The company filed an appeal before Appellate Tribunal Inland Revenue which is pending adjudication.

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.

(b) Sales tax

(i) The Deputy Commissioner Inland Revenue (DCIR), LTI-II, Karachi, passed the Order-in-Original, dated November 28, 2018, to establish sales tax demand aggregating to Rs. 27,526,485 on various issues mainly on the admissibility of input tax covering the tax periods from July 2016 to June 2018. The Company made under protest payment of the principal amount of sales tax at Rs. 21,886,548 which included default surcharge amounting Rs. 4,244,700. Further, the Company filed the appeal before the CIRA, challenging the input tax claims as treated inadmissible and levies of the default surcharge and penalty.

(ii) The Assistant Commissioner Inland Revenue passed the order dated July 04, 2019, demanding sales tax of Rs. 5,759,946 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 CIRA which is pending adjudication.

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.

22.2 Commitments

22.2.1 The facilities for opening letters of credit and guarantees as at December 31, 2019, amounted to Rs. 1,068 million (December 31, 2018: Rs. 1,168 million) and Rs. 110 million (December 31, 2018: Rs. 110 million) respectively of which the amount remaining unutilised at year end was Rs. 879 million and Rs. 82 million respectively.

22.2.2 Commitments for capital expenditure outstanding as at December 31, 2019, amounted to Rs. 238.78 million (2018: Rs. 180.15 million).

22.2.3 As at December 31, 2019, commitments for rentals under ijarah arrangements amounted to Rs. 7.47 million (2018: Rs. 14.27 million) payable as follows:

	2019	2018
	Rupees	
Not later than 1 year	5,882,324	8,186,967
Later than 1 year but not later than 5 years	1,584,832	6,081,967
	<u>7,467,156</u>	<u>14,268,934</u>
23. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross sales		
- Local	17,065,525,084	15,370,243,846
- Export	332,139,336	442,225,670
Less:		
Commissions, returns and discounts	(455,542,191)	(361,613,210)
Sales tax	(625,377,680)	(575,588,799)
	<u>(1,080,919,871)</u>	<u>(937,202,009)</u>
	<u>16,316,744,549</u>	<u>14,875,267,507</u>

23.1 This includes sales amounting to Rs. 7.06 billion (2018: Rs. 6.27 billion) made by GSK Pakistan on behalf of the Company (refer note 1.2).

23.2 This includes sales amounting to Rs. 1.86 billion (2018: 2.14 billion) to NPPL.

	Note	2019	2018
		Rupees	
24. COST OF SALES			
Raw and packing materials consumed		3,977,320,378	3,951,962,077
Manufacturing costs charged by third parties		304,187,722	206,206,078
Stores and spares consumed		70,896,707	78,353,407
Salaries, wages and other benefits	24.1	604,849,265	628,909,579
Fuel and power		158,559,169	146,863,681
Rent, rates and taxes		68,438,417	75,253,556
Insurance		33,135,219	38,815,485
Repairs and maintenance		165,039,332	174,026,130
Travelling and entertainment		19,790,003	29,760,291
Vehicle running		5,474,624	7,774,013
Ujrah payments		5,685,597	27,557,049
Canteen expenses		56,205,889	59,864,222
Security expenses		17,770,627	14,118,138
Printing and stationery		6,454,939	7,326,818
Communication and entertainment		6,600,496	4,267,113
Depreciation		190,199,666	185,120,185
Handling, freight and transportation		19,977,697	42,413,203
Stock written off		28,125,665	29,930,764
Provision for slow moving, obsolete and damaged stock		102,504,855	84,094,122
Provision for impairment of fixed assets	4.5	22,500,000	-
Others		76,064,939	58,847,765
		<u>5,939,781,206</u>	<u>5,851,463,676</u>
Add: Opening stock of work-in-process		18,643,062	14,850,762
Add: Work-in-process transferred from GSK OTC	1.3	-	7,719,375
Less: Closing stock of work-in-process		(35,441,780)	(18,643,062)
Cost of goods manufactured		<u>5,922,982,488</u>	<u>5,855,390,751</u>
Add: Opening stock of finished goods		1,366,678,049	639,760,309
Add: Finished goods transferred from GSK OTC	1.3	-	295,357,383
Add: Purchase of finished goods		5,433,310,426	5,047,468,586
		<u>12,722,970,963</u>	<u>11,837,977,029</u>
Less: Closing stock of finished goods		(1,392,293,893)	(1,366,678,049)
		<u>11,330,677,070</u>	<u>10,471,298,980</u>

24.1 Salaries, wages and other benefits include Rs. 17.28 million (2018: Rs. 17.79 million) and Rs. 17.69 million (2018: Rs. 17.03 million) in respect of defined benefit plans and contributory provident fund respectively.

	Note	2019	Rupees	2018
25. SELLING, MARKETING AND DISTRIBUTION EXPENSES				
Salaries, wages and other benefits	25.1	407,278,374		335,915,033
Sales promotion		838,704,762		836,073,598
Advertising		979,969,106		752,097,473
Handling, freight and transportation		292,335,731		340,813,256
Travelling and entertainment		72,950,188		44,206,393
Depreciation		31,933,521		20,947,409
Vehicle running		17,564,879		14,732,778
Allowance for impairment of trade debts		23,929,083		23,302
Repairs and maintenance		7,785,001		3,982,706
Insurance		1,402,093		997,032
Printing and stationery		2,743,599		2,626,245
Security expenses		4,185,624		3,456,189
Shared services cost	25.2	52,419,096		78,175,200
Other expenses		6,441,103		6,793,229
		2,739,642,160		2,440,839,843

25.1 Salaries, wages and other benefits include Rs. 14.63 million (2018: Rs. 7.09 million) and Rs. 12.55 million (2018: Rs. 7.45 million) in respect of defined benefit plan and contributory provident fund respectively.

25.2 These represent cost reimbursements to GSK Pakistan in respect of costs of various functions / services provided to the Company under a cost sharing agreement.

	Note	2019	Rupees	2018
26. ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	26.1	117,251,540		100,000,335
Depreciation		9,267,726		4,567,859
Legal and professional charges		35,922,858		65,459,421
Travelling and entertainment		16,891,449		9,097,979
Training and seminars		-		188,899
Repairs and maintenance		4,960,326		12,475,836
Auditors' remuneration	26.2	5,930,500		6,531,900
Vehicle running		4,823,814		4,428,889
Publication and subscriptions		1,931,006		6,825,168
Insurance		3,475,328		194,079
Printing and stationery		4,772,739		3,827,200
Service fees	1.2	12,000,000		12,000,000
Ujrah payments		3,357,676		5,178,701
Shared services cost	25.2	48,897,192		46,514,163
Others		13,879,032		11,505,619
		283,361,186		288,796,048

26.1 Salaries, wages and other benefits include Rs. 3.15 million (2018: Rs. 3.39 million) and Rs. 2.72 million (2018: Rs. 3.50 million) in respect of defined benefit plan and contributory provident fund respectively.

	Note	2019	Rupees	2018
26.2 Auditors' remuneration				
Audit fee		3,392,900		3,892,900
Fee for limited review of half yearly financial statements and other certifications		2,185,000		2,045,000
Out-of-pocket expenses		352,600		594,000
		5,930,500		6,531,900

	Note	2019	2018
		Rupees	
27. OTHER OPERATING EXPENSES			
Workers' Profits Participation Fund	18.5	92,118,533	79,498,606
Workers' Welfare Fund		32,050,428	31,799,442
Central Research Fund		18,423,706	15,899,721
		<u>142,592,667</u>	<u>127,197,769</u>
28. OTHER INCOME			
Income from financial assets			
Return on treasury bills		16,650,140	10,792,542
Income on savings and deposit accounts		2,497,152	51,192,398
Income from non-financial asset			
Gain on disposal of operating assets		7,907,067	2,413,577
Others			
Insurance claim recovery		3,905,469	62,202,693
Insurance commission		5,451,394	6,057,135
Scrap sales		10,562,260	8,703,989
Other		24,698,057	-
		<u>71,671,539</u>	<u>141,362,334</u>
29. FINANCIAL CHARGES			
Interest on running finance		116,019,713	143,719,414
Exchange loss - net		68,470,704	81,808,624
Bank charges		7,212,785	276,811
Interest on lease liability		661,835	-
		<u>192,365,037</u>	<u>225,804,849</u>
30. TAXATION			
Current			
- for the year		441,401,792	315,337,094
- for prior year		(43,059,900)	36,415,321
Deferred		43,917,266	36,387,994
		<u>442,259,158</u>	<u>388,140,409</u>
30.1 Relationship between tax expense and accounting profit			
Profit before taxation		<u>1,699,777,968</u>	<u>1,462,692,352</u>
Applicable tax rate		<u>29%</u>	<u>29%</u>
Tax calculated at applicable tax rate		492,935,611	424,180,782
Impact of taxability at Final Tax Regime		28,419,419	46,844,803
Effect of prior year tax		(43,059,900)	36,415,321
Effect of tax credits		(57,645,438)	(33,602,075)
Effect of change in tax rate		-	(4,646,408)
Tax effect of other than temporary differences		21,609,466	(81,052,014)
		<u>442,259,158</u>	<u>388,140,409</u>

	2019	2018
31. EARNINGS PER SHARE		
Profit after taxation (Rupees)	1,257,518,810	1,074,551,943
Weighted average number of outstanding shares (Numbers)	117,054,508	117,054,508
Earnings per share (Rupees)	10.74	9.18

31.1 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2019 and 2018 which would have any effect on the earnings per share if the option to convert is exercised.

32. CASH GENERATED FROM OPERATIONS	Note	2019 Rupees	2018
Profit before taxation		1,699,777,968	1,462,692,352
Add / (less): Adjustments for non-cash charges and other items			
Depreciation		231,400,913	210,635,453
Interest expense		123,894,333	143,996,225
Gain on disposal of operating assets		(7,907,067)	(2,413,577)
Interest income		(19,147,292)	(61,984,940)
Provision for slow moving, obsolete and damaged stock - net of stock written off		130,630,520	114,024,886
Allowance for impairment of trade debts		23,929,083	23,302
Provision for impairment of fixed assets		22,500,000	-
Provision for staff retirement benefits		67,944,287	57,046,298
		573,244,777	461,327,647
Profit before working capital changes		2,273,022,745	1,924,019,999
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(4,489,669)	(19,531,027)
Inventories		(668,393,915)	(406,945,247)
Trade debts		(135,234,181)	(144,343,381)
Loans and advances		(45,456,777)	32,346,271
Trade deposits and prepayments		17,451,484	(12,526,273)
Refunds due from Government		90,167,445	(6,369,421)
Other receivables		(62,475,109)	(587,842,508)
		(808,430,722)	(1,145,211,586)
Increase / (decrease) in current liabilities			
Trade and other payables		643,100,736	(260,982,439)
Provisions		-	(5,443,034)
		643,100,736	(266,425,473)
		(165,329,986)	(1,411,637,059)
		2,107,692,759	512,382,940
33. CASH AND CASH EQUIVALENTS			
Bank balances	13	643,240,843	707,442,531
Running finance under mark-up arrangement	19	(763,579,563)	(1,591,779,855)
		(120,338,720)	(884,337,324)

	Unpaid dividend	
	2019	2018
	Rupees	
34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES		
Balance as at January 01	399,847,871	-
Non cash changes - dividend declared	585,272,540	477,750,915
Financing cash outflows	(80,744,750)	(77,903,044)
Balance as on December 31	904,375,661	399,847,871

35. SEGMENT INFORMATION

35.1 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.

36. 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	
	2019	2018	2019	2018	2019	2018
	Rupees					
Managerial remuneration	26,160,711	20,016,799	6,875,298	7,012,203	158,778,754	132,976,485
Bonus - note 36.2	10,763,331	7,765,066	7,862,542	5,507,566	85,617,114	52,422,469
Retirement benefits*	-	3,923,293	1,394,998	1,374,391	30,586,254	24,893,217
House rent	-	4,675,438	3,093,885	3,155,493	67,622,361	56,660,620
Utilities	-	1,038,983	687,528	701,220	15,074,534	12,590,993
Medical expenses	76,164	62,913	53,043	111,204	3,600,965	3,036,781
Others	1,529,620	2,967,709	1,787,370	1,579,135	38,231,363	28,881,886
	38,529,826	40,450,201	21,754,664	19,441,212	399,511,345	311,462,451
Number of person	1	1	1	2	60	54

* Retirement benefits represent amount contributed towards various retirement benefit plans.

36.1 In addition to the above, fee paid to 2 (2018: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 1.20 million (2018: Rs. 0.85 million)

36.2 Bonus includes share based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Director and Executives amounting to Rs. 61.05 million (2018: Rs. 28.97 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, GlaxoSmithKline plc, UK.

Chief Executive and Executive Director are also provided with free use of Company maintained cars in accordance with the Company policy.

37. 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	2019	2018
		Rupees	
Associated companies:	a. Purchase of goods	6,414,715,779	5,377,180,960
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	12,000,000	12,000,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	101,316,288	124,689,363
	d. Sales by GlaxoSmithKline Pakistan Limited as an agent of the Company	7,057,010,826	6,268,666,657
Staff retirement funds:	a. Expense charged for retirement benefit plans	67,944,287	57,046,298
	b. Payments to retirement benefit plans	61,189,122	52,738,206
Key management personnel:	a. Salaries and other employee benefits	155,151,698	136,670,028
	b. Post employment benefits	14,658,388	11,994,932
	c. Sale of assets - sales proceeds	-	1,907,000

37.1 Balances of related parties as at December 31, 2019, are included in the respective notes to the financial statements. The receivables and payables are mainly unsecured in nature and bear no interest.

37.2 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 Limited	India	Patiala Road, Nabha 147201, Dist Patiala, Punjab, India	Associated company	N/A
4	GlaxoSmithKline Biologicals SA	Belgium	Rue de l'Institut 89, B-1330 Rixensart, Belgium	Associated company	N/A
5	GlaxoSmithKline Consumer Trading Services Limited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
6	GlaxoSmithKline Consumer Healthcare S.A	Switzerland	Route de l'Etraz, Case Postale 1279, 1260 Nyon 1	Associated company	N/A
7	GlaxoSmithKline Services Unlimited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
8	Archroma Pakistan Limited	Pakistan	Plot # 1-A/1, Sector 20, Korangi Industrial Area, Karachi, Pakistan	Associated company	N/A
9	GlaxoSmithKline Pakistan Limited	Pakistan	35 - Dockyard Road, West Wharf, Karachi	Associated company	N/A

38. 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.

	2019	2018
	Rupees	
39. FINANCIAL INSTRUMENTS BY CATEGORY		
39.1 Financial assets as per statement of financial position		
Financial assets measured at amortised cost		
- Loans to employees	14,369,440	10,495,280
- Advances and deposits	228,357,949	253,796,039
- Trade debts	866,168,074	754,862,976
- Interest accrued	178,082	-
- Other receivables	676,633,822	603,657,019
- Cash and bank balances	643,240,843	707,442,531
	2,428,948,210	2,330,253,845
39.2 Financial liabilities as per statement of financial position		
Financial liabilities measured at amortised cost		
- Trade and other payables	1,946,083,364	1,592,136,761
- Running finance under mark-up arrangement	763,579,563	1,591,779,855
- Accrued mark-up	25,874,258	43,612,907
- Unpaid dividend	904,375,661	399,847,871
	3,639,912,846	3,627,377,394

39.2.1 The management expects to settle the above liabilities within one year.

39.3 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.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

(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, 2019, 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.

40. Financial Risk Management

40.1 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 risk, fair value of financial instruments and the Company's management of capital.

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. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price 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. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2019, amount to Rs. 387.77 million (2018: Rs. 622.17 million).

At December 31, 2019, 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. 19.39 million (2018: Rs. 31.11 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables and trade debts.

(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 account with banks and running finance under mark-up arrangement. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2019	2018
	Rupees	
Fixed rate instruments		
Financial assets		
- bank balance on deposit accounts	500,000,000	400,000,000
Variable rate instruments		
Financial assets		
- bank balance on PLS savings account	1,911,363	270,103,653
Financial liabilities		
- running finance under mark-up arrangement	763,579,563	1,591,779,855

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 for the year and shareholder's equity by Rs. 7.62 million (2018: Rs. 13.22 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2018.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at December 31, 2019, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

(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 and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit rating.

	2019	2018
	Rupees	
Loans to employees, interest accrued and other receivables	691,181,344	614,152,299
Trade debts	866,168,074	754,862,976
Advances and deposits	228,357,949	253,796,039
Bank balances	643,240,843	707,442,531
	2,428,948,210	2,330,253,845

As at December 31, 2019, the Company's greatest concentration of credit risk was Rs. 387.36 million, Rs. 652.04 million, Rs. 256.10 million and Rs. 628.46 million with GSK Pakistan, NPPL, Premier Agencies and Citi Bank respectively.

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. 105.09 million (2018: Rs. 94.74 million) are past due of which Rs. 27.15 million (2018: Rs. 3.22 million) have been impaired. Past due but not impaired balances include Rs. 40.82 million (2018: Rs. 52.11 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.

Investments represent Term Deposit Receipt (TDR). The TDR is of short term nature and therefore has a low credit risk.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Date of rating	Rating agency	Rating	
			Short term	Long term
Citibank N.A.	March, 2019	Moody's	P-1	AA3
Standard Chartered Bank (Pakistan) Limited	December, 2019	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.

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 are due within one year.

41. 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.

42. NUMBER OF EMPLOYEES

	2019	2018
Number of employees including contractual employees at the end of year	497	480
Average number of employees including contractual employees during the year	476	434

43. 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.

Pre merger, the capital structure of the Company was equity based with no financing through borrowing. Post merger, 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 net of bank balance with equity as at year end.

The debt to capital ratio as at December 31, 2019 is 0.03 (2018: 0.19).

44. BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Business units	Addresses
Factory	Petaro Road, Jamshoro, Pakistan
Distribution / Sales offices	- North Sales Office - Aleem House, Plot no. 409, Sector I-9, Industrial Area, Islamabad - 54000 - Central Sales Office - 880-B, Faisal Town, Lahore - 54700
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

45. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on March 12, 2020 proposed a cash dividend of Rs. 5 per share (2018: Rs. 5 per share) amounting to Rs. 585.27 million (2018: Rs. 585.27 million) subject to the approval of the members in the forthcoming annual general meeting of the Company.

46. 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.

47. DATE OF AUTHORISATION FOR ISSUE

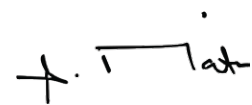
These financial statements were approved and authorised for issue by the Board of Directors of the Company on March 12, 2020.



Chief Financial Officer



Director



Chief Executive Officer

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, economic events and circumstances, political environment, interest rates and the product demand and supply, etc. In 2019, the highest share price was recorded at Rs. 353.53 whereas the lowest price was recorded at Rs. 164.10. The closing price recorded at 31st December 2019 was Rs. 256.42.

Market Capitalization Sensitivity

As at December 31, 2019, GSK CH's market capitalization stood at Rs. 30,015 million. A consequent change of 5% in the market price of the Company's share would result in a change of Rs. 1,501 million in the market capitalization.

Foreign Currency Sensitivity

As at December 31, 2019, 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. 19.39 million (2018: Rs. 31.11 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables and trade debts.

Business Rationale of Major Capital Expenditure and Projects

GSK CH prioritizes projects that adhere to and ensure structural integrity. The Company operates in a dynamic environment which requires technological and manufacturing enhancements and therefore requires allocation of the funds of the Company in this regard. With Board's continuous oversight, the Company continued to invest in its projects during the year to optimize its funds in the most efficient manner.

The capital expenditure during the year included investment in the enhancement of the Manufacturing Capacity for our leading product CaC and Qalsium-d worth Rs.133 million. Further, to ensure the optimum quality of our products, the Company used its funds to procure quality laboratory equipment of Rs.28 million.

The Company ensures a healthy, stable and secure working environment for all the employees of the Company and for this reason investments in the EHS equipment and tools were made of Rs. 19 million. Other investments for energy conservation and efficient use of solar energy initiatives were made during the year worth Rs.23 million.

A very significant project of the Company during the year was the implementation of SAP within the manufacturing division which required an investment of Rs.47 million for its technical infrastructural improvements. This has led to an integrated manufacturing system that can enhance efficiency, diminish costs, increase sales and profitability but most importantly, enable the Company to make accurate, informed and strategic decisions.

During the year 2020, the Company remains focused to deploy SAP within the Commercial division as well by October, 2020. This would require capital investments to bring all of GSK under a single ERP and an aligned set of standards. Further, it would lead to integrated processes, common data definitions, and increased operational efficiency.

SEGMENTAL REVIEW

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.

AUDIT COMMITTEE REPORT



The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2019. We would like to make the following submissions:

COMPOSITION OF THE COMMITTEE

The Audit Committee comprises of three members, all of whom are non-executive directors, including independent directors. Syed Anwar Mahmood, the Chairman of the Committee, is an independent director who Graduated with honours in Economics and later obtained a master's degree in the same discipline.

Mr. M. Z. Moin Mohajir is a member of the Audit Committee and he is considered to be "financially literate" as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. A detailed profile of the directors is mentioned on page 34.

EVALUATION OF THE COMMITTEE

Evaluation of the committees of the Company is mentioned in detail on page 43.

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 further 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.

- The Company's Code of Conduct has been disseminated across the organisation. The Company ensures that every year a compliance refresher session is arranged throughout the organisation highlighting the Company's Code of Conduct.
- The Committee has reviewed the Annual Report and concluded that it is fair, balanced and understandable.
- The Committee reviewed the financial statements of the Company and recommended them for approval of the Board.
- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company and for the year under review;
- The Annual Report discloses and provides information to shareholders to assess the Company's position and performance and its business model and strategy. Similarly, it has also reviewed all related party transactions carried out during the year, which were subsequently approved by the Board.
- The Audit Committee also reviewed preliminary announcements of results prior to publication.

INTERNAL AUDIT AND RISK MANAGEMENT

The Board of Directors have set up effective internal financial controls across all functions. The independent Internal Audit function of the Company

regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework. The Audit Committee further states that:

- The Internal Audit department carries out its audits in accordance with the approved audit plan which is presented annually to the 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.
- The Internal Audit department has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen. The performance appraisal of the Head of Internal Audit is also carried out directly by the Audit Committee.
- The Head of Internal Audit has the required qualifications as prescribed under the Regulations.
- Audit Committee has provided proper arrangement for staff and management to report to 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.
- As per the requirements of the Regulations, the Audit Committee also undertook an overall review of the business risks to ensure that the management maintained a sound system of risk identification. The summary of the risks together with the mitigation plan was presented to the Board for its review.

EXTERNAL AUDIT

- The external auditors were allowed direct access to the Audit Committee and also met the Audit Committee

once a year without the presence of the management.

- All internal audit reports were made available for review to the external auditors during the year.
- The external auditors Deloitte Yousuf Adil, Chartered Accountants have been engaged as the external auditors of the Company since 2018 and have completed their audit assignment and review of the Statement of Compliance with the Regulations. They shall retire as the auditors on the conclusion of 5th Annual General Meeting.
- Being eligible for reappointment as auditors of the Company, the Audit Committee has recommended the appointment of Deloitte Yousuf Adil, Chartered Accountants as external auditors of the Company for the year ending December 31, 2020.
- The Company does not obtain any non-audit services from Deloitte Yousuf Adil, Chartered Accountants.



SYED ANWAR MAHMOOD
Chairman Audit Committee

INTEGRATED REPORTING FRAMEWORK



An integrated report is a concise communication about how an organisation'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:

Strategic focus and future

Orientation

Connectivity of information

Stakeholder relationships

Materiality

Conciseness

Reliability and completeness

Consistency and comparability

Integrated Report is to be presented by those charged with governance acknowledging the integrity and compliance with the framework, including the following content:

Organisational overview and external environment

Governance

Business model

Outlook

Risks and opportunities

Strategy and resource allocation

Performance

Basis of preparation and presentation

At present, the requirement to publish an integrated report is not mandatory in Pakistan. The Company is reviewing the reporting requirements of an integrated report mandated by the local authorities, so that compliance can be ensured timely, when required.

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 in detail is explained in note 2.1 of the annexed financial statements.

STAKEHOLDERS' INFORMATION



On December 31, 2019 there were 4,958 members on the record of the company's ordinary shares.

DIVIDEND PAYMENT

The Board of Directors of the company has recommended 50% final dividend for the year ended 2019. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on May 20, 2020. The dividend, if approved by the shareholders, shall be directly credited to their designated bank accounts to the shareholders listed in the company's share register at the close of business on May 13, 2020 and shall be subject to the Zakat and Tax deductions as per law.

FINANCIAL CALENDAR		
RESULTS		
First quarter ended March 31, 2019	Approved and Announced on	24-04-2019
Half year ended June 30, 2019	Approved and Announced on	27-08-2019
Third quarter ended September 30, 2019	Approved and Announced on	25-10-2019
Year ended December 31, 2019	Approved and Announced on	12-03-2020
DIVIDEND		
Final – Cash (2018)	Approved on	23-04-2019
	Entitlement date	16-04-2019
	Statutory limit upto which payable	14-05-2019
	Paid on	13-05-2019
5TH ANNUAL GENERAL MEETING TO BE HELD ON		20-05-2020

PATTERN OF SHAREHOLDINGS



FOR THE YEAR ENDED DECEMBER 31, 2019

No. of Shareholders	Having shares		Shares Held	Percentage
	From	To		
1753	1	100	64,875	0.06
1652	101	500	425,162	0.36
518	501	1000	399,557	0.34
762	1001	5000	1,737,776	1.48
137	5001	10000	985,487	0.84
44	10001	15000	539,380	0.46
22	15001	20000	372,411	0.32
17	20001	25000	373,634	0.32
9	25001	30000	248,573	0.21
7	30001	35000	227,339	0.19
5	35001	40000	189,211	0.16
3	40001	45000	125,606	0.11
1	45001	50000	45,500	0.04
6	50001	55000	320,160	0.27
3	55001	60000	177,513	0.15
3	65001	70000	202,400	0.17
1	70001	75000	73,359	0.06
2	90001	95000	182,374	0.16
1	95001	100000	96,327	0.08
1	110001	115000	112,500	0.10
1	150001	155000	153,800	0.13
1	210001	215000	212,200	0.18
1	250001	255000	254,043	0.22
1	325001	330000	328,800	0.28
1	385001	390000	389,040	0.33
1	505001	510000	507,856	0.43
1	2395001	2400000	2,397,105	2.05
1	2735001	2740000	2,736,257	2.34
1	2750001	2755000	2,753,004	2.35
2	21500001	78920000	100,423,259	85.79
4958			117,054,508	100.00

CATEGORIES OF SHAREHOLDERS



AS AT DECEMBER 31, 2019

Particulars	No. of Shareholders	No. of Shares Held	Percentage
CEO, Directors and their spouse(s) & minor children	4	333	0.00
Associated companies, undertakings and related parties	2	100,423,259	85.79
Banks, development finance institutions, non-banking finance companies, and pension funds	20	775,768	0.66
Insurance companies & Takaful	3	51,106	0.04
Public sector companies and corporations	6	3,144,411	2.69
Mutual Funds & Modarabas	13	3,481,237	2.97
Foreign Companies	3	2,752,757	2.35
Companies, Trust & Others	101	369,639	0.32
General Public / Individuals - Local	4,801	5,993,992	5.12
General Public / Individuals - Foreign	5	62,006	0.05
TOTAL	4,958	117,054,508	100.00

KEY SHAREHOLDING

AS AT DECEMBER 31, 2019

Particulars	No. of Shareholders	No. of Shares Held	Percentage
CEO & Directors			
MR. SOHAIL AHMED	1	1	0.00
SYED AZEEM ABBAS NAQVI	1	1	0.00
MR. MUHAMMAD ZINDAH MOIN MOHAJIR	1	330	0.00
SYED ANWAR MAHMOOD	1	1	0.00
Associated Companies			
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	1	100,423,259	85.79
Public Sector Companies and Corporations			
NATIONAL BANK OF PAKISTAN	1	6	0.00
PAK-LIBYA HOLDING CO(PVT)LTD.	1	780	0.00
IDBL (ICP UNIT)	1	24	0.00
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	2,753,004	2.35
NATIONAL BANK OF PAKISTAN	1	1,557	0.00
NATIONAL BANK OF PAKISTAN	1	389,040	0.33
Mutual Funds & Modarabas			
MCBFSL - TRUSTEE JS VALUE FUND	1	5,000	0.00
CDC - TRUSTEE MEEZAN BALANCED FUND	1	153,800	0.13
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	3,800	0.00
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	212,200	0.18
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	507,856	0.43
CDC - TRUSTEE NBP STOCK FUND	1	15,600	0.01
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	11,000	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	2,397,105	2.05
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	35,370	0.03
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	1	1,500	0.00
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	54,400	0.05
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	40,200	0.03
B.R.R. GUARDIAN MODARABA	1	43,406	0.04
Foreign Companies			
MATTHEWS EMERGING ASIA FUND	1	2,736,257	2.34
LAERERNES PENSION FORSIKRINGSAKTIESELSKAB	1	13,800	0.01
HABIB BANK AG ZURICH, DEIRA DUBAI	1	2,700	0.00

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 TRADED BY DIRECTORS / EXECUTIVES

Only one share of GSKCH Limited, was traded by Directors and Executives during the financial year from January 1, 2019 to December 31, 2019.

SHAREHOLDING POSITION / IBAN

	No. of Shareholders	No. of Shares Held	Percentage
Shares in Physical Register	1626	101,559,704	86.76
Shares Deposited in Central Depository System	3332	15,494,804	13.24
Total	4,958	117,054,508	100.00
IBAN / Account No. Updated (Physical)	305	307,634	6.15
IBAN / Account No. Updated (CDS)	3192	15,426,082	64.38
Total	3,497	15,733,716	70.53

FREE FLOAT SHARES

Free Float Shares of the Company are 15,494,474 i.e (13.23 %) out of the total 117,054,508 Shares of the Company as on December 31, 2019.

GlaxoSmithKline Consumer Healthcare Pakistan Limited

Notice of Annual General Meeting 2019



Notice is hereby given to the Members that the 5th Annual General Meeting of GlaxoSmithKline Consumer Healthcare Pakistan Limited will be held on Wednesday, 20 May, 2020 at 12:00 noon through / via WEBEX video link from GSK CH Pakistan head office at 35 - Dockyard Road, West Wharf, Karachi 74000 in compliance with Circular No 5 of 2020 issued by Corporate Supervision Department of SECP dated 17 March 2020, to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Financial Statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2019.
- 2) To consider, approve and declare the dividend on the ordinary shares of the Company. The Directors have recommended a final cash dividend of 50% (Rs.5.00 per ordinary share of Rs. 10 each), for the year ended 31 December 2019.
- 3) To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s Deloitte Yousuf Adil Chartered Accountants as external auditors, for the year ending 31 December 2020.

ANY OTHER BUSINESS

1. To transact any other business with the permission of the Chair.

By Order of the Board

MEHAR E DARAKSHA
Company Secretary

Karachi
29 April, 2020

Notes:

1. In pursuance of SECP Circular No. 10 dated April 1, 2020 and no.5 dated March 17, 2020 respectively regarding Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector (194), the proceedings of the AGM shall be held online through WEBEX only. The shareholders attending AGM through WEBEX, are requested to post/send their respective questions/comments/suggestions along with their Name and Folio Number on the following link/QR Code OR email address according to their convenience. The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/database of the CDC and Share Registrar. The Annual Report has also been uploaded at the Company's website and is readily accessible to the shareholders. www.pk-consumerhealthcare.gsk.com

For posting your questions please scan the QR code or click on the link below:



<https://pigeonhole.at/GSKAGMCH>

Email Address: PK.Shareinfo@gsk.com

For attending live proceedings of the AGM the shareholders are requested to log-on the following link:

WEBEX Link for meeting:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=e2eec746bc827dc39a3052490e75a6699>

2. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of Final Dividend from 14 May, 2020 to 20 May, 2020 (both days inclusive). Transfer 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 at the close of business on 13 May, 2020 (Wednesday) will be treated in time for the purposes of entitlement to the transferees.
3. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. Instrument appointing Proxy must be deposited 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 less than 48 hours before the time of the meeting.
4. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
5. CDC Account Holders will further have to follow the undermentioned guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

- i) 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 Regulations, 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.
- ii) In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i) 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 Regulations, shall submit the Proxy Form as per the above requirement.
- ii) The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- iv) The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with Proxy Form to the Company.
- vi) proxy is available on the Company's website www.pk-consumerhealthcare.gsk.com

6. 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/Members at the AGM without such CNIC(s).

7. Submission of Copy of CNIC/NTN (MANDATORY):

Further to SECP's directives, including SRO 831(1)/2012 and other relevant rules, the electronic dividend should also bear CNIC number of the registered shareholder or the authorized person, except in the case of minor(s) and corporate shareholders.

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243(2) of the Companies Act, 2017, the Company will be constrained to withhold payment of dividend to shareholders, in case of non-availability of identification number of the shareholder or authorized person (CNIC or NTN).

Accordingly, the individual Members who have not yet submitted a copy of their valid CNIC to the Company/Share Registrar are once again requested to send their CNIC copy at the earliest directly to the Company's Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

8. Payment of Cash Dividend Through Electronic Mode (Mandatory):

In accordance with Section 242 of the Companies Act, 2017 and Regulation No. 4 of the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in "E-Dividend Mandate Form as annexed and placed on Company's website as well i.e. www.pk-consumerhealthcare.gsk.com and send it duly signed along with a copy of CNIC to the Registrar of the Company i.e. CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahrah-e-Faisal, Karachi in case of physical shares.

In case shares are held in CDC then "E-Dividend Mandate Form" must be submitted directly to shareholder's broker/participant/CDC account services.

9. Circulation of Annual Audited Accounts via CD/DVD/USB or Any Other Media:

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. ("annual audited accounts") to its Members through CD/DVD/USB at their registered addresses. In view of the above, the Company has obtained shareholders' approval in its Extra Ordinary General Meeting held on 20 November 2017 in this regard, the Company has sent its Annual Report 2018 to its shareholders in the form of CD. Any Member may view complete Annual Report on Company's website or requiring printed copy or electronic format through email of Annual Report may send a request using a Standard Request Form as annexed and placed on Company's website as well:

www.pk-consumerhealthcare.gsk.com.

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated 8 September 2014, 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 through email.

Members can request a hard copy of the same, which shall be provided free of cost within seven (7) days from receipt of requisition.

10. Revision of Withholding Tax on Dividend Income:

Please further note that under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2017 withholding tax on dividend income will be deducted for 'Filer' and Non-Filer' as per law. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

Notes:

- The required information must reach our Share Registrar by 13 May, 2020; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and tax will be deducted accordingly.
- Shareholders are therefore requested to please check and ensure filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC/Passport number has been recorded by the Participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate bodies (non-Individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.

- c. Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by 13 May, 2020.

11. UNCLAIMED DIVIDEND/SHARES:

As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017, as prescribed.

12. Postal Ballot/E-Voting:

In accordance with 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, Members 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 aforesaid Regulations.

13. Consent for Video Conference Facility:

In accordance with Section 132(2) of the Companies Act, 2017, Members can also avail video conference facility. If the Company receives consent from Members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the Meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate to Members regarding the venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

<p>I/We, _____ of _____, being a member of GlaxoSmithKline Consumer Healthcare Pakistan Limited, holder of _____ ordinary share (s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.</p> <p style="text-align: right;">----- Signature of Shareholder</p>

E-Dividend Mandate Form

To: _____

Date: _____

Subject: BANK ACCOUNT DETAILS FOR PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

Dear Sir,

I/We/Messrs., _____, being a/the shareholder(s) of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the “Company”)], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) 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 (Landline & Cell Nos.)	
Shareholder’s Address	
(ii) Shareholder’s Bank account details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank’s Name	
Branch Name & 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:

Please note that:

- The 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 shareholders’ CDC account is being dealt.
- The 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 (CDCPL).
- 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 Securities and Exchange Commission of Pakistan.
GlaxoSmithKline Consumer Healthcare Pakistan Limited and CDC 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-ڈیویڈنڈ مینڈیٹ فارم

بنام:

بتاریخ:

عنوان: منافع منقسمہ کی الیکٹرانک طریقے سے ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات

جنابِ اعلیٰ

میں / ہم / میسرز ----- گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (کمپنی) کے شیئر ہولڈرز ہونے کے ناطے کمپنی کو اختیار دیتے ہیں کہ وہ اعلان کردہ منافع منقسمہ براہ راست میرے ذیل میں دیے گئے اکاؤنٹ میں جمع کروا دے۔

(ا) شیئر ہولڈر کی تفصیلات	
شیئر ہولڈر کا نام	
فولیو نمبر / سی ڈی سی شرکت کنندہ کی ID سب اکاؤنٹ نمبر / CDC IAS	
شناختی کارڈ / NICOP / پاسپورٹ / NTN نمبر (برائے مہربانی کاپی منسلک کریں)	
رابطہ نمبر (لینڈ لائن یا موبائل)	
شیئر ہولڈر کا پتہ	
(ب) شیئر ہولڈر کے بینک کی تفصیلات	
بینک اکاؤنٹ کا عنوان	
انٹرنیشنل بینک اکاؤنٹ نمبر	
بینک کا نام	
برانچ کا نام اور کوڈ نمبر	
برانچ کا ایڈریس	

یہ بیان کیا جاتا ہے میری طرف سے فراہم کردہ درج بالا معلومات درست ہیں اور میں کمپنی کو مستقبل میں ان میں ہونے والی کسی بھی تبدیلی سے آگاہ رکھوں گا۔

آپ کا خیر خواہ

دستخط شیئر ہولڈر

(برائے مہربانی کارپوریٹ ادارے کی صورت میں کمپنی کی اسٹیپل لگائیں۔)

نوٹس

برائے مہربانی نوٹ فرمائیں

- ا۔ شیئر ہولڈر جو بک اینٹری فارم رکھتے ہیں، سے درخواست کی جاتی ہے کہ وہ درج بالا ای ڈیویڈنڈ مینڈیٹ فارم پر کریں اور اسے سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے متعلقہ بروکر / شرکت کنندہ / انویسٹر اکاؤنٹ سروسز کو بھجوائیں، جہاں سی ڈی سی اکاؤنٹ ڈیل کیا جا رہا ہو۔
- ب۔ شیئر ہولڈرز جو فزیکل صورت میں شیئرز رکھتے ہوں، سے درخواست کی جاتی ہے کہ وہ درج بالا ای ڈیویڈنڈ مینڈیٹ فارم پر کریں اور اسے کمپنی کے شیئر رجسٹرار ایڈریس، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، 99B، بلاک B، مین شاہراہ فیصل، کراچی 74400، پاکستان پر بھجوائیں۔ فون 0800 23275
- ج۔ بینک تفصیلات کے ساتھ IBAN موصول نہ ہونے کی صورت میں، جیسا کہ اوپر درخواست کی گئی ہے، مستقبل کے کیش ڈیویڈنڈ، اگر کوئی ہوں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق روک لیے جائیں گے، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ اور سی ڈی سی کسی بھی نقصان، ٹوٹ پھوٹ، لائبلٹی، یا کلیم کی صورت میں ذمہ دار نہیں ہوگی، جو کہ براہ راست یا بالواسطہ طور پر کسی غلطی، یا اس کی کسی بھی ذمہ داری کو پورا نہ کرنے میں ناکامی کی بناء پر ہو، جو بھی شیئر ہولڈر کی طرف سے ادائیگی کی غلط ہدایات کی فراہمی اور / یا کسی ایسے واقعے کی وجہ سے ہو جو بینک کے کنٹرول سے باہر ہو۔

REQUEST FORM FOR TRANSMISSION OF ANNUAL REPORT & NOTICE OF ANNUAL GENERAL MEETING (AGM) THROUGH EMAIL OR IN HARD COPY

The CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H. Society
Main Shakra-e-Faisal, ,
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.	
Land Line Phone 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

درخواست فارم برائے ترسیل سالانہ رپورٹ / اجلاس عام کا نوٹس

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ
99B، بلاک B، ایس ایم سی ایچ ایس
سی ڈی سی ہاؤس، مین شاہراہ فیصل
کراچی 74400

عنوان: درخواست برائے ترسیل سالانہ رپورٹ اور نوٹس برائے اے جی ایم بذریعہ ای میل یا ہارڈ کاپی

ہم درخواست کرتے ہیں کہ سالانہ رپورٹ اور نوٹس برائے اے جی ایم CD/DVD/USB کے بجائے، بذریعہ ای میل یا ہارڈ کاپی کے ذریعے فراہم کیا جائے، جیسا کہ ذیل میں دیا گیا ہے۔

شیئر ہولڈر کا نام
فولیو نمبر/سی ڈی سی شرکت کنندہ کے ID اکاؤنٹ نمبر
شناختی کارڈ نمبر
فون نمبر (لینڈ لائن)
موبائل نمبر
پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں)
مؤثر ای میل ایڈریس
مؤثر پوسٹل ایڈریس

سی ڈی / یو ایس بی / ڈی وی ڈی کے ذریعے وصول کرنے کے بجائے، کمپنیز ایکٹ کے سیکشن (6) 223 کے تحت ای میل کے ذریعے یا ہارڈ کاپی کی مستقبل میں تمام سالانہ رپورٹس معہ سالانہ اجلاس عام کے نوٹس وصول کرنے کا طریقہ:
براہ مہربانی کسی ایک کا انتخاب کریں:

آپشن 1: درج بالا مؤثر ای میل ایڈریس پر ای میل کے ذریعے

آپشن 2: میرے رجسٹرڈ پوسٹل پتے پر ہارڈ کاپیز کے ذریعے

یہ بیان کیا جاتا ہے کہ متذکرہ بالا معلومات درست ہے اور میں / ہم اس میں کسی تبدیلی کی بابت کمپنی اور / یا متعلقہ شیئر رجسٹرار کو آگاہ کریں گے اور میں / ہم کمپنی کو مزید اختیار دیتے ہیں کہ اوپر دیے گئے مہری / ہماری تفصیلات کمپنی کے شیئر رجسٹر میں، معہ ای میل ایڈریس اپ ڈیٹ کر لیں۔

میں / ہم اقرار کرتے ہیں کہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس اور نوٹس بذریعہ ای میل بھیجنے سے کمپنی کو کمپنیز ایکٹ 2017 کے سیکشن (6) 223 کی متعلقہ ضرورت کے مطابق عمل پیرا تصور کیا جائے گا۔ اگر آڈٹ شدہ فائنانشل اسٹیٹمنٹس یا کمپنی کے نوٹس برائے اے جی ایم کی ہارڈ کاپی درکار ہوگی، تو اس کے لیے مخصوص درخواست دی جائے گی۔

دستخط شیئر ہولڈر

نوٹس

- برائے مہربانی اپنے مؤثر قومی شناختی کارڈ / مؤثر پاسپورٹ کی تصدیق شدہ کاپی منسلک کریں۔
- یہ درخواست فارم اختیاری ہے، اور لازمی نہیں ہے۔

10- ڈیویڈنڈ انکم پر ودہولڈنگ ٹیکس میں نظر ثانی

براہ مہربانی یاد رکھیں کہ انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 اور فنانس ایکٹ 2017 کے تحت، منافع منقسمہ پر ود ہولڈنگ ٹیکس کی فائلر اور نان فائلر کے لیے قانون کے مطابق کٹوتی کی جائے گی۔ فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول ہونے والی وضاحت کے مطابق جوائنٹ اکاؤنٹ کی صورت میں ودہولڈنگ ٹیکس کا حساب فائلر / نان فائلر کے لیے پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز کے لیے ان کی شیئر ہولڈنگ کے تناسب کی بنیاد پر علیحدہ علیحدہ کیا جائے گا۔

اس حوالے سے تمام شیئر ہولڈرز جو جوائنٹ شیئر ہولڈرز کے ساتھ شیئرز کے حامل ہیں، سے درخواست کی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار کو اپنے شیئرز کے سلسلے میں پرنسپل شیئر ہولڈرز اور جوائنٹ شیئر ہولڈرز کی شیئر ہولڈنگ کا تناسب تحریری طور پر فراہم کر یں:

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		کل شیئرز	فولیو / سی ڈی سی اکاؤنٹ نمبر
شیئر ہولڈنگ تناسب (شیئرز کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	شیئر ہولڈنگ تناسب (شیئرز کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر		

نوٹس

- درکار معلومات ہمارے کمپنی کے شیئر رجسٹرار کو 13 مئی 2020 تک موصول ہوجانی چاہیے، بصورت دیگر یہ تصور کیا جائے گا کہ شیئرز پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈر کے درمیان مساوی طور پر موجود ہیں، اور اسی لحاظ سے ٹیکس منہا کیا جائے گا۔
- لہذا شیئر ہولڈرز سے درخواست کی جاتی ہے کہ براہ مہربانی ایف بی آر کی ویب سائٹ <http://www.fbr.gov.pk> پر موجود ایکٹو ٹیکس پیئر لسٹ (ATL) سے اپنا فائلر اسٹیٹس چیک کریں اور یقینی بنائیں کہ ان کا کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ نمبر، شرکت کنندہ / انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار (فزیکل شیئر ہولڈنگ کی صورت میں) کے ذریعے ریکارڈ کیا گیا ہے۔ کارپوریٹ باڈیز (غیر انفرادی شیئر ہولڈرز) یقینی بنائیں کہ ان کا نام اور نیشنل ٹیکس نمبر (NTN)، ایف بی آر کی ویب سائٹ پر موجودہ ATL میں موجود ہوں اور متعلقہ شرکت کنندہ / انویسٹر اکاؤنٹ سروسز یا فزیکل شیئرز کی صورت میں کمپنی کے شیئر رجسٹرار کے پاس ریکارڈ ہوں۔
- ڈیویڈنڈ کی آمدنی پر ودہولڈنگ ٹیکس سے استثنیٰ صرف اسی صورت میں دیا جائے گا جب موثر ٹیکس ایگزیمپشن سرٹیفکیٹ کمپنی کے شیئر رجسٹرار کو 13 مئی 2020 تک مہیا کر دیا جائے۔

11- غیر کلیم شدہ منافع منقسمہ / شیئرز

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق جاری ہونے والا کوئی بھی شیئر یا کمپنی کی طرف سے اعلان کردہ کوئی بھی منافع منقسمہ، جو واجب الادا ہونے کے بعد تین (3) سال کے عرصے تک غیر کلیم شدہ / ناقابل ادا ہیں، وہ شیئر ہولڈرز کو کلیم دائر کرنے کے لیے نوٹسز جاری کرنے کے بعد فیڈرل گورنمنٹ کے کریڈٹ کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے پاس جمع کروانے ہونگے۔ شیئر ہولڈرز سے گزارش ہے کہ وہ اس بات کو یقینی بنائیں کہ ان غیر کلیم شدہ منافع منقسمہ کے کلیم اور شیئرز فوری طور پر درج کئے جائیں۔ اگر کوئی کلیم دائر نہیں کیا گیا ہے تو، کمپنی غیر کلیم شدہ / واجب الادا رقم اور شیئر فیڈرل گورنمنٹ کے پاس کمپنیز ایکٹ 2017 کے سیکشن 244 (2) کی تعمیل میں جمع کروانے گی۔

12- پوسٹل بیلٹ / ای -ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، ڈائریکٹرز کے انتخاب اور دیگر ایجنڈا آئٹم کے لیے کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کی ضروریات کے مطابق قانونی طور پر 10 فیصد یا اس سے زائد شیئر ہولڈنگ رکھنے والے ممبران مذکورہ بالا ریگولیشنز میں شامل شرائط کے تحت بذریعہ پوسٹل بیلٹ اپنا حق رائے دہی استعمال کر سکتے ہیں یعنی ڈاک یا ای ووٹنگ کے ذریعے۔

ii- پراکسی فارم پر دو افراد کی گواہی موجود ہونی چاہیے، جن کے نام، پتے شناختی کارڈ نمبر فارم میں موجود ہوں۔

iii- بینیفشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ منسلک ہونی چاہیے۔

iv- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

v- کارپوریٹ ادارے کی صورت میں کمپنی کو، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کے دستخط کے نمونے کے ساتھ (اگر پہلے جمع نہ کروایا گیا ہو)، پراکسی فارم کے ساتھ جمع کروانا ہوگا۔

vi- پراکسی فارم کمپنی کی ویب سائٹ پر دستیاب ہے www.pk-consumerhealthcare.gsk.com

6- فزیکل شیئرز کے حامل شیئر ہولڈرز کو بھی لازماً اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ اور / یا شیئر ہولڈر (ہولڈرز) کے CNIC کی کاپی جن کے وہ پراکسی ہیں ہمراہ لانی ہوگی، بغیر شناختی کارڈ کے ایسے شیئر ہولڈر / ہولڈرز کو سالانہ اجلاس عام میں شرکت اور / یا شیئر ہولڈرز / ممبرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں دی جائے گی۔

7- NTN / شناختی کارڈ کی کاپی جمع کروانا (لازمی):

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایت کے مطابق، بشمول SRO 831(1)/2012 اور دیگر متعلقہ قوانین، الیکٹرونک ڈیویڈنڈ پر لازمی طور پر رجسٹرڈ شیئر ہولڈر یا مختار شخص کا کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) نمبر ہونا چاہیے، (سوائے نابالغ اور کارپوریٹ شیئر ہولڈر کے)۔ کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز، 2017 کے ریگولیشن نمبر 6 اور کمپنیز ایکٹ 2017 کے سیکشن 243 (2) کے مطابق، کمپنی شیئر ہولڈر یا مجاز شخص کے شناختی نمبر (CNIC یا NTN) کی عدم دستیابی کی صورت میں کمپنی شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے کی پابند ہو گی۔ اسی طرح، انفرادی ممبرز جنہوں نے اب تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کمپنی شیئر رجسٹرار کے پاس جمع نہیں کروائی ہے ان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی جلد از جلد براہ راست کمپنی شیئر رجسٹرار کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر بھجوا دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ نیشنل ٹیکس نمبر (NTN) اور فولیو نمبر جمع مجاز نمائندے کی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی فراہم کریں۔

8- الیکٹرونک موڈ کے ذریعے کیش ڈیویڈنڈ کی ادائیگی (لازمی)

کمپنیز ایکٹ 2017 کے سیکشن 242 اور کمپنیز ریگولیشنز 2017 (ڈیویڈنڈ کی تقسیم) کے مطابق لسٹڈ کمپنی کے لیے ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو صرف الیکٹرونک طریقے سے کیش ڈیویڈنڈ کی ادائیگی براہ راست شیئر ہولڈر کی طرف سے تجویز کردہ بینک اکاؤنٹ میں کرے۔ ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ فزیکل شیئرز کی صورت میں کمپنی کی ویب سائٹ جیسے کہ www.pk-consumerhealthcare.gsk.com پر موجود "ای ڈیویڈنڈ مینڈیٹ فارم" پر کر رہے اور اس پر اپنے دستخط کرنے کے بعد کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی کے ساتھ کمپنی کے شیئر رجسٹرار کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر ارسال کریں۔ شیئرز سی ڈی سی میں ہونے کی صورت میں "ای ڈیویڈنڈ مینڈیٹ فارم" لازمی طور پر براہ راست شیئر ہولڈرز کے بروکر / شرکت کنندہ / سی ڈی سی اکاؤنٹ سروسز جمع کروائیں۔

9- سی ڈی / ڈی وی ڈی / یو ایس بی یا کسی بھی دیگر میڈیا کے ذریعے سالانہ آڈٹ اکاؤنٹس کی ترسیل

SECP نے اپنے 2016 / (1) SRO 470 بتاریخ 31 مئی 2016 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ، منافع اور نقصان کا اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) اپنے اراکین کو سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ان کے رجسٹرڈ پتوں پر ارسال کریں۔ مذکورہ بالا کی روشنی میں، کمپنی نے 20 نومبر 2017 کو منعقدہ غیر معمولی اجلاس عام میں اس حوالے سے شیئر ہولڈرز سے منظوری حاصل کر لی ہے، کمپنی نے اپنی سالانہ رپورٹ 2018 اپنے شیئر ہولڈرز کو سی ڈی کی شکل میں ارسال کر دی ہے۔ کوئی بھی ممبر جو سالانہ رپورٹ پرنٹ شدہ یا الیکٹرونک فارمیٹ پر بذریعہ ای میل حاصل کرنے کا خواہش مند ہو، اپنی درخواست کمپنی کی ویب سائٹ www.pk-consumerhealthcare.gsk.com پر منسلک "اسٹینڈرڈ درخواست فارم" کو استعمال کرتے ہوئے ارسال کر سکتا ہے۔ ممبرز کو مطلع کیا جاتا ہے کہ 2014 / (1) SRO 787 SECP بتاریخ 8 ستمبر 2014 اور کمپنیز ایکٹ 2017 کے سیکشن 223 (6) کے مطابق، آڈٹ شدہ مالیاتی اسٹیٹمنٹس اور سالانہ اجلاس عام کا نوٹس الیکٹرونک فارمیٹ میں بذریعہ ای میل ارسال کرنے کی اجازت دی گئی ہے۔ ممبرز اس کی بارڈ کاپی کے لیے درخواست دے سکتے ہیں جو بلا معاوضہ درخواست کی وصولی کے ساتھ (7) یوم کے اندر فراہم کی جائے گی۔

نوٹس:

1۔ کارپوریٹ سیکٹر (194) کے لیے کرونا وائرس کے اثر کو کم کرنے کے لیے ریگولیٹری ریلیف کے حوالے سے بالترتیب 17 مارچ 2020 اور 1 اپریل 2020 کو سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 5 اور سرکلر نمبر 10 کی پیروی میں سالانہ اجلاس عام کی کارروائی صرف بذریعہ WEBEX آن لائن ہوگی۔ WEBEX کے ذریعے سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز سے درخواست ہے کہ وہ اپنی سہولت کے مطابق مندرجہ ذیل لنک / QR کوڈ یا ای میل ایڈریس پر اپنے نام اور فولیو نمبر کے ساتھ متعلقہ سوالات / تبصرے / تجاویز پوسٹ / ارسال کریں۔ سالانہ رپورٹ بذریعہ ای میل ان شیئر ہولڈرز کو بھیجی جائے گی جن کے ای میل ایڈریس CDC اور شیئر رجسٹرار کے ریکارڈز / ڈیٹا بیس میں موجود ہوں گے۔ سالانہ رپورٹ کمپنی کی ویب سائٹ پر بھی اپ لوڈ کی گئی ہے اور شیئر ہولڈرز کے لیے با آسانی قابل رسائی ہے۔
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اپنے سوالات پوسٹ کرنے کے لیے براہ مہربانی QR کوڈ اسکین کریں یا نیچے دیئے گئے لنک پر کلک کریں:



<https://pigeonhole.at/GSKAGMCH>

ای میل ایڈریس: PK.Shareinfo@gsk.com

سالانہ اجلاس عام کی براہ راست کارروائی میں شرکت کے لیے شیئر ہولڈرز سے گزارش ہے کہ درج ذیل لنک پر لاگ آن کریں:

اجلاس کے لیے WEBEX لنک

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=e2eec746bc827dc39a3052490e75a6699>

2۔ کمپنی کی شیئر ٹرانسفر بکس 14 مئی 2020 تا 20 مئی 2020 (بشمول دونوں ایام) حتمی ڈیویڈنڈ کی ادائیگی کے حقدار کا تعین کرنے کے لیے بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کے آفس بمقام CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر 13 مئی 2020 (بروز بدھ) کو کاروباری دن کے اختتام تک موصول ہونے والی درخواستوں کو منقسمہ کی ادائیگی کے لیے بروقت تسلیم کیا جائے گا۔

3۔ اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جگہ کسی دوسرے کو اجلاس میں اپنی ایماء پر شرکت، اظہار رائے اور ووٹ دینے کے لیے پراکسی نامزد کر سکتا ہے۔ پراکسی کی نامزدگی کی دستاویز کمپنی کے شیئر رجسٹرار کے آفس بمقام سینٹرل ڈپازٹری کمپنی شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کروائی جا سکتی ہے۔

4۔ شیئر ہولڈرز سے درخواست ہے کہ رجسٹرڈ پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئر رجسٹرار کو مطلع کریں۔

5۔ مزید CDC اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے بیان کردہ درج ذیل ہدایات پر عمل کرنا ہوگا۔

A۔ اجلاس میں شرکت کے لیے

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈ کی گئی ہیں، اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ کے ذریعے اجلاس میں شرکت کے وقت اپنی شناخت کروائیں گے۔
- کارپوریٹ ادارے کی صورت میں نامزد کردہ شخص کے دستخط کے نمونے کے ساتھ (اگر پہلے فراہم نہ کیا گیا ہو) بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اجلاس میں شرکت کے وقت فراہم کی جائیں گی۔

B۔ پراکسی کی نامزدگی کے لیے

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈ کی گئی ہیں، درج بالا تقاضوں کے تحت پراکسی فارم جمع کروائیں گے۔

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ پاکستان لمیٹڈ

نوٹس برائے سالانہ اجلاسِ عام 2019

بذریعہ ہذا ممبران کو اطلاع دی جاتی ہے کہ درج ذیل امور کی انجام دہی کے لیے سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ سپر وژن ڈپارٹمنٹ کی جانب سے 17 مارچ 2020 کو جاری کردہ سرکلر نمبر 5 2020 کی تعمیل میں، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کا پانچواں (5) سالانہ اجلاسِ عام مؤرخہ 20 مئی 2020 بروز بدھ، دوپہر 12:00 بجے بذریعہ / براستہ WEBEX ویڈیو لنک، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر کے ہیڈ آفس، 35 ڈاکہارڈ روڈ، ویسٹ وبارف، کراچی- 74000 میں منعقد کیا جائے گا:

عمومی امور

- 1- کمپنی کے آڈٹ شدہ مالی حسابات مع ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2019 کی وصولی، غوروخوض اور منظوری دینا۔
- 2- کمپنی کے عمومی شیئرز پر ڈیویڈنڈ کی ادائیگی کے لیے غوروخوض، اس کی منظوری اور اعلان۔
ڈائریکٹرز نے 31 دسمبر 2019 کو ختم ہونے والے سال کے لیے 50 فیصد حتمی کیش ڈیویڈنڈ تجویز کیا ہے (10 روپے کے ہر عمومی شیئر پر 5.00 روپے)۔
- 3- آئندہ سال کے لیے کمپنی کے بیرونی آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین۔
بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کے مشورے پر میسرز ڈیلوائٹ یوسف چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2020 کو ختم ہونے والے مالی سال کے لیے بیرونی آڈیٹرز کے طور پر تجویز کیا ہے۔

دیگر کاروباری امور

- 1- چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

بحکم بورڈ



مہر درخشاں
کمپنی سیکریٹری

کراچی
29 اپریل 2020

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد 7 ہے، جس کا تناسب درج ذیل ہے:

- ا۔ مرد: 5
ب۔ خواتین: 2

بورڈ کی ساخت اور کمیٹیوں کی تفصیلات صفحہ نمبر 64 پر دی گئی ہے۔

بعد میں روٹا ہونے والے واقعات

سال کے آخر میں 17 جنوری 2020 سے مؤثر مارکیٹنگ کا اختیار اور مخصوص او ٹی سی مصنوعات کی اجازت کمپنی کو منتقل کی جارہی ہے، لہذا کمپنی اب پروکیورمنٹ، مینوفیکچرنگ، مارکیٹنگ اور ایسے انونٹری آئٹمز کے انتظام مصروف عمل ہے۔ یہ فائنانشل اسٹیٹمنٹس کے نوٹ 1.2 میں بتایا گیا ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اس موقع پر اپنے ملازمین، سپلائرز اور شراکت داروں کو کمپنی کے بہتر نتائج کے حصول میں کامیابی کے لیے ان کے مسلسل تعاون اور لگن پر خراج تحسین پیش کرتے ہیں۔ ملازمین کی طرف سے پیشہ ورانہ مہارت اور لگن قابل ستائش ہے۔

بحکم بورڈ
خیر خواہ



طلال جاوید احمد
ڈائریکٹر



سہیل متین
چیف ایگزیکٹو آفیسر
12 مارچ 2020

روپے فی یو ایس ڈالر پر پہنچ گئی، جس نے بڑھتے ہوئے کنزیومر پرائس انڈیکس اور شرح سود میں اضافے کے ساتھ ایک سخت مالیاتی پالیسی کی راہ ہموار کی۔ یہ معاشی اشاریوں نے ہماری اندرونی پروڈکشن کاسٹ اور بیرونی فائنانسنگ کاسٹ کے لیے ایک چیلنج کی حیثیت رکھتے ہیں۔ ایسے میں قیمتوں کے تعین کا فیصلہ کرتے ہوئے کمپنی ایک قابل عمل بزنس ماڈل برقرار رکھنے کے لیے، اپنے صارفین کی قوت خرید سے آگاہ ہے۔ ہم پر امید ہیں کہ حکومت پاکستان تمام اسٹیک ہولڈرز کی فلاح کے لیے ایک متوازن پرائسنگ پالیسی کو سپورٹ کرتی رہے گی۔ موجودہ چیلنجز سے نمٹنے کے لیے، آپ کی کمپنی سپلائی چین اصلاح کے لیے اقدامات اٹھانے اور اپنی بائی کوالٹی جدت کے سلسلے کو مضبوط کرنے میں انتہائی فعال ہے

سال کے دوران، ہم نے دو اہم مصنوعات پیناڈول سی ایف ڈے اور سینسوڈائن بربل لانچ کرتے ہوئے کیئرنگ کو قابل ذکر وسعت دی۔ ایسے اقدامات کے ذریعے آپ کی کمپنی صارفین کی بڑھتی ہوئی قدر، جدت، بہتر کارکردگی اور زبردست بھروسے کو قائم رکھنے پر اپنی توجہ مرکوز کیے ہوئے ہے۔ طویل المدتی منافع اور اپنے کسٹمرز اور ہیلتھ کیئر پروفیشنلز کی متحرک ضروریات کو پورا کرنے کے لیے ہماری توجہ صلاحیتوں میں اضافے، اخراجات میں کمی اور بہتر ٹیکنالوجی پر ہے۔ اپنے طویل مدتی تیز گروتھ کے عزم کی تکمیل کے لیے ضروری ہے کہ کمپنی کمرشل ایکسیلنس پر توجہ مرکوز کرتے ہوئے پہلے سے بہتر سیلز اسٹریکچر کے ساتھ اپنے مستحکم برانڈز کے استعمال اور برانڈ ایکوٹیٹی میں اضافے کے لیے ان میں سرمایہ کاری جاری کے سلسلے کو جاری رکھے۔ ہم چیلنجنگ کاروباری ماحول سے نبرد آزما ہونے کے لیے اہم ٹریڈ چینلز اور ڈسپلے کے میدان میں اپنی وسعت کے لیے پر عزم ہیں۔

کورونا وائرس

ملک میں کرونا وائرس کی وبا کے پھیلاؤ اور اس کے کمپنی کی مالیاتی کارکردگی اور سپلائی پر ممکنہ اثرات غیر یقینی ہیں۔ اس رپورٹ کی تاریخ تک، کمپنی کے مالیاتی نتائج پر اس وبا کے کوئی مادی اثرات مرتب نہیں ہوئے ہیں۔ اس وقت، ہیلتھ کیئر بزنس کو وفاقی اور صوبائی دونوں حکومتوں کی طرف سے آپریشنز جاری رکھنے کی اجازت دی گئی ہے تاکہ مارکیٹ میں ہماری پراڈکٹس کی دستیابی کو یقینی بنایا جا سکے۔ ہم مارکیٹ کی طلب، رسد کے تسلسل اور ملازمین کی دیکھ بھال سمیت صورتحال کا باریک بینی سے مسلسل جائزہ لیتے ہیں۔

مشاہرہ کی پالیسی

جی ایس کے کنزیومر ہیلتھ کیئر کا نان ایگزیکٹو انڈیپنڈنٹ بورڈ آف ڈائریکٹرز، ایچ آر اور مشاہرہ کمیٹی کی طرف سے، کنزیومر ہیلتھ کیئر انڈسٹری اور اسی نوعیت کے دیگر کاروباروں کے لحاظ سے منظور کردہ مشاہرہ کا حقدار ہے۔

متعلقہ پارٹی لین دین

تمام تر متعلقہ پارٹی سے لین دین کے لیے جی ایس کے بیلٹھ کیئر کوڈ آف کارپوریٹ گورننس کے تحت عمل درآمد یقینی بناتی ہے۔

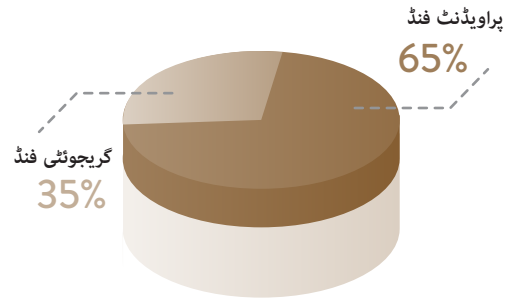
لین دین کی تفصیلات صفحہ نمبر فائنانشل اسٹیٹمنٹس کے نوٹ نمبر 37 میں فراہم کی گئی ہیں۔

آڈیٹرز

موجودہ آڈیٹرز ڈیلوئٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس نے آڈیٹرز کی حیثیت سے اپنی خدمات جاری رکھنے کا عندیہ دیا ہے۔ بورڈ آف ڈائریکٹرز، ان کی آڈیٹرز کی حیثیت سے سال مختتمہ 31 دسمبر 2020 کے لیے متفقہ طور پر طے کردہ فیس کے عوض خدمات جاری رکھنے کے حوالے سے آڈٹ کمیٹی کی تجویز کی توثیق کرتی ہے۔

پراویڈنٹ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاری کی قدر کمپنی اپنے ملازمین کے ریٹائرمنٹ بینیفٹ کا انتظام رکھتی ہے۔ پراویڈنٹ فنڈ اور گریجویٹ کی سرمایہ کاری کی قدر 31 دسمبر 2019 کو درج ذیل تھی۔

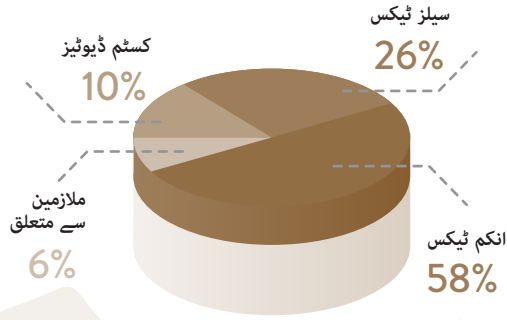
2019	Rs.
ملین 191	پراویڈنٹ فنڈ
ملین 103	گریجویٹ فنڈ



نیشنل ایکس چیکر اور معیشت میں حصہ

آپ کی کمپنی نے سال 2019 کے دوران کسٹم ڈیویڈنڈ، انکم ٹیکس، سیلز ٹیکس اور ملازمین کے ٹیکس کی مد میں نیشنل ایکس چیکر میں Rs. 973 شامل کیے ہیں۔

سیلز ٹیکس کی مد میں ہماری کل کنٹری بیوشن Rs. 252 ملین، انکم ٹیکس کی مد میں 565 ملین روپے، کسٹم ڈیویڈنڈ کی مد میں Rs. 97، جبکہ ملازمین ٹیکس کی مد میں Rs. 59 ہے۔



مؤثر اندرونی فائنانشل کنٹرول

بورڈ آف ڈائریکٹرز نے تمام تر عوامل کے لیے مؤثر اندرونی فائنانشل کنٹرولز طے کیے ہیں۔ آپ کی کمپنی کا آزادانہ اندرونی آڈٹ فنکشن باقاعدگی سے فائنانشل کنٹرولز کے اطلاق پر نگاہ رکھتا ہے، جبکہ آڈٹ کمیٹی اندرونی کنٹرول فریم ورک کے مؤثر ہونے کا جائزہ لیتی ہے۔

کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے مطابق، ڈائریکٹرز نے احتیاط سے شائع شدہ اکاؤنٹس کا جائزہ لیا ہے اور نتیجہ اخذ کیا ہے کہ:

- کمپنی کی مینجمنٹ کی جانب سے تیار کردہ فائنانشل اسٹیٹمنٹس واضح طور پر اپنے معاملات کی صورتحال، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلی کا احاطہ کرتی ہیں۔
- کمپنی کی بکس آف اکاؤنٹ باقاعدہ طور پر مینٹین کی گئی ہیں
- فائنانشل اسٹیٹمنٹس کی تیاری کے لیے مستقل طور پر موزوں اکاؤنٹنگ پالیسیز اختیار کی گئی ہیں اور اکاؤنٹنگ تخمینوں کا دارومدار مناسب اور محتاط نقطہ نگاہ پر ہے۔
- فائنانشل اسٹیٹمنٹس، پاکستان میں لاگو انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کے مطابق تیار کی گئی ہیں۔
- کمپنی اندرونی کنٹرول کا جامع سسٹم رکھتی ہے جو کسی بھی مادی نقصان یا غلط بیانی کی صورت میں مناسب یقین دہانی فراہم کرتا ہے۔ اندرونی کنٹرول سسٹم کا باقاعدگی سے جائزہ لیا جاتا ہے۔ اسے بورڈ کی آڈٹ کمیٹی نے تیار کیا ہے اور اسے 'جیسا اور جب ضرورت ہو' اپ ڈیٹ کیا جاتا ہے۔
- کمپنی کے گورننگ کنسرن (جاری و ساری رہنے پر) ہونے پر کوئی قابل ذکر شبہ نہیں ہے۔
- لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کی بہترین مشقوں سے کوئی مادی انحراف نہیں پایا گیا۔
- اہم آپریٹنگ اور فائنانشل ڈیٹا صفحہ نمبر 89 سے 95 تک درج کیا گیا ہے

مستقبل کی منظر نامہ اور چیلنجز

ہمارے ملک میں اس سال کے دوران غیر متوقع ڈی ویلیوشن کا سامنا کرنا پڑا اور پاکستانی روپے کی قدر میں تاریخ کی کم ترین سطح 163

- اس امر کو یقینی بنانا کہ ماحول، صحت اور تحفظ جی ایس کے سی ایچ کے کاروبار کی حکمت عملی کے انتہائی اہم اجزاء ہیں

- اپنے ملازمین کے لیے مزید کام کی لگن، ایک بہتر احساس اور طویل عرصہ جینے، میں معاونت کے لیے کام کے سازگار ماحول کا فروغ

یقین دہانی اور نگرانی کے ذریعے کمپنی صحت اور تحفظ کو اپنی اولین ترجیح رکھنے کے لیے پر عزم ہے۔ یہ عزم مصنوعات کی مینوفیکچرنگ کی سیزل کے دوران پیشہ ورانہ صحت اور تحفظ کے چیلنجز اور تمام تر ممکنہ خطرات کو کم کرنے کے بہترین طریقہ کار کی تیاری پر اس کی توجہ مرکوز رکھے گا۔

درآمد نہ کرنے کی روک تھام کے لیے وضع کیا گیا ہے۔ اس عزم کے ساتھ، کمپنی کے بورڈ آف ڈائریکٹرز نے ہمارے ضابطہ اخلاق میں رہتے ہوئے قابل قبول کاروباری طرز عمل اور رویے کے معیارات طے کیے ہیں۔ ہماری اقدار درج ذیل ہیں

صارف اولین ترجیح (سب سے پہلے صارف)

عزت

شفافیت

ایمانداری / ساکھ

تربیت اور ان کے دستخط کے لیے یہ ضابطہ تمام ملازمین بشمول سینئر مینجمنٹ کو ارسال کیا جاتا ہے اور یہ GSK کنزیومر ہیلتھ کیئر کی ویب سائٹ پر بھی موجود ہے۔

رسک مینجمنٹ، انتظامی صلاحیت اور درجہ بندی

GSK کنزیومر ہیلتھ کیئر مؤثر رسک مینجمنٹ کی اہمیت کو بخوبی سمجھتا ہے جو بالآخر کاروبار کو بہترین انداز میں کارکردگی کا مظاہرہ کرنے میں مدد فراہم کرتا ہے۔ کمپنی کے اندر اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے ہمارے رسک مینجمنٹ کی ساخت اور اندرونی کنٹرول کا نظام باہم مل کر ہمارے لیڈرز کو کاروبار کے اصل اور بنیادی رسک (خطرات) سے کامیابی سے نمٹنے کے قابل بناتا ہے۔ ہمارا رسک مینجمنٹ اینڈ کمپلائنس بورڈ (RMCB) کاروبار کو پیش آنے والے ممکنہ رسک (خطرات) کی مؤثر طور پر نشاندہی، ان کے جائزے، اس پر نظر رکھنے، ان سے نمٹنے اور ان کی رپورٹ کرنے کا ذمہ دار ہے۔

اندرونی اور بیرونی دونوں عوامل کمپنی کے رسک ایکسپوزر (خطرے کے خدشات) میں کردار ادا کرتے ہیں۔ رسک مینجمنٹ اینڈ کمپلائنس بورڈ موزوں پالیسی بنانے اور حکمت عملی وضع کرنے کا ذمہ دار ہے جو مستقل بنیادوں پر کمپنی کے مقاصد کو درپیش اہم خطرات کا اندازہ لگا سکیں اور ایسے خدشات کو کم سے کم کر سکیں۔ اس مقصد کے لیے ہمارا رسک مینجمنٹ فریم ورک درست پالیسیز اور حکمت عملی پرکی موجودگی کو یقینی بناتا ہے اور اہم خطرات کو "پہچاننے، ریکارڈ کرنے اور کم سے کم کرنے" کی حکمت عملی کے تحت خطرات کو کم کرنے کا کام سرانجام دیتا ہے۔ مزید یہ کہ، کمپنی کا وضع کردہ اندرونی کنٹرول فریم ورک رسک سے نمٹنے کی منصوبہ بندی، تفویض کردہ احتساب کی منصوبہ بندی اور کسی بھی اہم مسئلے، جو جب اور جہاں نمودار ہو، ان کی اوپری سطح پر کمیونی کیشن کو یقینی بناتا ہے۔

اس مقصد کے لیے RMCB نے ایک اسٹرکچر تشکیل دیا ہے جبکہ تفویض کردہ رسک اونرز اس بات کے ذمہ دار ہیں کہ وہ اہم خطرات کی نشاندہی اور اس کا تدارک کریں جبکہ کمپلائنس آفیسر اندرونی کنٹرول سسٹمز کو تشکیل دینے کے لیے رسک کی بنیاد پر وضع کردہ طریقہ کار کو بروئے کار لانے میں معاونت کرتا ہے۔ اس کے نتیجے میں رسک مینجمنٹ فیصلہ سازی کا کلیدی جزو اور بزنس آپریشنز کا حصہ بن جاتا ہے۔

GSK کنزیومر ہیلتھ کیئر میں، ہم قانونی تقاضوں کے مطابق کمپلائنس کو ترجیح دیتے ہیں، یہی وجہ ہے کہ ہماری رسک مینجمنٹ، کارپوریٹ اخلاقیات اور کمپلائنس باہم مل کر کام کرتی ہیں تاکہ حصص یافتگان کی سرمایہ کاری اور کمپنی کے اثاثہ جات کی حفاظت کو یقینی بنایا جا سکے۔

پیشہ ورانہ تحفظ اور صحت

بہت سے مؤثر طریقہ ہائے کار کی بدولت، GSK CH اپنے ملازمین کی پیشہ ورانہ حفاظت پر کسی بھی قسم کا سمجھوتا کیے بغیر اپنا کام جاری رکھنے کی روایت پر کاربند ہے۔ اوراسی طریقہ کار کو GSK کنزیومر ہیلتھ کیئر کی روایت کا بھی حصہ بنایا گیا ہے۔ اس مقصد کو کامیابی سے پورا کرنے کے لیے درج ذیل زبردست پروگرامز اور طریقہ کار اپنائے گئے ہیں یا اس وقت ان پر عمل درآمد کیا جاتا ہے جو ہمارے کام کے ماحول کے معیار کو بہتر بنانے کے لیے EHS سسٹم کو مضبوط کرتے ہیں۔

- اس بات کو یقینی بنانا کہ ہمارے ملازمین ہر طرح کے آپریشنل رسک سے پوری طرح آگاہ ہیں اور ضرورت پڑنے پر اس سے موثر انداز میں نمٹنے کی پوری صلاحیت رکھتے ہیں۔

- ملازمین کی صلاحیتوں میں اضافہ جو انہیں اس بات کی تربیت دے سکے کہ وہ ہر طرح کے حالات میں پیشہ ورانہ حفاظت کو اپنی پہلی ترجیح سمجھیں

- کنزیومر کے ایسے معیارات کو لاگو کریں جو ہمارے پانی اور توانائی کے استعمال کو کم سے کم کرنے میں معاون ثابت ہو، اور اس طرح سرسبز ماحول کے فروغ کا باعث بنے۔

GSK کنزیومر ہیلتھ کیئر اپنی پوری سپلائی چین اور اس کے ساتھ ساتھ پروڈکشن پلانٹس پر اپنی EHS پالیسیوں کو مزید بہتر بنانے کے لیے پرعزم ہے۔ ہم کارکردگی کا جائزہ لیتے ہوئے اور نئے چیلنجز اور اہداف کا تعین کرتے ہوئے ماحولیاتی صحت اور حفاظت کے اعلیٰ ترین معیار کے لیے کوشاں ہیں۔

کاروباری اخلاقیات اور کرپشن کے تدارک کے اقدامات

GSK کنزیومر ہیلتھ کیئر میں ہم بہتر ساکھ کی قدر پر کامل یقین رکھتے ہیں۔ یہ قدر ہمارے ہر فعل میں بدرجہ اتم موجود ہے اور ہمارے ہر فیصلے کی اساس ہے جو ہم اپنی اقدار کو اپنے رہنما اصول بناتے ہوئے کرتے ہیں۔ ہمارے ہاں رشوت اور کرپشن کے تدارک کے پروگرام میں رسک کا جائزہ، معیارات اور عملی رہنمائی شامل ہیں جنہیں اصولوں پر عمل

صارفین پر توجہ مرکوز رکھنے، لوگوں کو عزت دینے، ایمانداری سے فرائض کی انجام دہی اور شفافیت کے ساتھ احسن انداز میں معاملات انجام دینے کے بنیادی اقدار سے ہم آہنگ ہوں۔

کمپنی کے ڈائریکٹرز مذکورہ امور کے مواد کی توثیق کرتے ہیں

اس کے ساتھ ساتھ ہم انفرادی احتساب کے اعلیٰ ترین معیار کو ترجیح دیتے ہیں اور دل جمعی اور اخلاص کے بہترین امتزاج کا مظاہرہ کرنے والے حقدار افراد کو تسلیم کرنے اور ان کے لیے انعام و اکرام کے تعین کے حوالے سے اپنی صلاحیتوں میں اضافے کے لیے مستقل طور پر سرگرم عمل رہتے ہیں۔

اس بات کو مد نظر رکھتے ہوئے کہ ہم فاسٹ موونگ کنزیومر ہیلتھ کیئر بزنس سے وابستہ ہیں اور صرف اپنے صارفین کو صحت کے متعلق فوائد کے حامل معیار زندگی کو بہتر بنانے والے ورلڈ کلاس برانڈز تک رسائی فراہم کرنے کے حوالے سے اپنا وجود رکھتے ہیں، ہم اس کام کے لیے صحیح ٹیم کے انتخاب کی اہمیت کو بخوبی سمجھتے ہیں۔ ملازمت کے لیے زبردست صلاحیتوں کے حامل افراد کو منتخب کرنے کے لیے ہمارے طریقہ کار مؤثر انداز سے وضع کیے گئے ہیں تاکہ بہترین یونیورسٹیز پر توجہ مرکوز کرتے ہوئے ایسے افراد کا انتخاب کیا جا سکے جو بہت آگے آنے والے چیلنجز کا ادراک کرتے ہوئے ان کا مؤثر انداز میں سامنا کرنے اور انہیں حل کرنے کی بھرپور صلاحیت رکھتے ہوں

اپنے بجا طور پر بہترین کارکردگی کے حامل کلچر کے ساتھ، ہم مستقل طور پر جانچ کرتے ہوئے ایک ایسی ٹیم تیار کر رہے ہیں جو اپنے آپ کو بجا طور پر GSK کنزیومر ہیلتھ کیئر کی بنیاد سمجھ سکے اور اس بات پر اپنی طاقت بناتے ہوئے ایک ایسی کمپنی کے ارتقاء کے لیے اپنی تمام تر کاوشوں کو بروئے کار لا سکے جو انڈسٹری میں بہترین کارکردگی کی حامل اولین کنزیومر ہیلتھ کیئر گڈز کمپنی بننے کے لیے پرعزم ہے۔

ماحول، صحت اور حفاظت (EHS)

جی ایس کے کنزیومر ہیلتھ کیئر کمپلائنس کے ایک طے شدہ طریقہ کار کے ذریعے، تمام متعلقہ ماحولیاتی، پیشہ ورانہ صحت اور حفاظت کے اسٹینڈرڈز کے مطابق عمل کرنے میں پرعزم ہے جی ایس کے کنزیومر ہیلتھ کیئر۔ ای ایچ ایس کمپنی کے کاروبار کا کلیدی جزو ہے اور کمپنی ایک محفوظ، زخموں سے پاک، اور توانائی سے بھرپور کام کے ماحول کو فروغ دیتی ہے۔

جی ایس کے بہترین معیار کی مصنوعات فراہم کرنے کے لیے، اپنے ملازمین کے تحفظ کو یقینی بناتے ہوئے اپنے عالمی معیارات اور طریقہ ہائے کار بروئے کار لاتی ہے، اس مقصد کے حصول کے لیے مستقل بہتری اور مؤثر نگرانی کے عمل پر خاص توجہ دی جاتی ہے۔ اس سلسلے میں اٹھائے گئے اقدامات کمپنی کے لیے درج ذیل صحت اور تحفظ کے مقاصد کے حصول میں انتہائی مؤثر ثابت ہوئے ہیں۔

- کام کی جگہ پر پیش آنے والے ممکنہ رسک کے حوالے سے بہتر انتظام اور کام کے لیے ایک محفوظ ماحول کا قیام

- آپریشنل کام پر تحفظ کو ترجیح دینا

حصص کی بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر بعد از ٹیکس Rs. 10.74 رہی جو 2018 میں 9.18 روپے فی شیئر رہی تھی۔

کارپوریٹ سماجی ذمہ داری

GSK میں ہم اس بات پر یقین رکھتے ہیں کہ کسی بھی بزنس کو چلانے کے لیے ماحول اور اس کے لوگوں کی تکریم ضروری ہے، جس کے نتیجے میں برانڈ کے صارفین کے ساتھ بہتر روابط اور کامیابی کے امکانات بڑھ جاتے ہیں۔ ایک ہیلتھ کیئر کمپنی ہونے کے ناطے، ہم صحیح معنوں میں پاکستان میں صحت، صفائی، غذائیت کی اہمیت اور دیگر کمیونٹی ڈویلپمنٹ پروگرامز کے انعقاد کو ضروری سمجھتے ہیں۔ ماحول کے استحکام کو بہتر بنانا ہماری توجہ کا اہم مرکز ہے۔ اس مقصد کے لیے کمپنی نے گرین کریسنٹ ٹرسٹ کے ساتھ سی ایس آر کے اقدامات کیے ہیں جس کے لیے سرمایہ کاری سے متعلق سرگرمیاں جاری ہیں۔ جی ایس کے سی ایچ، ڈیف کمیونٹی اسکول کے آپریشنل اخراجات میں تعاون اور اسکل سیٹ ٹریننگ میں مزید سرمایہ کاری کا ارادہ رکھتی ہے۔

بیومن ریسورس ڈویلپمنٹ اینڈ سکسیشن پلاننگ

GSK CH ایسی کمپنی ہونے میں فخر محسوس کرتی ہے جو نہ صرف اپنے لوگوں کو اپنا اہم اثاثہ تسلیم کرتی ہے بلکہ اس کا یہ یقین کام کے ماحول میں جھلکتا دکھائی دیتا ہے جو آگے بڑھنے کے مواقع، عزت، اختیار اور رہنمائی فراہم کرتا ہے۔

ایک ایسی کمپنی ہونے کے ناطے جو لوگوں میں مزید کام کی لگن، ایک بہتر احساس اور طویل عرصہ جینے میں مدد فراہم کرنے کے لیے پرعزم ہے، ہم اس بات کو یقینی بناتے ہیں کہ ہمارے ملازمین نہ صرف اس وژن کے لیے اپنے تمام تر جذبہ اور اخلاص کے ساتھ پوری طرح تیار ہوں بلکہ اپنی تمام تر صلاحیتوں کو بروئے کار لانے اور بہترین انداز میں کارکردگی کا مظاہرہ کرنے کے لیے درکار تمام تر ضروریات کو پوری کرتے ہوں۔

اس مقصد کو ذہن میں رکھتے ہوئے ہماری بیومن ریسورس ڈویلپمنٹ ٹیم اپنے آپ کو بیومن ریسورس پالیسیز بشمول تربیت، مشاہرہ، کارکردگی کی جانچ اور ترقی کی منصوبہ بندی جیسے معاملات میں سرگرم رہی ہے۔ اس میں مواقع کی ایک وسیع رینج اور بین الاقوامی اسائنمنٹس تک رسائی بھی شامل ہے۔ اس میں داخلی ٹیلنٹ ڈویلپمنٹ سسٹم پر عمل درآمد کے ذریعے معاونت فراہم کی جاتی ہے جو جدید ترین ٹیکنالوجی کے استعمال کے ذریعے لیڈرز کو حکمت عملی وضع کرنے اور بہتر فیصلہ سازی کے لیے درکار ضروری معلومات فراہم کرتا ہے۔ اس کے ساتھ ساتھ، اس میں مستقل فیڈ بیک، کارکردگی کے جائزے اور کمیونیکیشن پروگرامز شامل ہیں جن کے ذریعے ہم اس امر کو یقینی بناتے ہیں کہ ہمارے ملازمین ہماری



ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

عزیز شیئر ہولڈرز

میں کمپنیز ایکٹ 2017 کی شق نمبر 223 کے مطابق آپ کی کمپنی کی آڈٹ شدہ فائنانشل اسٹیٹمنٹس برائے سال مختتمہ 31 دسمبر 2019 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔
یہ ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کے شق نمبر 227 اور لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز کے مطابق تیار کی گئی ہے۔

آپریٹنگ نتائج کا جائزہ

داخلی فائنانشنگ ضروریات اور رننگ فائنانش فیسلٹی کے استعمال کو متوازن رکھنے کے لیے استعمال کیا گیا۔

آپ کی کمپنی کا بعد از ٹیکس کل منافع 1,258 ملین روپے رہا، جو گذشتہ سال کے مقابلے میں 17 فیصد زیادہ ہے۔ بعد از ٹیکس منافع کل سیلز کا 7.7 فیصد ریکارڈ کیا گیا۔

بولڈنگ کمپنی

31 دسمبر 2019 کو، گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر بی وی 100,423,259 شیئر بحساب 10 روپے فی شیئر رکھتی ہے، جو کل گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (GSK CH) کے کل شیئرز کا 85.79 فیصد ہیں۔

شیئر ہولڈنگ کا طریقہ کار

کمپنی کے شیئرز کی خرید و فروخت پاکستان اسٹاک ایکسچینج لمیٹڈ میں ہوتی ہے۔ شیئر ہولڈنگ سے متعلق معلومات اور دیگر متعلقہ معلومات 31 دسمبر 2019 تک ہمارے صفحہ نمبر 162 سے 164 تک فراہم کی گئی ہے۔

چیئر مین کا تجزیہ

شیئر ہولڈرز کے لئے چیئر مین کا پیغام صفحہ نمبر 54 سے 55 پر ہے جو درج ذیل امور کا احاطہ کرتا ہے

- بورڈ کی جانچ

بورڈ کمیٹیاں جن میں آڈٹ کمیٹی، ہیومن ریسورس اور مشاہرہ کمیٹی، انٹگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی شامل ہیں

کمپنی کا کل ٹرن اوور برائے سال 16,317 ملین روپے ریکارڈ کیا گیا جو سال گذشتہ کے اسی عرصے کی نسبت 10 فیصد زیادہ رہا۔ پورے بزنس میں اوور دی کاؤنٹر اور فاسٹ موونگ کنزیومر گڈز پورٹ فولیوز میں ایک صحت مند نمو 19 فیصد دیکھنے میں آئی۔ اس میں گذشتہ سال کے اسی عرصے کے تناسب سے اوور ہیلتھ کیئر کے شعبے میں 20% اضافہ، اسکن ہیلتھ کے شعبے میں 16% اضافہ، نیوٹریشن اینڈ ڈائجسٹو ہیلتھ کے شعبے میں 13% اضافہ، درد کے شعبے میں 23% اضافہ دیکھنے میں آیا۔ کمپنی کو ایکسپورٹ کی مدد میں بھی 332 ملین روپے کی آمدنی ہوئی۔

سال کے دوران ریسپائریٹری ہیلتھ کے شعبے اور ٹول مینوفیکچرنگ کے کاروبار میں طلب میں کمی دیکھنے میں آئی۔ اس کی وجوہات میں بالترتیب کنٹرولڈ سبسٹنس مصنوعات کے استعمال میں کمی اور دوطرفہ سپلائر پابندیاں شامل ہیں۔

سال کے آغاز سے پاکستانی روپے کی قدر میں تقریباً 10% کمی کے باوجود سال کے لیے مجموعی مارجنز سیلز کے 31% پر برقرار رہے۔ 2019 کی بالترتیب پہلی اور تیسری سہ ماہی کے دوران ڈیٹے گئے قیمتوں میں اضافے جس کا طویل عرصے سے انتظار کیا جا رہا تھا، کی بناء پر مارجنز میں کمی کا خدشہ ٹل گیا، جس کے نتیجے میں کمپنی گذشتہ سال کی سطح پر اپنے کل مارجنز کو برقرار رکھنے میں کامیاب ہوئی۔

فروخت، مارکیٹنگ اور ڈسٹری بیوشن کے اخراجات 2,740 ملین ریکارڈ کیے گئے۔ اس میں ہمارے اہم شعبوں جیسا کہ اوور ہیلتھ کیئر، اور اسکن کے ایڈورٹائزنگ اور پرموشنل اخراجات شامل ہیں جن کی مالیت 1,819 ملین (سیلز کا 11 فیصد) بنتی ہے۔ باقی ماندہ اخراجات میں مہنگائی کے لحاظ سے 8 فیصد کی عمومی شرح سے اضافہ ہوا۔

سال کا قبل از ٹیکس منافع 1,700 ملین روپے ریکارڈ کیا گیا جو کہ گذشتہ سال کے مقابلے میں 16 فیصد زیادہ ہے۔

آپریٹنگ کی مدد میں آنے والا کیش 1,334 ملین روپے ریکارڈ کیا گیا جسے

کارکردگی اور کامیابیوں کے مطابق نوازتے ہوئے اپنے ہر فیصلے میں ہماری اقدار کو سامنے رکھیں۔ ہم چاہتے ہیں کہ جی ایس کے میں ہر شخص فخر محسوس کرے ہر اس کام پر جو وہ انجام دیتا ہے، اس کمپنی پر جس کے لیے وہ کام کرتا ہے اور اس فرق پر جو اس کی بدولت ہے۔

اعتراف

میں بورڈ آف ڈائریکٹرز کا ان کی گراں قدر معاونت اور عزم پر دل کی گہرائی سے شکرگزار ہوں۔ اس کے ساتھ ساتھ میں اپنے ملازمین کا ان کی کاوشوں پر اور اپنے کسٹمرز اور سپلائرز کا ان کے ہم پر بھروسے پر تہ دل سے شکریہ ادا کرتا ہوں۔ یہ آپ سب کے تعاون ہی کی بدولت ہے کہ ہم سال بہ سال تیزی سے آگے بڑھ رہے ہیں اور وسعت اختیار کر رہے ہیں۔



معین مہاجر

چیئر مین

12 مارچ، 2020

چیئرمین کا تجزیہ

چیئرمین کا پیغام

میں ایک اور ایسے سال کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں جس میں ہم نے اہم سنگ میل طے کیے۔ میں یہ کہنے میں فخر محسوس کرتا ہوں کہ معاشی مندی اور چیلنجنگ کاروباری حرکیات کے باوجود، آپ کی کمپنی اپنے مقاصد حاصل کرنے میں کامیاب رہی۔

ہم اپنی وسعت کے دائرے کو ملک بھر کے کونے کونے تک پہنچانے اور معیاری ہیلتھ کیئر مصنوعات تک آسان رسائی ممکن بنانے کے اپنے وعدے میں ثابت قدم رہے۔ ہماری ترجیح ہے کہ اپنے کسٹمرز کی بہتر خدمت اور اپنی گروتھ کے سلسلے کو جاری رکھنے کے لیے اپنی کارکردگی میں بہتری لاتے رہیں اور نئی مصنوعات کے حوالے سے اختراعات پر اپنی توجہ مرکوز رکھیں۔

آپ کی کمپنی شیئر ہولڈرز کی قدر میں اضافے اور نئی ہیلتھ کیئر مصنوعات کی تیاری کے لیے پرعزم ہے جو ہر دن ملک بھر میں لوگوں کو صحت مند اور بھرپور زندگی فراہم کرتی ہیں۔

بورڈ کی تشخیص

بورڈ کی کارکردگی کے حوالے سے ہمارے داخلی جائزے کے عمل کے حصے کے طور پر، ہم نے بورڈ کو ان کی کاروباری معلومات، انڈسٹری کی معلومات، میٹنگز میں حاضری اور شراکت، اصولوں کی پاسداری، اور آزاد حیثیت میں کاروبار کی نگرانی کے طور پر جائزہ لیا۔ حاصل ہونے والی معلومات اور بصیرتوں کو بخوبی دیکھا گیا اور بورڈ کی مجموعی معلومات کی تیاری کے لیے اہم اقدامات اٹھائے گئے۔ نتائج کی روشنی میں، ہم نتیجہ اخذ کر سکتے ہیں کہ ہمارے ڈائریکٹرز کمپنی کی حکمت عملی کی سمت اور انتظامی امور کی انجام دہی کے لیے اپنی اہم ذمہ داریوں سے پوری طرح واقف ہیں۔

فائنانشل رپورٹنگ

رپورٹنگ پر گہری نظر رکھتے ہوئے، بورڈ کی ذمہ داری ہے کہ پاکستان میں لاگو فائنانشل رپورٹنگ کے فریم ورک کے لحاظ سے اسٹیک ہولڈرز کو فائنانشل رپورٹس کا واضح منظرنامہ پیش کرے۔ سال کے دوران ہم نئی آئی ایف آر ایس ضروریات کو شامل کیا اور نئے کمپنیز ایکٹ کی ڈسکلوزر شرائط پر عمل درآمد کو یقینی بنایا۔

سال کے دوران سپلائی چین میں SAP کی تعیناتی ہوئی۔ یہ ایک انتہائی تیز ترین تعیناتی تھی جسے جی ایس کے کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کی جماعت نے اپنی محنت، لگن اور لگن کے ساتھ بغیر کسی کاروباری تعطل کے، کامیابی کے ساتھ مکمل کیا۔

بورڈ کی کمیٹیاں

کمیٹیوں کی تفصیلات صفحہ نمبر 64 پر فراہم کی گئی ہیں۔

جی اس کے کنزیومر ہیلتھ کیئر میں بورڈ کی بہترین کارکردگی کی معاونت کے لیے تین کمیٹیاں ہیں

آڈٹ کمیٹی،

پیومن ریسورس اور مشاہرہ کمیٹی، اور

انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی

کمپنی کی ثقافت

ہمارے تمام تر افعال ہماری ثقافت اور اقدار کے مرہون منت ہیں۔ ہم اپنے ملازمین سے توقع رکھتے ہیں کہ وہ شفاف طریقے اور بھروسے کے ساتھ اپنے طرز عمل کو ہماری اقدار کے مطابق ڈھالیں۔ ہم اپنے ملازمین کی حوصلہ افزائی کرتے ہیں کہ وہ قائدانہ صلاحیتوں کے ساتھ، انفرادی ترقی کے مواقع فراہم کرتے ہوئے اور ملازمین کو ان کی