



do more  
feel better  
live longer

# اُڑان



GlaxoSmithKline  
Consumer Healthcare Pakistan Limited  
*Annual Report 2017*



GSK Consumer Healthcare Pakistan Limited is proud to present its Annual Report for the year 2017. This report focuses on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ending December 31, 2017. For any feedback, suggestions or queries kindly contact the following:

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# Uraan

## *'Flight of the Falcon'*

*GSK Consumer Healthcare's story for the last 10 years is extremely similar to that of a Falcon; a story characterized by unmatched passion, filled with limitless energy and soaring to newer heights with countless achievements and victories!*

*Just like a falcon driven by its own immeasurable ambition takes off its flight with relentless motivation and unwavering energy - GSK Consumer Healthcare too started its journey with extremely humble beginnings in 2007 and after that, there was no looking back for us!*

*Like the spirit bird itself, we were powered by our ambition, driven by our enthusiasm and fueled by our determination to not only let our dreams take flight but also to wing our way over bigger and better heights!*

*With our eyes on the prize, we not only stood strong and steady in challenging and demanding times but also staunchly believed in the beauty of our dreams and worked relentlessly to accomplish them - from strategizing our Vision & Mission to creating and driving motivated Teams to building Iconic Brands that our consumers love and trust!*

*Not only that, just like a falcon symbolizes victory, determination and strength, we too embodied the same traits and fiercely turned our 'Cant's' into 'Cans', passionately transformed our obstacles into growth opportunities, confidently aimed and achieved our victories and in turn zealously continued to fly newer heights!*



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عقابی رُوح جب بیدار ہوتی ہے جوانوں میں  
نظر آتی ہے ان کو اپنی منزل آسمانوں میں

# Introductory



# What We Do



## 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 and GlaxoSmithKline OTC (Pvt.) Limited in Pakistan.



# Our Vision

GSK's vision is inspiring:

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

At GSK we perform in unison by following our strong value system and ethical guidelines to achieve our vision.

Every member of the GSK family plays a vital role in improving the quality of human life. GSK's growth and development can be attributed to the contribution of the skills, talent and passion of its people.

GSK Consumer Healthcare 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

Our mission is to improve the quality of human life by enabling people to:

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

At GSK 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 Core Values

*“At GSK Consumer Healthcare, 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:

## Consumer first

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

## Transparency

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

## Respect

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

## Integrity

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

# Corporate Information

نہیں تیرا نشیمن قصرِ سلطانی کے گنبد پر  
تو شاہیں ہے، بسیرا کر پہاڑوں کی چٹانوں میں



## Board of Directors

Mrs. Annelize Roberts  
*Chairperson*

Mr. Sohail Matin

Mr. Husain Lawai\*

Mr. Syed Anwar Mehmood

Mr. Syed Azeem Abbas Naqvi

Ms. Emine Tasci Kaya

Mr. Farhan Muhammad Haroon

## Audit Committee

Mr. Syed Anwar Mehmood  
*Chairman*

Mr. Husain Lawai\*

Mr. Syed Azeem Abbas Naqvi

## Secretary

Ms. Muzna Hussain

## Human Resource and Remuneration Committee

Mr. Syed Anwar Mehmood  
*Chairman*

Mr. Sohail Matin

Mr. Syed Azeem Abbas Naqvi

## Secretary

Mr. Ahmed Ali Zia

## Integration Supply and Network Optimisation Committee

Ms. Emine Tasci Kaya  
*Chairperson*

Mr. Syed Azeem Abbas Naqvi

Mr. Sohail Matin

Mr. Farhan Muhammad Haroon

## Secretary

Mr. Irfan Qureshi

## Management Committee

Mr. Sohail Matin

Mr. Farhan Muhammad Haroon

Mrs. Sadia Nasir

Mr. Ahmed Jamil Baloch

Mr. Shoaib Raza

Mr. Irfan Qureshi

Mr. Mazhar Shams

## Company Secretary

Mr. Farhan Muhammad Haroon

## Chief Financial Officer

Mr. Farhan Muhammad Haroon

## Head of Internal Audit

Ms. Muzna Hussain

## Bankers

Citibank N.A

## Auditors

A.F. Ferguson Co.

Chartered Accountants

## Legal Advisors

Mandviwalla Zafar & Zafar

Rasheed Razvi & Associates

## Registered Office

35 Dockyard Road, West Wharf,  
Karachi-74000

Tel:

92-21-111-475-725  
(111-GSK-PAK)

Fax:

92-21-323-148-98  
92-21-323-111-22

## Share Register

Central Depository Company of  
Pakistan Limited

## Website

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

*\*Resigned w.e.f 29 Jan 2018*

# Calendar of Major Events 2017

Meeting of the Board of Directors-Annual 2016 25 <sup>th</sup> Jan 2017	Launch of Parodontax Red Rocket 10 <sup>th</sup> April 2017	Meeting of the Board of Directors-1st Quarter 2017 17 <sup>th</sup> April 2017
Second Annual General Meeting 21 <sup>st</sup> April 2017	Launch of Sensodyne Repair & Protect 5 <sup>th</sup> July 2017	Meeting of the Board of Directors-2nd Quarter 2017 11 <sup>th</sup> August 2017
Launch of Physiogel's 1 <sup>st</sup> Ever Digital Campaign 11 <sup>th</sup> August 2017	Launch of Sensodyne Deep Clean 14 <sup>th</sup> September 2017	Meeting of the Board of Directors-3rd Quarter 2017 23 <sup>rd</sup> October 2017
Extraordinary General Meeting 20 <sup>th</sup> November 2017	Launch of Horlicks Growth Plus 5 <sup>th</sup> December 2017	

## Financial Calendar 2018

Meeting of the Board of Directors-4th Quarter 2017 22 <sup>nd</sup> January 2018	Third Annual General Meeting 29 <sup>th</sup> March 2018	1st Quarter ending March 31, 2018 26 <sup>th</sup> April 2018
2nd Quarter ending June 30, 2018 7 <sup>th</sup> August 2018	3rd Quarter ending September 30, 2018 26 <sup>th</sup> October 2018	Year Ending December 31, 2018 Last week of January 2019



# Overview of the year 2017

*The year 2017 has been an exciting and important year for GlaxoSmithKline Consumer Healthcare Pakistan Limited.*

The journey, which started in 2016 as an independent company with the goal of becoming Pakistan's first and the best Fast Moving Consumer Healthcare Company, driven by science and values, has now become a reality. GSK Consumer Healthcare continued the momentum throughout the year with robust growth in all categories that it operates in.

The highlights of this year included the launch of Horlicks Growth Plus in the Nutrition Category, Paradontax and Sensodyne Deep Clean as well as brand extensions in the Oral Healthcare Portfolio. With the current financial results, the company is set to perform even better in the future by delivering growth, driving innovation and keeping consumers at the heart of our business.

## Performance Summary

Turnover  
**Rs.8,298**  
million

Gross Profit  
**Rs.3,101**  
million

Profit after tax  
**Rs.707**  
million

Earnings  
per share  
**Rs.7.4**

People Driving  
performance  
**63**

Category  
leadership  
**2**

(Panadol in Pain Relief  
and Sensodyne in Sensitivity)



# Our Story

***GlaxoSmithKline Consumer Healthcare Netherlands is a global joint venture between GSK PLC and NVS AG group.***

As part of the global integration between GSK PLC and NVS AG, consumer healthcare and over-the-counter business units of respective entities were carved out into separate legal entities, namely GSK Consumer Healthcare Pakistan Limited and GSK OTC (Pvt.) Limited.

As a part of this global initiative, GSK Pakistan Limited demerged its consumer healthcare business into a new entity, GSK Consumer Healthcare Pakistan Limited. The purpose of carving out its consumer healthcare division is to manage its Consumer Healthcare business with greater focus.

GSK Consumer Healthcare Pakistan Limited got listed at Pakistan Stock Exchange Limited (PSX) on March 22<sup>nd</sup>, 2017.



# Strategic Priorities

*“Our business is focused around the delivery of three strategic priorities that aim to increase growth, reduce risk and improve long-term financial performance.”*

These three strategic priorities are:



**Grow a  
balanced business**



**Deliver more  
products of value**



**Simplify the  
operating model**

Operating responsibly and ensuring our values are embedded in our culture and decision-making helping us better meet the expectations of society.



# GSK Expectations

## Leadership expectations

## Individual expectations



Set direction and inspire



Develop capability  
and talent



Work across boundaries



Drive performance



Release energy



Live our Values

Using sound judgment to set a clear and compelling vision that shows our people how their work contributes to delivering our strategy and mission

Investing in your people and building the organisational capabilities necessary to implement our strategy, now and in the future

Cultivating a network of collaborative relationships, based on mutual trust, to ensure the best outcome for GSK as a whole

Holding yourself, your team and others accountable for delivering quality results

Creating a healthy, engaged and inclusive working environment that is sustainable over time

Acting as a role model, ensuring everything you do is in line with our values, serving patients and consumers

Ensuring your work supports your team's goals and the organisational priorities and applying sound judgment in all that you do

Equipping yourself with the skills and knowledge to do great work, now and in the future, and supporting others to do the same

Building trusting relationships within and beyond your team to achieve goals and contribute to the success of GSK

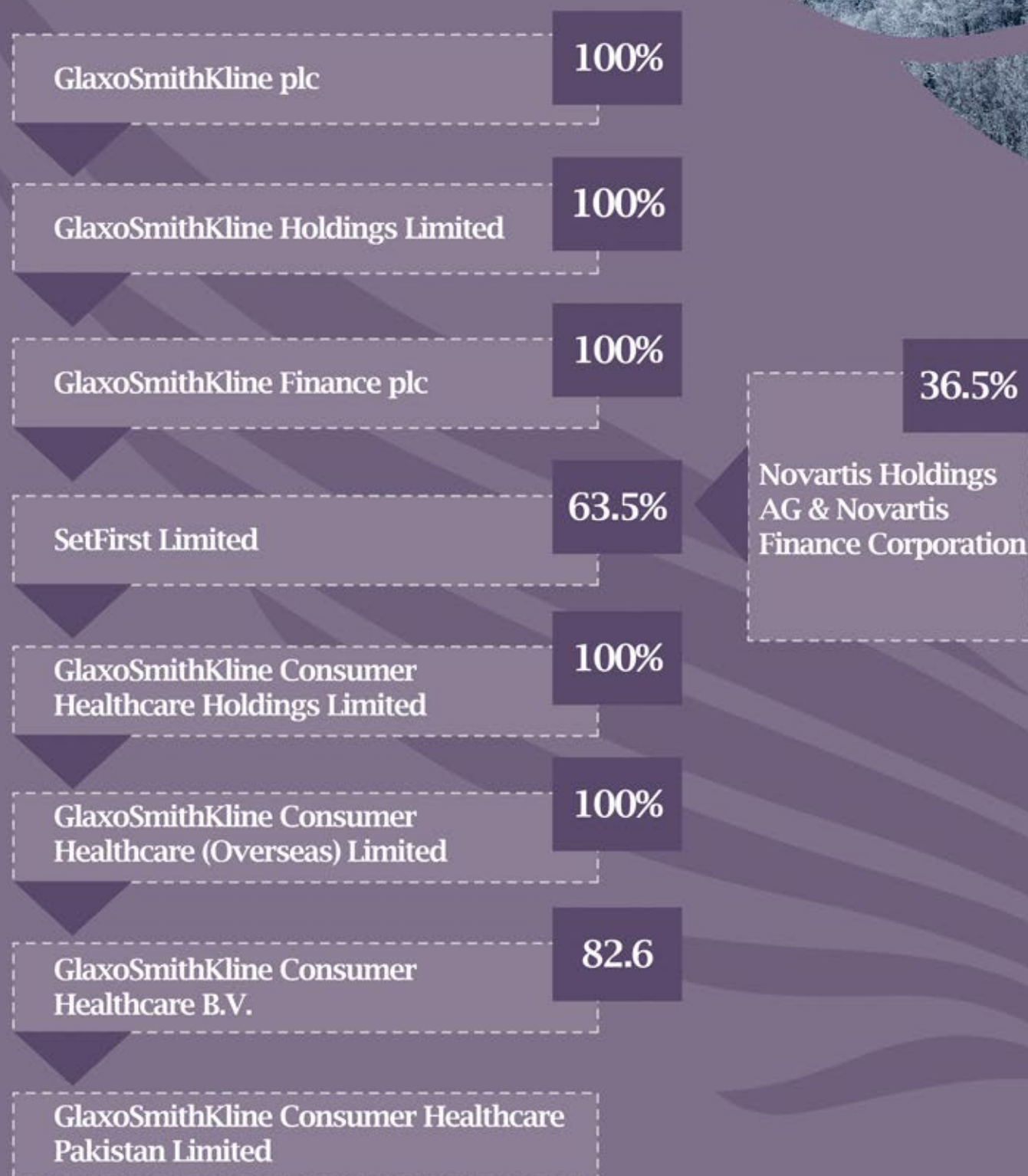
Holding yourself and others accountable for delivering quality results

Engaging constructively with others and demonstrating a positive mindset

Acting as a role model, ensuring everything you do is in line with your values, serving patients and consumers



# Group Structure



# Geographical Presence





# Management's Objectives

## 1. Grow a balanced business

Centered on our category-defining brands with healthcare benefits, create a more balanced business and product portfolio, capable of delivering sustainable sales, earnings growth and improved returns to shareholders.



## 2. Deliver more products of value

Centered on our category-defining brands with healthcare benefits, create a more balanced business and product portfolio, capable of delivering sustainable sales, earnings growth and improved returns to shareholders.



## 3. Simplify the operating model

Centered on our category-defining brands with healthcare benefits, create a more balanced business and product portfolio, capable of delivering sustainable sales, earnings growth and improved returns to shareholders.



## 4. Conduct a Responsible Business

Being a responsible business is central to our strategy, and how we deliver success is just as important as what we achieve. Ensuring our values are embedded in our culture and decision-making help us better meet the expectations of society.



## Significant changes in objectives and strategies from previous periods

GSK Consumer Healthcare has completed its first year of operations and intends to follow the same set of objectives.

Furthermore, in the times to come, we intend to set exceptional standards in planning and strategic leadership, and achieve consistency in our objectives.

## Relationship between results and management's objectives

GSK Consumer Healthcare completed its first year as an entity, closing with a strong, healthy financial performance and growth across our key categories.

The Company had several new launches, including the significant additions of variants in the Oral Healthcare category and Physiogel variants.

Our restructuring and entity formation process was the most significant milestone achieved in its own right, and our decisions, strategies and numbers are well aligned with the direction we intend to pursue.

Our successful first fiscal year has set the stage for even greater success in the years to come.



# Getting it right: Critical Performance Indicators

*We measure overall success and progress by looking at the following key performance metrics:*

## Category and Brands

**Market Share:** Experience growth faster than competitors

**Brand Equity:** Increase value of positive consumer perception

## Quality Service and Cost Control

**Service levels:** Ensure products are delivered on time and in full

**Cost of Goods Sold:** Achieve sustainable savings on COGS

**Reliable Compliance:** Track record of inspections or audits, without business or reputational impact

## Commercial Execution

**Channel Share:** Experience fastest share growth across focus channels

**Expert recommendation:** Develop top expert-recommended brands across our categories

**Sales Force Ranking:** Achieve the top 3 ranking in every market for pharmacy and mass market

## Talent and Culture

**Top Talent:** Track and fill key roles with the best talent

**Employee Engagement:** Better Employee Engagement Survey results than last year

## Scientific Innovation

**Innovation Sales:** Sales from products launched in the last three years

**Key product launches:** Execute brilliantly, achieving the annual target

## Purpose and Values

Helping people do more, feel better, live longer

**Focusing on values:** consumer first, respect, transparency and integrity

# Engaging Stakeholders

*“GSK Consumer Healthcare recognises and respects the various roles that our stakeholders play in helping people bring their objectives from ideas to reality.”*

We truly value the relationships that we have established over decades, and strive to strengthen them through both periodic and regular engagement. We believe that together we can create a lasting positive impact on the society around us through the work that we do.

Our stakeholders include:

## Shareholders

GSK has had a history of delivering strong financial performances year after year. GSK Consume Healthcare intends to continue on this path and aims to provide its shareholders with adequate returns in the future.



## Distributors and suppliers

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 warrant that there is no compromise when it comes to consistently delivering quality products.







## Employees

Our team is considered one of our greatest strengths and given our strong belief in empowerment and growth, our employees are not only trained locally, but also through international projects, external training, coaching and mentoring programs in order to enable them to reach broader, better avenues both professionally and personally.

## Regulators

We place responsible corporate citizenship at the top of our priorities and pledge to respect and adhere to legal requirements and regulations.

## Local community

At GSK Consumer Healthcare we are respectful of and grateful to the environment in which we operate. We understand that the people and community we work with give us the opportunity to achieve our ambition to become Pakistan's first Fast Moving Consumer Healthcare Company.





# SWOT Analysis



## Strengths

### 1. Presence of well-known brands in the FMCG sector

GSK Consumer Healthcare operates in nearly 150 countries around the world and, hence, has a global footprint combined with top-of-the-mind brand recall among consumers worldwide. The broad portfolio of category-defining brands have established themselves as the leading products in their respective markets.

### 2. Presence of strong distribution networks

GSK Consumer Healthcare has a distinct competitive advantage over its nearest competitors because of its flexible pricing in the FMCG sector and expertise in distribution channels, collaborating with 30 distributors nationwide. These distributors manage to reach both the urban and rural areas of Pakistan. We work with people who are committed to serving our consumers. This enabling us to efficiently maintain our performance standards.

### 3. Think global, act local

GSK Consumer Healthcare combines global thinking with local execution, which means that it pursues global strategies that let it win the hearts and minds of consumers who prefer to use its products that are globally famous yet retain a distinct local touch.



## Weaknesses

### 1. Price-controlled industry

The biggest weakness that GSK Consumer Healthcare faces is that it operates in a challenging price-controlled environment in the OTC portfolio. Due to absence of effective policies by the regulatory authorities, the industry faces a huge risk. It is imperative that a regulatory environment with better structure and transparent policies is established to provide a platform that helps promote and develop the OTC industry.



## Opportunities

### 1. Export Market

GSK Consumer Healthcare has a great export potential in the export market, capturing new markets. This provides the company with an opportunity to leverage its huge and growing consumer base across the globe. Moreover, with the advent of globalisation and the proliferation of global media, there is a strong E-market potential in the Consumer Healthcare business, further enhancing customer growth.



## Threats

### 1. Intellectual property

While the government has made efforts and initiatives to introduce Intellectual Property Rights (IPR) laws in Pakistan, a more robust implementation of these laws remains a prioritised need within the industry.

### 2. Industry status

As it falls under the 'exempt' category, the pharmaceutical industry is unable to claim sales tax adjustment on its inputs.

### 3. Exchange rate

Operating within an import-based economy, we, as an industry, are highly dependent on imports for packaging and raw materials. As such, deteriorating exchange rates pose a risk to our profitability.

# Organogram

**Sohail Ahmed Matin**  
*Chief Executive Officer*



**Ahmed Jamil Baloch**  
*Marketing Director*



**Farhan Muhammad Haroon**  
*Finance Director*



**Sadia Nasir**  
*Sales Director*



**Mazhar Shams**  
*Head of Regulatory Affairs*



**Shoaib Raza**  
*Head of Medical Detailing*



**Irfan Qureshi**  
*Head of Supply Chain*



*\*Legal Manager to be appointed*



# Sales and Expert



*"Be it the highest mountain or the widest river, our flight covers it all"*

*The sales team entered a new era in 2017 with an invigorating momentum and zeal without compromising on transparency and core sales values.*

We remained ever high on availability, visibility and service by collaborating with 30 distributors nationwide.

Our flagship brand Panadol achieved a milestone of crossing **Rs. 5 billion** during **2017** demonstrating the efficiency of GlaxoSmithKline Consumer Healthcare's sales team. Ensured the availability of all Panadol variants across pharmacies.

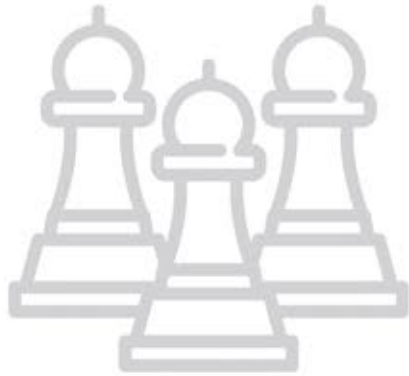
With the support from our dedicated team of distributors and with our increased footprint in the government sectors, our institutional business evolved with a growth of **55%** in 2017.

The pharmacy channel is the largest contributor to our business, followed by both General and Modern Trade. Throughout the year 2017, the Company's focus has been on developing strategic channels to expand the current business landscape. This includes a dedicated service model for Top End Retail and Modern Trade Outlets. GSK Consumer Healthcare also made its first ever foray into the cosmetics and e-commerce channel by deploying a dedicated route to markets and ensuring our visibility in the entire retailing industry.

With a strong customer focus and respect for people, we ensure to be the first choice for shoppers and customers alike; this is the key reason for our success.

*Our sales team brings life to GSK values while achieving milestones year after year and remains focused on doing the same in future.*





GSK Consumer Healthcare Expert Sales Team strategy is driven by our science, training and development. With this goal in mind,

***we strive to be the first choice for experts in the 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 GSK Consumer Healthcare Expert Team efforts which they execute in their day-to-day activities to meet the Company expectations and goals.

The main objectives of our Expert Team include:



Informing Healthcare Professionals about the benefits of our superior science consumer healthcare products and in turn creating widespread awareness amongst consumers.



GSK Consumer Healthcare products are based on scientific research and highly recommended by Healthcare Professionals around the world. Hence, we are proud to promote our brands by conducting scientific engagement activities for these professionals and create brand awareness.



Expert team focuses on growing Key Opinion Leaders for the future who will represent and recommend GSK Consumer Healthcare products to other Healthcare Professionals in Pakistan resulting in increased brand and company awareness.

# Marketing



*"The big picture"*

*GSK Consumer Healthcare Pakistan has a portfolio of loved and trusted brands that are underpinned by science and technology.*

The Marketing Department strives to make sure that these brands are best understood by consumers. In 2017, our primary focus was on excelling in innovation to develop world class brands, and on building our reputation through best in-class interactions with retailers, healthcare professionals and shoppers.

Innovations remained the highlight of 2017 with numerous new launches. These included Physiogel's Daily Defence, Horlicks Growth Plus, Parodontax and Sensodyne Deep Clean as we believe that such fast-paced innovations are key to our success for years to come. Moreover, paving our way into the digital marketing arena has resulted in helping potential customers become more familiar with our brand.

Aligning with our pro-active approach, we executed various Public Relation activations such as Physiogel's first digital campaign titled 'Love Your Skin' and the Beauty Advisors' Programme. Besides innovations, we continued to drive and strategically invested behind our Power Brands. As a result, Panadol, our biggest brand, crossed the mega milestone of **Rs. 5 billion**, gesticulating the high growth of our brands. Keeping our victory in mind and aiming for even more triumphs, we aim to make 2018 the year where we not only practice best-in-class execution of consumer, shopper and expert connections but also continue to build brands that enable us to

*do more, feel better and live longer!*





# Supply Chain

*The end-to-end Supply Chain is at the heart of GSK Consumer Healthcare which enables our patients and consumers to have access to the medicines and products of the right quality, in the right place and at the right cost.*

GSK Consumer Healthcare Supply Chain Function comprises of teams working under the Supply Hub, Contract Manufacturing Operations (CMO) and Customer Supply Chain. These teams manage the planning, sourcing, production, import, supply, warehousing and distribution of around 70 Stock Keeping Units (SKUs) from the our CMO partners, other GSK factories and imports from Ireland, Thailand, Netherlands, India and UAE.

With the increasing volumes, the warehousing network of GSK is also being optimised with Warehouse Network Optimisation project (WNO). The WNO project will further strengthen our distribution model and will improve the delivery lead time to our customers.

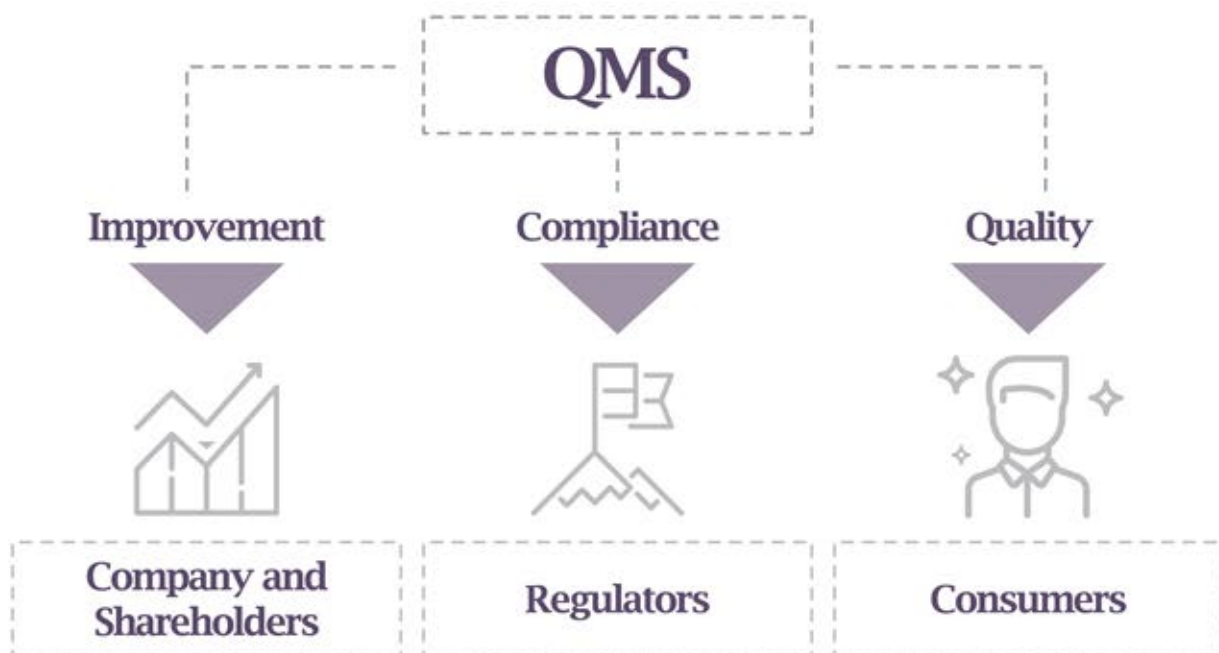
All functions across GSK Consumer Healthcare follow a robust Core Commercial Cycle process to ensure optimal supplies by clearly defining the expectations from Supply Chain Team. During the year, Pakistan team was able to sustain the Level 2 maturity in the Demand Management process with the Sales Forecast Accuracy of 74% and 98% OTIF (On Time In Full); which clearly represents the agility and the delivery levels of the GSK Consumer Healthcare Supply Chain.

In 2017, the Consumer Healthcare Supply Chain delivered **174 million** packs across Pakistan. We at GSK believe that with the best in class Supply Chain team and standards, the Company possesses a sustainable distinctive competitive advantage.



# Quality Management System (QMS)

*"Eagle eye, the hindsight and the foresight"*



*Our Quality Management is designed to benefit the regulators, consumers and shareholders with the aim of delivering high-quality products. 'Trust', being one of the core aspects in the healthcare industry, forms one of the key pillars of our organisation with innovation and performance being next in line.*

Ensuring the highest level of QMS implementation at each and every level of our supply chain is our prime objective. The QMS has been focusing on key areas with some major accomplishments in the past year.

In 2017, we mainly focused on a compliant repacking facility for finished goods and launched the capability culture project for all the stakeholders. Level 1 was rigorously monitored in the Local Operating Company (LOC) where respective functions are required to review their performance against benchmarks.

To assure GSK Consumer Healthcare Pakistan provides quality products, Global Quality Management policies have been embedded in our system using modern technology that ensures authenticity and data integrity. Key implementations during the year include:

- Compliant Management System (CRS); a GSK compliant and validated compliant management system
- Carisma 3 in Pakistan for the management of Deviation, Change Control and Corrective Action and Preventive Action (CAPA)

## Our QMS Structure





# Finance



*“The numbers,  
always insight”*

## ***Finance at GlaxoSmithKline Consumer Healthcare is a strategic function that supports a consistent business framework.***

Our competitive finance team partners with all areas of the business to optimise the Company's financial performance. It also combines focus and a determined attitude to add value to a range of business finance functions. This includes customer planning, budgeting for our valuable brands, monitoring of business performance, project valuation, mergers and acquisitions, and financial risk management.

These decisions and core planning skills directly influences the development, growth and health of our brands and through them our vision to build a brighter future for the world.

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 2017, the finance team achieved several important milestones while supporting the commercial organisation in achieving our business plan. These included the completion of integration activities, evaluation of possible business combination opportunities and providing enough financial resources for the commercial teams to exceed the company's plans.



# Information Technology

***At GSK Consumer Healthcare Pakistan, we align TECH (Information Technology) with the strategic direction, focusing on our business goals and objectives and providing adequate support to achieve them.***

We use state-of-the-art IT communication tools and technologies to establish an efficient, productive and an overall simplified solution with value-added benefits.



In 2017, TECH managed to improve connectivity for office-based employees by investing in its infrastructure. A new Customer Relationship Management (CRM) system was launched, which integrates all field activities for our medical representatives and gave them an opportunity to enhance their interactions and engagement with Healthcare Professionals. Single device strategy was deployed in Pakistan for Medical Representatives, providing them with essential Microsoft Office tools which has further enhanced the Expert team's efficiency but have also provided them with a competitive edge in terms of reporting. We have gained ground on our service delivery and enhanced collaboration with business through innovative learnings and engagement forums designed for awareness of new tools and processes within the organisation.

In the upcoming year 2018, we aspire to deliver our projects and improve our processes with a focus on simplification. We plan to launch and implement various tools that would further enhance productivity and assist in exploring opportunities in the areas of business intelligence.



# Human Resource



*"The best  
in class"*

## ***Launch of Our New GSK Priorities & Performance System: Innovation, Performance & Trust***

The year 2017 marked the roll out of GSK's New Priorities of Innovation, Performance and Trust as part of our commitment to deliver game changing business results. The focus on ensuring that our strategy of 1+3, (1 company and 3 business units), was championed through strong leadership, employee development and our continued focus on being a progressive employer.

The launch of our new GSK expectations of Courage, Accountability, Development and Teamwork through our global #Let's Talk initiatives across GSK, coupled with our values of Consumer Focus, 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, HR aims to focus on optimising the business' organisation design, leveraging the GSK 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** continued to be a focal point for HR. We have continued to focus on enhancing the quality, depth and diversity of our talent, especially for critical roles along with encouraging young talent. Through this 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** 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.



## 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's outstanding results. Building on our approach to leadership development, the focus is on developing our managers to motivate team members to create a High-Performance Culture that leads to game-changing business results.

At GSK, we view career development as a bridge towards building experience and capability instead of focusing solely on promotion and advancement. As our global talent network grows stronger and more widespread across countries including UK, Turkey, UAE, Saudi Arabia, and Singapore we believe career paths should be flexible and adaptable to meet the future needs of our business and the aspirations of our employees.



## Future Leaders Program

The GSK Pakistan'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 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 Focus, Integrity, Respect for People and Transparency.



## Engagement

At GSK, we see employee engagement, as a means to strengthen ties at all levels of the organisation and build on our GSK culture.



In 2017, HR and the Leadership Team led the engagement agenda across all GSK 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 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 Values and Priorities. The 2017 GSK Engagement Survey results reported Employee Engagement levels of 97%, with the highest ever response rate to date, and proves that GSK'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.



## Employee Recognition & Rewards

At GSK, recognising great work is an important part of our culture. It gives the opportunity to acknowledge a job well done, or to thank our colleagues for their commitment to our values and expectations, and our Innovation, Performance and Trust priorities.

Employee Recognition and Rewards are a highlight of the Monthly Management Committee meeting, where nominations across various functions are shared and voted upon by the Leadership Team for Employee Recognition Awards for

outstanding contributions, achieving milestones and working across boundaries to drive and deliver exceptional business excellence.

We hope to further build upon our culture of rewarding outstanding business contributions with the introduction of the the annual Innovation, Performance and Trust Recognition Award in 2018, which recognises the most impactful performance against objectives and role modelling our values and expectations.

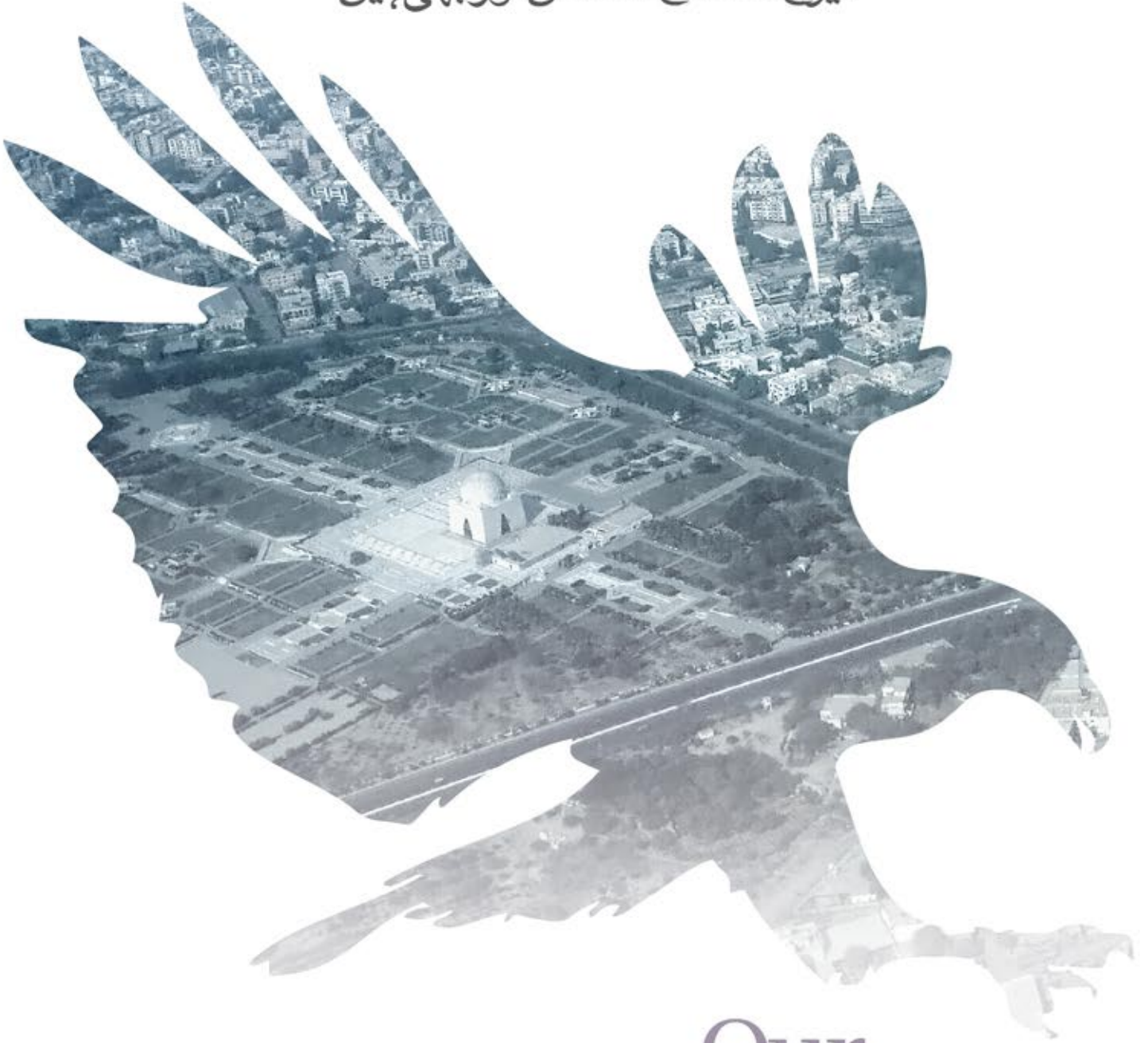


## Employee Health & Well-Being

At GSK, our purpose to help people do more, feel better, live longer starts with our employees. The launch of our Employee Health & Well-Being initiative focuses on 3 key areas: understanding your own health, how to act to protect against illness, and choices you can make to be healthier and that enable you to live well.

The initiative includes health-screening services, preventive exams and vaccinations and developing energy and resilience across the organisation. We're committed to providing workplaces, programmes, and facilities that enable employees to understand and protect their health and make healthy choices to feel healthier, happier and energised.

تو شاہیں ہے، پرواز ہے کام تیرا  
تیرے سامنے آسمان اور بھی ہیں



Our  
Brands



# Our Brands

## *Pain and Relief Category:*



### Past of Pride

*Panadol is not only our flagship Brand but also a household name in Pakistan, built on a history of trust and credibility spanning over several decades.*

Today, Panadol is the first choice for pain and fever relief among doctors because of its tradition of strong commitment towards excellence in scientific research and quality.

### The #1 Pharmaceutical brand

The year 2017 saw Panadol deliver exceptional results and it became the biggest brand in the pharmaceutical industry. It successfully registered more than Rs. 5 billion in net sales, an achievement that bore testimony to the unwavering trust consumers place in the product. Moreover, we also captured 41% market share in the Analgesics Category and, in 2017 alone, over 66 million prescriptions were written for Panadol. Our work is grounded in the understanding that pain can be a stifling factor that prevents people from fulfilling their responsibilities and enjoying their lives.

### Expanding the footprint

Panadol has always been the foremost choice of consumers to treat pain and fever. In 2017, Panadol tapped into the headache indication and launched a new campaign which resulted in Panadol becoming the No. 1 choice for treating headaches. The campaign included creative communication across all mediums such as TV, Radio and Digital. Moreover, innovative tools were deployed for the shoppers. The initiatives translated into 99% brand awareness and 73% top-of-the-mind recall of the brand. Moving forward, our goal is to expand our footprint in specific pain indications as well.





**LIFE  
REPLACES  
PAIN**





*Oral Healthcare Category:*



*Sensodyne, a legacy brand to treat tooth sensitivity, has not just evolved its portfolio with innovation, but also played a pivotal role in educating experts, and building awareness amongst consumers and shoppers.*



Our condition awareness-based TVCs, scientific meetings with experts, check-up activation to aware consumers, shopper visibility and digital engagement has made the brand cross Rs. 1.5 billion. This has led the brand to capture a market share of 12.4% (MAT Nov'17 AC Nielsen Retail Audit) in Toothpaste Category, which is an increase of 1.5% ppts versus 2016.

The portfolio includes 7 variants of toothpastes, 4 brushes and a mouthwash – all specially designed to treat sensitivity. 2017 was an exciting year for the brand with 2 new variants being launched, Sensodyne Repair & Protect and Sensodyne Deep Clean. Catch a glimpse of our achievements below:

**Sensodyne** - *Achieving new heights year on year*





# parodontax®

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

Previously Parodontax Fluoride was imported and distributed in Pakistan with minimum investment. 2017 was a key year for the brand since it was re-launched not only with local production but also two new variants: Original and Extra Fresh (releases an intense burst of freshness that lasts). We introduced the brand to the market at full throttle including a 360-degree campaign such as TV, Radio, Digital, In-store and Expert. Gum Health in Pakistan is often neglected by the general population, so the objective was to create awareness on gum health and bleeding gums in particular and build relevance for Parodontax as the solution to bleeding gums.

Parodontax was on air for the first time, creating awareness on gum disease and showing bleeding gums as the first sign of dental concern of weak gums, and how sufferers should use Parodontax to stop and prevent this issue. To support the

communication, the brand was also leveraged on growing digital platforms such as websites, Facebook, Google, local publishers and videos on YouTube. Moreover, having a strong relationship with dentists in the past, GSK leveraged its expert force to re-build expert communication and recommendation. This included sampling of Extra Fresh, literature and an innovative and engaging way to explain the Mode of Action to the healthcare professional – Virtual reality video with which we also conducted dental college activations across the country. On the shopper front, Parodontax tools were placed on shelves, with the key message of 'Leave Bleeding Gums Behind with Parodontax, and activities in modern trade and general trade outlets including free trial of Parodontax Extra Fresh.

All activities resulted in secondary sales growth of 193% vs last year and this positive trend continues.



**LEAVE BLEEDING GUMS BEHIND**

**4x MORE EFFECTIVE**  
AT REMOVING THE MAIN CAUSE OF BLEEDING GUMS\*

\*following a professional clean & twice daily brushing

**parodontax** EXTRA FRESH  
DAILY FLUORIDE TOOTHPASTE FOR HEALTHY GUMS & STRONG TEETH  
Helps stop and prevent bleeding gums



# PHYSIOGEL®

## HYPOALLERGENIC

*Physiogel is one of the strongest, most prescribed and recommended brands in the Skin Health category.*

## 2017: Physiogel's Year of Transformation

For more than a decade, Physiogel had been a Dermo cosmetic brand solely driven by Dermatologists as the 'go-to' science-based and clinically-proven moisturiser for patients with dry and sensitive skin.

In 2017, as part of Physiogel's brand growth strategy, we not only actively focused on strengthening our expert connections but also ensured that we establish and build upon our consumer and shopper connections.

The initiative to build consumer connections for Physiogel was based on the master insight that even though 82% of the consumers feel that they have a skin problem of some kind, 81% of the consumers have never consulted a dermatologist for their skin problems! The dermatologist is only consulted if the consumers feel the skin problem is getting completely out of control and is hindering in the performance of their day-to-day life.

These insights along with factors such as Pakistan's large population, skincare being a growing profitable category with various foreign/local players, and free pricing enabled us to rebuild Physiogel's brand growth strategy.

## Actively Establishing Consumer, Shopper & Expert Connections:

To revamp the brand image and cater more comprehensively to consumer needs, two new global ranges were introduced in Pakistan and added to the Physiogel Portfolio. The ranges launched were Physiogel Daily Defence Facial Care Range and Physiogel Calming Relief Range (3 SKUs).



The shopper marketing front was activated by implementing a customised penetration strategy for modern trade and cosmetic channels, launch of cosmetics and e-commerce channel for Physiogel, along with launching the first ever Physiogel Beauty Advisors' Programme.

Physiogel experienced a growth of 144%. In addition to this, Physiogel also proudly enjoys the status of being the second largest digital community (Facebook) in the GSK World apart from being the first market in the EMEA region to launch Physiogel's e-commerce channel.



## *Health, Food, and Nutrition Category:*



Horlicks is amongst the leading brands in the Health, Food and Nutrition (HFD) Category in Pakistan. This is a category that has recently been added and has a large untapped potential. The premise behind the category is that milk alone is not enough to provide your children with the daily nutrition they require. HFD is a highly competitive category supported by high

TV spends and shopper activations. Within this, Horlicks differentiates itself on its clinically-proven+claim to help children become 'Taller, Stronger\* and Sharper\*\*'. Horlicks contains essential growth nutrients such as fibre, multivitamins, minerals macronutrients that help in a child's physical and mental development. Horlicks is scientifically proven to increase the nutrient value of milk^. It is available in yummy chocolate and classic malt flavor.



## 2017: Launch of Horlicks Growth+

2017 has been an extremely exciting year for Horlicks with the launch of “Horlicks Growth+”. With this launch, GSK Consumer Healthcare has entered the Infant Formula Category. This category, growing at 10% on a 3-yr CAGR, is highly competitive and is primarily driven by healthcare professionals.

Horlicks Growth+ is designed by pediatricians for healthy catch-up growth. Growth deficiency has been seen in Pakistani children. According to the 2012-13 Pakistan Demographic and Health Survey, more than 40% of children under five are stunted, or too short for their age<sup>1</sup>. 30% of Pakistani children are underweight or too thin for their age<sup>1</sup>. Given GSK Consumer Healthcare’s focus on improving lives through scientific innovation, Horlicks Growth+ is clinically proven<sup>#</sup> to help catch up on lost growth in just 6 months for children from 3 to 9 years of age.

**Following are the key features of Horlicks Growth+:**

- High Protein; 24.5g daily serve (Whey Protein is 19.39g)
- Growth Amino Acid; Arginine, 710mg daily serve
- Growth nutrients such as Calcium, Vitamin D, Iron
- Immunonutrients such as Vitamin A, Vitamin C, Zinc
- 2.5g of fibre (inulin fibre)/daily serve
- No obesogenic effect
- Gluten-free



# Other Brands

**Duofilm™**

For the treatment of  
warts and corns



HYDROPHASE AQ  
**Brevoxyl™**

For the treatment  
of mild acne



**Actifed™-P**  
Elixir  
(Tiprolidine HCl + Pseudoephedrine HCl + Paracetamol)

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



For the treatment of oily,  
pimple and acne  
prone skin



**IODEX**

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



A rich, moisturizing cream,  
suitable for dry skin including  
skin prone to eczema





**SunBlock 60+**  
ANTI UVA-UVB WITH SPF 60 PA+++  
**SUNBLOCK CREAM**

Helps protect the skin from  
darkening, sun burn and  
premature aging



**ENO®**

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



**Hydrozole™**  
Cream

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



**Disclaimers:**

<sup>^</sup>Claims based on a study conducted in India by an independent and accredited laboratory comparing Horlicks enriched milk (27gms Horlicks in 150ml milk) vs. non-fortified whole cream milk sourced in India. Milk is a vital part of a child's daily diet.

Horlicks is a nourishing beverage to be taken as part of a regular daily diet.

<sup>+</sup>claims based on a study conducted in 1999-2000 and published in Journal of Nutrition: 22 (2006) S1-S39, comparing micronutrient enriched beverage vs. non-fortified placebo, claims based on a recommended daily serve of 2 cups (54g)

<sup>\*</sup>more muscles

<sup>\*\*</sup>Increase in attention and concentration

1. UNICEF. PROGRESS REPORT 2013-2015\_Stop Stunting. Available at [https://www.unicef.org/pakistan/Stop\\_Stunting.pdf](https://www.unicef.org/pakistan/Stop_Stunting.pdf) Accessed on: Sept 20, 2017. # With the recommended serve per day for 6 months vs an unfortified beverage. Clinically proven to help pre-pubertal children (boys (3-9 yrs) & girls (3-8 yrs)) who are lagging behind in growth (height & weight) by shifting up their growth curve in 6m. Will be beneficial only when there is good compliance to consumption. May be marketed to healthy lean & short children who may be fussy eaters. It is a nourishing beverage to be taken as part of balanced diet.

Horlicks is a registered product of GlaxoSmithKline group of companies

# Corporate Governance

شاہیں کبھی پرواز سے تھک کر نہیں گرتا  
پُردم ہے اگر تو تو نہیں خطرہ اُفتاد



# Directors' Profile

**Annelize Roberts** took over the role of VP Global Trading Partner Entities on 1st July, 2016.

Initially based in Dubai, she was the Finance Director for the Middle East Consumer from January 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 organisation including roles in the Consumer Healthcare, Corporate, ViiV Healthcare covering finance partnering, supply chain planning, finance support services and project integration roles. She qualified as a Chartered Accountant in South Africa, completing her articles with KPMG and is also a Chartered Management Accountant (ACMA) and holds degrees in Accounting and Information Systems.



**Annelize Roberts**

**Sohail Matin** commenced his career with Glaxo Pakistan Limited in the Supply Chain department in 1986 and then moved to SK&F and Sterling Winthrop. He joined SmithKline Beecham in 1997 and has worked as Director Quality Assurance & Manufacturing Development in Pakistan and Area Regulatory & Business Development Director Middle East & Africa in Dubai. Sohail moved back to Pakistan in 2007, where, for the next seven years, he served as a GM of Consumer Healthcare (Pakistan), before taking his current role of CEO and GM of GlaxoSmithKline Consumer Healthcare Pakistan Ltd. And GSK OTC (Pvt.) Ltd.

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 Matin**

**Syed Anwar Mahmood**, who retired as a Secretary to the Government of Pakistan in 2008 after heading the Ministry of Health and the Ministry of Information & Broadcasting, now heads his own consultancy, media and government relations firm. He also publishes and edits a monthly magazine titled *Health and Pharma*.

He graduated with honours in Economics and later obtained a Master's degree also in the same discipline. 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 organisations as Chief Executive or as the chairman of the Board, including PTV, PBC, SRBC, APP and the Press Information Department.



**Syed Anwar Mahmood**

**Farhan** joined GSK Pakistan Limited in 2011 as the Head of Financial Shared Services and is presently working as Director Finance and Company Secretary for both GSK Consumer Healthcare Pakistan Limited and GSK OTC (Pvt). Ltd. During his time with GSK, Farhan has led various key local and above country restructuring projects and teams responsible for planning and budgeting, financial and management reporting. He has also played key business partnering roles with Supply Chain, Legal and Treasury. Recently, he has been navigating the Novartis Integration process by managing external shareholders for entity restructuring and coordinating all the requirements as the Financial Integration Lead.

Prior to joining GSK, he has served various positions in Lotte Petrochemical (formerly a member of AkzoNobel/ICI Worldwide Group) Sanofi and PwC. Farhan Muhammad Haroon is an associate member of the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) with an MBA from the Institute of Business Administration (IBA).



**Farhan  
Muhammad  
Haroon**

**Emine** 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 organisation on Supply Chain Performance.

Before joining GSK, Emine spent 10 years working in regional and global supply chain roles both in Turkey and Asia Pacific in FMCG and Pharmaceutical industries. Emine holds a Bachelor's Degree in Economics from Yildiz Technical University and also has a Master's Degree in Logistics and Supply Chain Management from the University of South Australia.



**Emine  
Tasci Kaya**

**Azeem Naqvi** is the Cluster Legal Director for Pakistan and Iran and is also the Company Secretary of GlaxoSmithKline Pakistan Limited. He joined GSK in March 2014 prior to which he was working for Pak Arab Refinery Ltd. (PARCO). He is a seasoned lawyer with 18 years of experience as in-house legal counsel for The Bank of Punjab, PTCL(Etisalat) and Nestle where he served as the Legal Director for 12 years.



**Syed Azeem  
Abbas Naqvi**



# Corporate Governance



## Conflict of interest among board members

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. No potential conflict of interest issue was identified during the year, including but not limited to, with entities under common directorship.



## Policy for safeguarding of records

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 requirements for all our stored data, both physical and electronic.



## Whistle Blowing Policy

Ethical business conduct is the responsibility of everyone working for and on behalf of GSK. It is the foundation for building trust in our company and protects our licence to operate.

GSK has global procedures on reporting misconduct and safeguarding people who report these concerns.

GSK employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches with the GSK Code of Conduct, and other company policies and procedures. Suspected violations of country laws and regulations must also be reported.

- Non-GSK personnel working on behalf of the Company are also required to report misconduct concerns, with 'Speak Up' integrity line information provided in the GSK Third Party Code of Conduct.
- GSK will take disciplinary action up to and including termination, in accordance with local labor laws, against anyone who threatens, or engages in retaliation or harassment of any person who has reported, or is considering reporting a concern in good faith.



## Formal orientation at induction

New members are inducted into your Company's Board through an extensive orientation process, which provides the Directors with an opportunity to enhance and strengthen their management and governance skills. Key features of our formal induction program are as follows:

- Overview of the role and responsibilities of the Director, as outlined by the Companies Act, 2017, including but not limited to the Code of Corporate Governance and other laws applicable within the country
- Your Company's vision and strategic objectives
- Our key performance indicators and measures
- Our SWOT analysis
- Policy on Directors' fees and other expenses
- Forecasts, budgets and high growth plans
- Latest financial statements

The Board members also attend international training sessions to strengthen their skills and remain updated with the latest developments in management policies and understand best practices adopted by leading corporations around the world.



# Board & Management Committees



## The Board of Directors

Our Board of Directors is the highest governing body and represents the interest of all our shareholders. We are focused on strategies that we believe are right for the long-term growth and success of the Company with the objective of delivering total shareholder's return, along with staying true to our core values. Keeping the above requirements in mind, we have an extremely capable and dedicated Board of Directors which has the knowledge, proficiency, reliability and strong sense of conscientiousness required for protecting investors' yield. The Board will ensure that the management of the Company, and its financial and other matters are in accordance with legal and regulatory requirements. The Management Committee is responsible for implementation of strategies and policies approved by the

Board, reviewing of business, capital expenditure appraisals, investment and divestment of funds, determination and delegation of financial powers and transactions or contracts with related parties, etc.

### Board's Performance Review and Continuous Professional Development

All members of the Board have been provided with an orientation upon their joining, to apprise them of their roles and responsibilities.



## Audit Committee

### Terms of Reference

The Audit Committee will meet at least four times a year. The Committee will assist the Board in the effective discharge of its responsibilities for corporate governance and financial reporting. It also aims to review the internal control systems including financial



and operational controls, accounting systems and reporting structure to ensure that they are adequate and effective. The Head of Internal Audit will have direct access to the Chairman of the Audit Committee.

#### **Report of the Audit Committee**

The report of the Audit Committee will be provided to the Board every quarter. The calendar of reviews by the Internal Audit team and the format of the report will be developed during the first Audit Committee meeting during the year.



## **Human Resource and Remuneration Committee**

#### **Terms of Reference**

This committee will be responsible for dealing with employee-related matters including recruitment, training, remuneration, performance evaluation, succession planning, and measures of effectively utilising the workforce of the Company. It will also be responsible for making HR policies, recommending and approving salaries of the CEO, CFO, Company Secretary, Head of Internal Audit and senior management who report directly to the CEO.



## **Management Committees**

#### **Management Committee**

The Management Committee comprises of the CEO, CFO, Marketing Director, Sales Director, Head of Medical Detailing, Head of Regulatory Affairs, and Head of Supply Chain.

#### **Terms of Reference**

The Management Committee ensures smooth operations of the Company, engages in strategic business-planning, decision-making and overall management of the Company. It also ensures adequacy of operational, administrative and financial controls.



## **Risk Management & Compliance Board**

#### **Members and Terms of Reference**

The Risk Management & Compliance Board comprises of the CEO, Functional Heads and the Head of Compliance. It reviews significant risks affecting the business, including strategic, financial, operational and legal compliance risks. It oversees and ensures the identification and implementation of internal controls to mitigate significant risks. The Board monitors the various compliance initiatives and promotes risk management and compliance culture in the Company.



## **Integration and Supply Network Optimisation Committee**

#### **Terms of Reference**

The Committee will be responsible for dealing with the supply-planning and network optimisation strategy. The Committee will supervise the supply challenges consequent to the entity restructuring and provide recommendations to the Board.



## Composition of the Board

The Board consists of 7 members, including independent directors and those representing minority interests, with the necessary skills, knowledge, experience and competence, so that the Board as a group includes competencies and diversity considered relevant in the context of a listed Company's operations. The Board comprises of the Chairman and the Chief Executive Officer, which are two separate positions.



## Role of the Chief Executive Officer (CEO)

The CEO is responsible for the management of the Company and for its financial procedures and other matters, subject to the oversight and directions of the Board and in accordance with the Companies Act, 2017 and Code of Corporate Governance. His responsibilities include implementation of strategies and policies approved by the Board, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively in accordance with all statutory obligations.



## Role of the Chairman

In compliance with the Code of Corporate Governance, the office of the Chairman is separate from the role of the Chief Executive Officer, with there being a clear demarcation between their responsibilities.

The Chairman is primarily responsible for ensuring that the Board is functioning effectively with respect to implementation of the Company's strategy, and that all issues pertinent to the Company's governance are placed on the Agenda of Board meetings, given that the power to set the Agenda and sign the minutes of the Board meetings lies with the Chairman. Moreover, the Chairman assesses the general effectiveness of the Board, directors and the committees, looks after issues regarding avoidance of conflicts of interest, and ensures that the directors are enabled and encouraged to participate in the decisions of the Board. However, the Chairman is not involved in the day-to-day operations of the Company.



# Directors' Report to the Shareholders

*The Board of Directors of GlaxoSmithKline Consumer Healthcare Pakistan Limited is pleased to present to you its first full year Annual Report along with the Company's audited financial statements for the year ending December 31, 2017.*

*The Directors' Report has been prepared in accordance with section 236 of the Companies Act, 2017 and regulation 5.19 of Pakistan Stock Exchange Limited. This report is to be submitted to the members at the Third Annual General Meeting of the Company to be held on March 29, 2018.*

## Operating results

The Board of Directors is pleased to announce a final cash dividend of Rs.5 per share amounting to Rs.478 million, subject to approval of the shareholders of the Annual General Meeting to be held on March 29, 2018.

Net sales of the Company amounted to Rs.8,298 million during the current year and our consumer goods business delivered a turnover of Rs.2,076 million with an underlying growth of 6%. The net profitability of the Company was Rs.707 million, an increase of Rs.162 million from last year.

## Holding Company

As at December 31, 2017, GlaxoSmithKline Consumer Healthcare B.V. held 78,918,934 shares of Rs. 10 each.

## Pattern of Shareholding

The Company's shares will be traded on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2017 and other related information is set out on pages 109 to 112.

## Chief Executive's review

The Chief Executive's message to the shareholders on pages 60 to 63 deals with:

- Economic overview and business performance with the latest developments in the healthcare industry.
  - Performance review of the Company during the year, highlighting the soaring growth trajectories from the previous year along with reasons
  - The present and the future challenges ahead of operating as the healthcare industry in Pakistan
  - Future outlook and prospective of the Company in order to further enhance growth and performance
- The Directors of the Company endorse the contents of the same.

## Basic Earnings per Share

Basic Earnings per Share after taxation were Rs. 7.39 (2016 Earnings per Share Rs. 7.60).



### Corporate Social Responsibility (CSR)

The people at GSK Consumer Healthcare believe that respect for the environment and its people is an integral part of conducting a business, which in turn boosts the success and consumer engagement with the brand. We, as a healthcare company, truly understand the core necessity for outreach programmes institutionalising on the importance on health, hygiene, nutrition and other community development programs in Pakistan. Improving environmental sustainability is another key area of concern. Considering that 2017 was the first full year of operations, where your Company kept its major focus on growth and innovation, it did not conduct any major CSR activity. However, in future, it plans to contribute and implement methods to improve and make more efficient use of resources in the supply chain processes, thus enabling environmental sustainability that can improve consumer access to quality brands with healthcare benefits.



### Human Resource Development and Succession Planning

GSK Consumer Healthcare takes great pride in being a company that not only recognises its people as the key asset for your Company 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 in matters relating to human resource 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 uses state of the art technology to help provide leaders with the data needed for strategic alignment and decision-making. Along with this, it carries out a continuous feedback, evaluation and communication programmes, 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 prioritise the highest standards of individual accountability, and are constantly trying to evolve in terms of our ability to recognise 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 the challenges far ahead 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 Consumer Healthcare and draws its strength from, and contributes towards, the evolution of a company that pioneers to be a high performance Consumer Healthcare Goods Company in the industry.



### Environment, Health and Safety (EHS)

Building on the pride of a dedication towards environmental protection and occupational health and safety, GSK Consumer Healthcare is determined to constantly reinforce and improve the measures we take to ensure that our employees have a safe, injury-free working experience and are passionate about the environment they operate in. Furthermore, we work within a framework of operational measures, policies, strategies and stringent environmental monitoring systems to remain committed towards energy conservation.



### Occupational Safety and Health

With numerous sustainable processes in place, GSK continues a legacy in its ability

to fulfill its purpose without compromising the occupational safety of its dedicated employees. The same concern has been adopted by GSK Consumer Healthcare. To successfully achieve this objective, the following robust programs and measures have either been implemented and are currently in progress that aim to strengthen the EHS system and improve the quality of our working environment by:

- Ensuring our employees are aware enough 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 minimise our water and energy consumption promoting a greener environment

GSK Consumer Healthcare 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 Consumer Healthcare, 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 serve as our guiding principles.

Our anti-bribery and anti-corruption program includes risk assessments, standards and practice guidance designed to prevent non-compliance conservation. 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 has been disseminated for signing by all the employees, including the senior management and is also available on The GSK Consumer Healthcare website.



#### Board of Directors' Meetings and Attendance

The Board of Directors met four times in 2017. All the meetings were held in Pakistan, and each member's attendance at these meetings is listed below:

Names	Meetings Attended
Ms. Annelize Roberts	4
Mr. Sohail Matin	4
Mr. Husain Lawai	4
Mr. Syed Anwar Mahmood	4
Mr. Syed Azeem Abbas Naqvi	4
Ms. Emine Tasci Kaya	4
Mr. Farhan Muhammad Haroon	4





### Board Committees

GSK Consumer Healthcare consists of three committees to assist the Board in its optimal performance. They have been listed below.



### Audit Committee

The Audit Committee consists of 3 members, all of whom are non-executive directors. The terms of reference of this Committee have been determined in accordance with the guidelines provided in the Listing Regulations and advised to the Committee for compliance (refer page 49).



### Human Resource and Remuneration Committee

The Human Resource & Remuneration Committee comprises of 3 members, majorly consisting of non-executive directors. The terms of reference of the Committee are provided in detail on pages 49 to 51.



### Integration and Supply Network Optimisation Committee

The Integration and Supply Network Optimisation Committee comprises of

4 members of the Board. The purpose of this committee is to explore significant Supply Network opportunities and facilitates a smooth Joint Venture Integration process. The Company is currently under the integration process consequent to the take-over of FMCG business from GlaxoSmithKline Pakistan Limited. Significant matters related to regulatory approvals, milestones and timelines discussed in the regular integration meetings are to be put forth to the Board.



### Management Committee

The Management Committee comprises of 7 senior members 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.



### Risk Management, Governance and Classification

GSK Consumer Healthcare recognises 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 and 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 for effectively identifying, assessing, treating, monitoring and reporting 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 minimise any risks. For this purpose, our risk management framework ensures that the objectives of your Company and minimise any risks. For this purpose, our risk management framework ensures the right policies and strategies remain intact and serve to mitigate key risks through an adequate 'identify, record and minimise' strategy. The Company's RMCB held three meetings during the year.

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 in establishing the internal controls system. This eventually makes risk management an integral part of decision-making and part of business operations.

At GSK Consumer Healthcare, we prioritise 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.

Our risk classification is as follows:

### 1. Strategic Risks:

These are the most significant risks the Company faces and usually fall outside our control. At present, our greatest strategic risk is the fact that there is a lack of market-oriented regulatory and pricing policies. While the Government in March 2015 notified a Drug Pricing Policy through which the prices of products going forward would be allowed a partial inflationary adjustment, the long-standing matter of products whose prices had been frozen for many years was not addressed. As a result while the new policy is a step in the right direction, it still falls significantly short of addressing outstanding issues which we hope will be pragmatically addressed by the regulators.

### 2. Operational Risks:

Risks in this category pose challenges to the smooth functioning of the Company's operations. Some of our greatest operational risks include inflation, supply concerns, and the possibility of fraud. Your Company manages these risk through various strategies such as using alternative suppliers.

### 3. Commercial Risks:

These are risks that arise due to the commercial nature of the business. At present, GSK Consumer Healthcare faces challenges in three key areas:

- a. Receiving timely approval from DRAP with respect to advertising our OTC Brands.



- b. Setting up a pricing policy framework
- c. Developing a long-term sourcing



### Auditors

The retiring auditors, A.F Fergusons & Co. Chartered Accountants had indicated their consent to continue as auditors. The Board of Directors and the Audit Committee have thus proposed the appointment of M/s Deloitte Chartered Accountants in place of retiring auditors M/s A. F. Ferguson & Co. Chartered Accountants, for the year ending December 31, 2018.



### 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 based on un-audited accounts as of December 31, 2017 (audit in progress) was as follows:

Rs.	2017
Gratuity fund	Rs. 51 million
Provident fund	Rs. 85 million

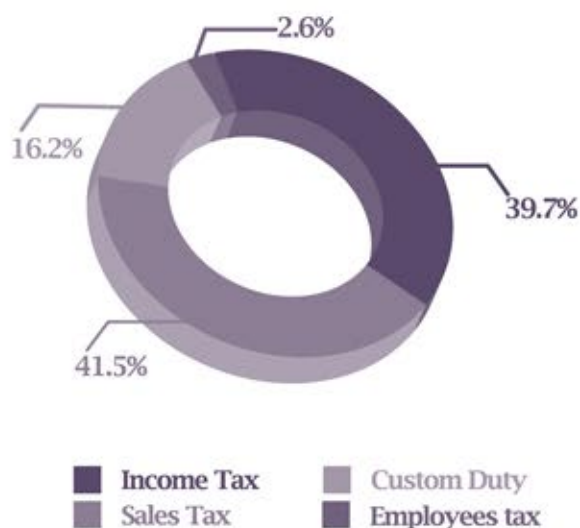
### Value of investment 2017



### Contribution to National Exchequer and Economy

Your Company made a total contribution of Rs 1.26 billion to the National Exchequer by way of custom duties, income tax, sales tax and employees' tax during the year 2017. Our contribution through Sales Tax totaled Rs. 485 million while Custom Duty contributed 189.5 million. Lastly, our Employee Tax contribution totaled Rs. 31 million.

### Contribution to National Exchequer 2017





## Corporate and Financial Reporting Framework

- 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 judgment.
- d. The financial statements are prepared in accordance with International Financial Reporting Standards, 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 formalised 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 66 to 75.

By order  
of the Board

**Mr. Sohail Matin**  
Chief Executive Officer

**Mr. Farhan Haroon**  
Chief Financial Officer  
January 29, 2018





# Chief Executive Officer's Message

*Dear Stakeholders,*

*"It is my pleasure to present before you  
the Annual Report of GlaxoSmithKline  
Consumer Healthcare Pakistan Limited  
for the financial year ending  
December 31, 2017."*

**Sohail Matin**  
Chief Executive Officer

## Overview of the Economy & Business

As the year 2017 reaches its closure, we are delighted and proud of the Company's phenomenal double digit growth. Your Company continues to focus on innovation and delivering products of value with superior science. With Pakistan's strong investment and business environment, the Company is thriving with a strong momentum. Even through shifting political winds, Pakistan's economy has shown much resilience and appears to be poised for a robust performance in the upcoming year of 2018. A dynamic domestic investment drove the GDP growth to 5.3% in 2017, supported by a sound growth in private-sector lending and the ongoing expansion of the industrial sector. However, with higher global prices for oil and other commodities in the year 2017, inflation slightly exceeded the forecast.

The Healthcare portfolio has continued to gain traction amongst consumers and medical practitioners due to an increased awareness and a strong brand image of our trusted and valuable brands. GSK Consumer Healthcare is committed to meet the unmet and under-served healthcare needs in Pakistan through driving unique selling propositions underpinned by cutting edge science. We ensure adherence to the highest level of compliance standards in the industry.



### Business Review

I would now like to take this opportunity to highlight some of our key achievements for the year 2017. We continue to invest behind our major brand through innovative campaigns focusing on consumer insights and competitive offerings.

2017 was an exceptional year for our flagship brand, 'Panadol', which had an extremely robust performance of 35% growth in value with sales revenue crossing over Rs. 5 billion. It remains an indispensable market leader in the pain and relief category and with an incredible footprint in the OTC drug portfolio, as reflected in our increasing market share.

Moreover, GSK Consumer Healthcare has enhanced its foray into the Oral Healthcare Category by expanding the current range of SKUs and brand offering for its consumers. During the year, your Company launched Parodontax to tap into the fast-growing Bleeding Gums' Category.

We have also expanded and customised key brands through new formulations and better communication. Our Skin Health Brands are the most recommended by Healthcare Professionals. Physiogel, mainly designed for dry and sensitive skin, has recorded a prolific growth.

Furthermore, our flagship brand, Sensodyne, launched the Deep Clean variant this year, providing its consumers with a sense of lasting freshness combined with a solution for sensitivity. With 9 out of 10 dentists recommending Sensodyne, this brand is on its journey to further drive market share and growth.





## Challenges

Being a leader in healthcare products, the industry is faced with numerous challenges that include regulations, competition and business risks.

Most of our portfolio is regulated and price controlled by the Drug Regulatory Authority of Pakistan (DRAP), therefore our growth and investment plans are dependent on the sustainability of the regulatory environment.

Our business operates in a highly competitive market that can adversely impact the Company's earnings. GSK Consumer Healthcare competes with companies across the local and international spectrum based on cost effectiveness, technological innovation, intellectual property rights and pricing of the products. Hence, with all these factors we need to ensure that we have the best in class competences in place with an ability to develop and innovate differentiated products and services that address the evolving healthcare needs of patients and consumers. Our expert and supply chain team thrives to reach out to a vast network of Healthcare Professionals to market our valuable brands so that they can be best understood by our consumers. We gauge the latest consumer insights and trends to drive the right innovations to market our products. Additionally, a strong retailer partnership is embedded to ensure our consumers have access to our portfolio across the country.



## Cash Flows & Capital Expenditure

Your Company focused on cost management and working capital optimisation programme to deliver strong growth results, mitigating the impact of inflation and resulting in a profitable growth. There was an increase in distribution expenses this year, which was in line with the increase in volume of sales and storage in improved warehousing facility. The Company has kept its focus on working capital initiatives that include investing its surplus funds in a mix of sovereign investments and bank deposits. This has resulted in a productive investment in your Company's brands and in maintaining a risk averse optimum interest yielding portfolio. The cash flow from operations in the year 2017 was recorded at Rs. 559.3 million.



## Business Combination Opportunities

In order to enhance the shareholders' worth, we are exploring Business Investment opportunities. The Board has also appointed highly qualified and experienced financial and legal advisors to assess possible business combination options with GlaxoSmithKline OTC (Pvt.) Ltd., a Company that has taken over the OTC Business of Novartis Pharma Pakistan Limited.



## Future Outlook

The Company, in line with the global strategy, has set out long term priorities focusing on innovation, improvement in performance and building trust. These strategic priorities are being successfully executed to enable us to fulfil the dynamic needs of our consumers and healthcare professionals.

Delays in implementing the Drug Pricing Policy in its true spirit have had adverse impact not only on the profitability but also carries great significance on the future outlook of the Company and the industry. To have a level playing field and in order to fuel the investment behind the regulated portfolio, it is imperative that the annual price revisions are timely implemented by the Drug Pricing Policy. Further, a speedy mechanism should be adjusted to ensure fast track launches of regulated portfolio in order to provide the consumer with innovative products available in other geographies outside Pakistan.

We have strong plans for the upcoming year and we are anticipating a healthy financial performance primarily due to the launch of new variants in the Nutrition and Oral Health Care Portfolio. To achieve long-term objectives, it is imperative that the Company continues to invest in the brands not only to increase consumption but also to build these brands to have a sustainable growth and impact.

Your Company also tends to effectively drive innovations and aggressively tap into new consumer touchpoints like Digital and E-Commerce to display excellent agility to address the challenging business and economic environment.

We are confident that we can generate increased value for shareholders as well as deliver better products and services to our consumers.

The immense strength of our Categories and Brands with the enormous cooperation and the support of our sales force, has made it possible to achieve these great results that makes us well positioned to thrive, flourish and become a leader in the Consumer Healthcare business.



## Acknowledgement

Our strength lies in a diverse competitive talent pool which has led GSK Consumer Healthcare Pakistan to report a very successful financial year despite the external and internal challenges.

Hence, on behalf of the Board of Directors, I would like to thank our employees, suppliers and partners for their continuing contribution in the achievement of your Company's results

As we close the previous year and move forward, I am truly grateful for the confidence that our stakeholders have placed in us and hope that together we continue our journey towards helping people

*do more, feel better  
and live longer.*

Sincerely,

**Sohail Matin**

Chief Executive Officer

January 29, 2018



# Stakeholder's Information



تُنْدِی بَارِ مُخَالَفِ سَے نہ گھبراے عُقَاب  
یہ تو چلتی ہے تُجھ سے اُونچا اُڑانے کے لیے

# Financial Performance at a glance

Rupees in million

2017

2016

Net sales

8,298

5,376

Gross profit

3,101

1,509

Operating profit

1,179

858

Profit before tax

1,171

856

Taxation

(464)

(311)

**Profit after taxation**

**707**

**545**

Dividend per share Rs.\*

5

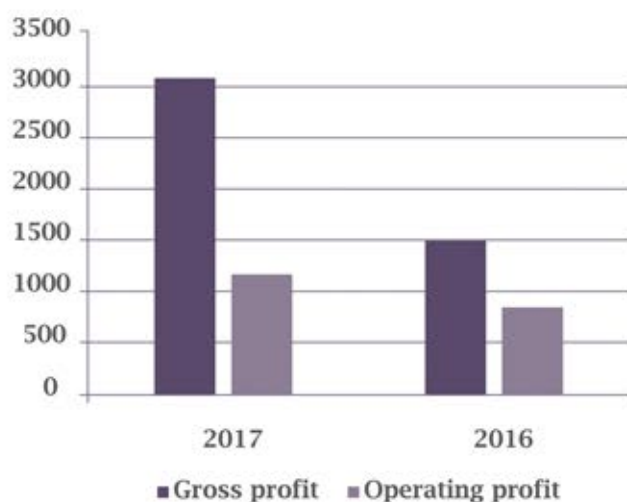
-

**Paid-up capital**

**956**

**956**

Gross and Operating Profit (Rupees in million)



Dividend and Bonus (Rupees in million)



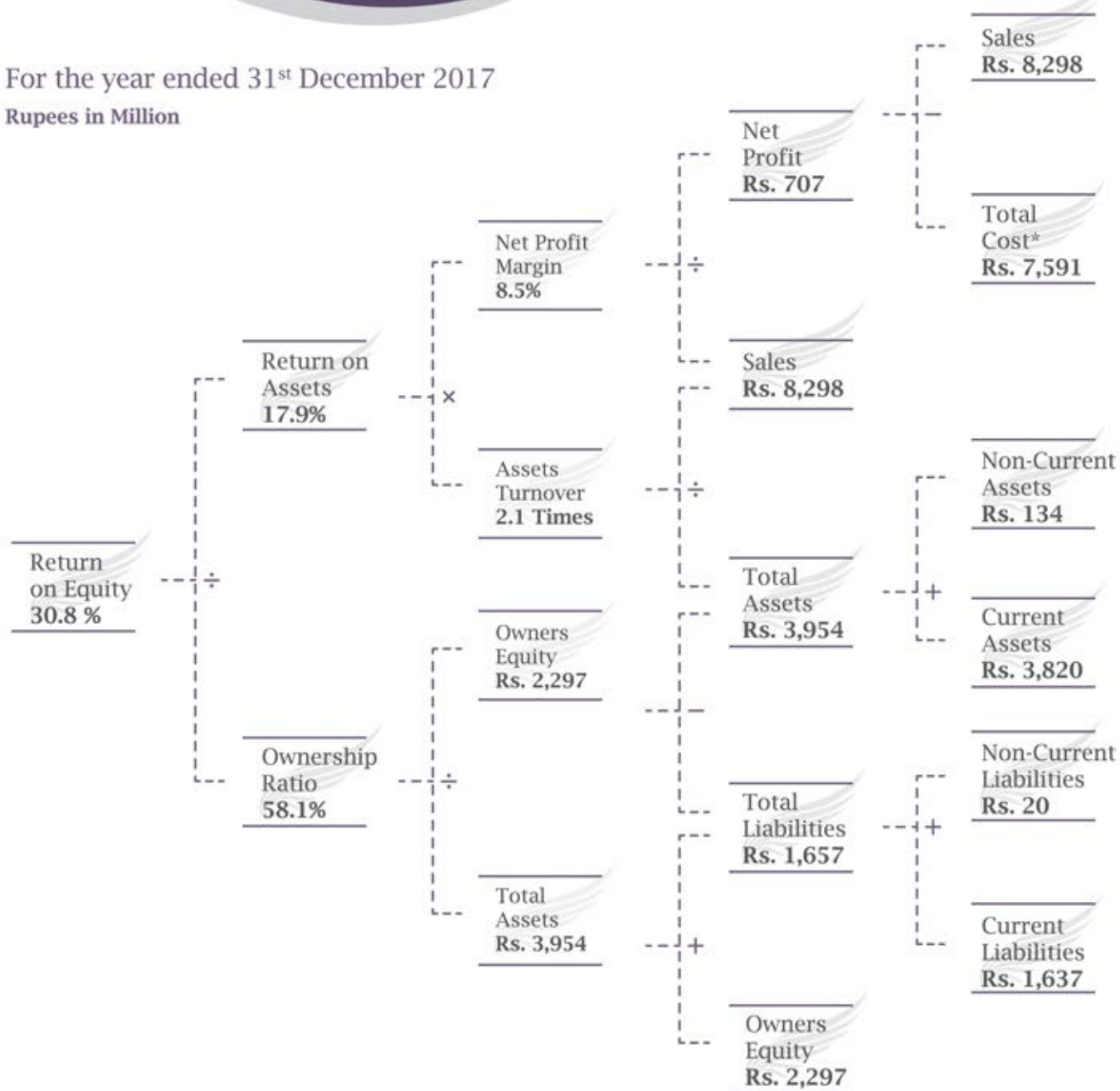
\*Represents final cash dividend @ Rs 5 per share proposed by the Board of Directors subsequent to the year end.



# DuPont Analysis

For the year ended 31<sup>st</sup> December 2017

Rupees in Million



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

# Key Performance Indicators (Ratios)

Balance Sheet		2017	2016
<b>Assets Employed</b>			
Fixed assets - Tangible			
- Property, Plant and Equipment	Rs. in million	125	132
Assets - Intangible			
- Goodwill		-	-
Deferred taxation	Rs. in million	8	17
Long-term loans and deposits	Rs. in million	1	1
Net current assets	Rs. in million	2,183	1,456
Non current asset held for sale		-	-
		2,317	1,606
<b>Less: Non-Current Liabilities</b>			
Staff retirement benefits - Staff gratuity	Rs. in million	20	9
Deferred taxation		-	-
		20	9
<b>Net Assets Employed</b>	Rs. in million	<b>2,297</b>	<b>1,597</b>
<b>Financed By</b>			
Issued, subscribed and paid-up capital	Rs. in million	956	956
Reserves	Rs. in million	1,341	641
<b>Shareholders' equity</b>	Rs. in million	<b>2,297</b>	<b>1,597</b>
Turnover and Profit		2017	2016
Net sales	Rs. in million	8,298	5,376
Gross profit	Rs. in million	3,101	1,509
Operating profit	Rs. in million	1,179	858
Profit before taxation	Rs. in million	1,171	856
Taxation	Rs. in million	(464)	(311)
Profit after taxation	Rs. in million	707	545
EBTIDA	Rs. in million	1,202	868
Cash dividend including bonus shares		478	-
Sales per employee	Rs. in thousand	131,717	97,742



Cash flow		2017	2016
Operating activities	Rs. in million	559	950
Investing activities	Rs. in million	72	(1,049)
Financing activities	Rs. in million	-	0.1
Changes in cash equivalents	Rs. in million	631	(99)
Cash & equivalents - Year end	Rs. in million	1,302	670
Financial Highlights		2017	2016
Cash dividend per share	Rupees	5.0	-
Bonus shares	%	-	-
Market value per share - year end	Rupees	324.29	16.71
Market value per share - high	Rupees	353.51	-
Market value per share - low	Rupees	100.63	-
Market price to Book value with surplus	Times	13.49	1.00
Market capitalization	Rs. in million	30,986	1,597
Stock dividend per share	Rupees	-	-
Profitability Ratios		2017	2016
Profit before tax ratio	%	14.11	15.92
Gross yield on earning assets	%	8.14	3.53
Gross spread ratio	Times	0.23	0.36
Cost/income ratio	Times	0.64	0.58
Return on equity	%	30.77	34.16



		2017	2016
Return on capital employed	%	51.33	53.72
Gross profit ratio	%	37.37	28.07
Net profit to sales	%	8.52	10.15
EBITDA margin to sales	%	14.48	16.14
Operating leverage ratio	Times	0.7	0.0
<b>Investment/Market Ratios</b>		<b>2017</b>	<b>2016</b>
Earnings per share (EPS)	Rupees	7.39	7.60
Price earnings ratio	Times	43.88	2.20
Book to price ratio	Times	0.08	0.01
Dividend yield ratio	%	1.54	-
Dividend payout ratio	Times	0.68	-
Dividend cover ratio	Times	1.48	-
Break-up value per share without surplus on revaluation of fixed assets	Rupees	24.04	16.71
Break-up value per share including the effect of surplus on revaluation of fixed assets	Rupees	24.04	16.71
<b>Capital Structure Ratios</b>		<b>2017</b>	<b>2016</b>
Earning assets to total assets ratio	%	63.90	23.43
Net assets per share	Times	24.04	16.71
Debt to equity ratio	Times	-	-
Financial leverage ratio	Times	-	-
Interest cover ratio	Times	144.94	551.66
<b>Liquidity Ratios</b>		<b>2017</b>	<b>2016</b>
Advances to deposits ratio	Times	23.5	-
Current ratio	Times	2.33	2.16
Quick/acid test ratio	Times	1.83	1.72
Cash to current liabilities	Times	0.79	0.53
Cash flow from operations to sales	%	6.74	17.67

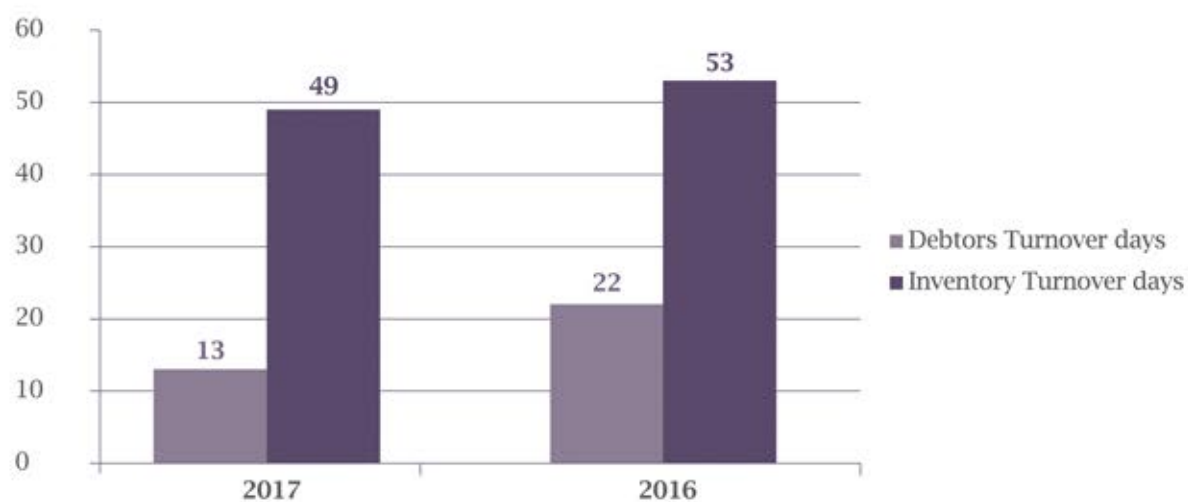


Activity/Turnover Ratios		2017	2016
Inventory turnover ratio	Times	7.5	7.0
No. of days in inventory	Days	49	53
Debtor turnover ratio	Times	28.3	17.0
No. of days in receivables	Days	13	22
Creditor turnover ratio	Times	11.4	14.4
No. of days in creditors	Days	33	26
Total assets turnover ratio	Times	2.10	1.88
Fixed assets turnover ratio	Times	66.5	40.8
Operating cycle	Days	30	49

#### Current Ratio and Quick Ratio (Number of Times)



#### Debtors Turnover and Inventory Turnover (Number of Days)



# Cash Flow Statement

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	835,713,297	1,276,487,486
Staff retirement benefits paid	(7,492,213)	(5,019,828)
Income taxes paid	(268,655,682)	(321,665,543)
(Increase)/decrease in long-term loans to employees	(215,575)	56,395
Net cash generated from operating activities	<b>559,349,827</b>	<b>949,858,510</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(28,387,509)	(71,003,854)
Proceeds from sale of operating assets	13,220,906	722,500
Loan to GlaxoSmithKline OTC (Private) Limited	-	(1,000,000,000)
Return received	87,028,840	21,768,917
Net cash generated from/(used in) investing activities	<b>71,862,237</b>	<b>(1,048,512,437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	-	99,970
Net increase/(decrease) in cash and cash equivalents	631,212,064	(98,553,957)
Cash and cash equivalents at beginning of the year	670,342,359	3,090
Cash received from GlaxoSmithKline Pakistan Limited under the Scheme - note 1.1	-	768,893,226
Cash and cash equivalents at end of the year	<b><u>1,301,554,423</u></b>	<b><u>670,342,359</u></b>

The annexed notes 1 to 39 form an integral part of these financial statements.



# Direct Cash Flow Statement

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	8,316,824,935	5,292,929,264
Cash paid to suppliers/service providers	(7,203,676,714)	(3,823,674,002)
Cash paid to employees	(225,637,628)	(160,888,993)
Payment of indirect taxes and other statutory duties	(51,643,157)	(31,547,579)
Financial charges paid	(154,139)	(331,204)
Staff retirement benefits paid	(7,492,213)	(5,019,828)
Income taxes paid	(268,655,682)	(321,665,543)
Increase/decrease in long-term loans to employees	(215,575)	56,395
<b>Net cash generated from operating activities</b>	<b>559,349,827</b>	<b>949,858,510</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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The annexed notes 1 to 39 form an integral part of these financial statements.

# Horizontal Analysis

Balance Sheet Analysis (%)	2017	2016
Share capital and reserves	43.9	100
Non-current liabilities	128.5	100
Current liabilities	30.3	100
<b>Total equity and liabilities</b>	<b>38.2</b>	<b>100</b>
Non-current assets	(10.6)	100
Current assets	40.9	100
<b>Total assets</b>	<b>38.2</b>	<b>100</b>

Profit and Loss Analysis (%)	2017	2016
Net sales	54.4	100
Cost of sales	34.4	100
Gross profit	105.6	100
Selling, marketing and distribution expenses	85.1	100
Administrative expenses	46.2	100
Other operating expenses	35.8	100
Other operating income	(65.8)	100
Operating profit	37.5	100
Financial charges	423.2	100
Profit before taxation	36.8	100
Taxation	49.4	100
Profit after taxation	29.6	100

# Vertical Analysis

Balance Sheet Analysis (%)	2017	2016
Share capital and reserves	58.1	55.8
Non-current liabilities	0.5	0.3
Current liabilities	41.4	43.9
<b>Total equity and liabilities</b>	<b>100.0</b>	<b>100.0</b>
Non-current assets	3.4	5.2
Current assets	96.6	94.8
<b>Total assets</b>	<b>100.0</b>	<b>100.0</b>

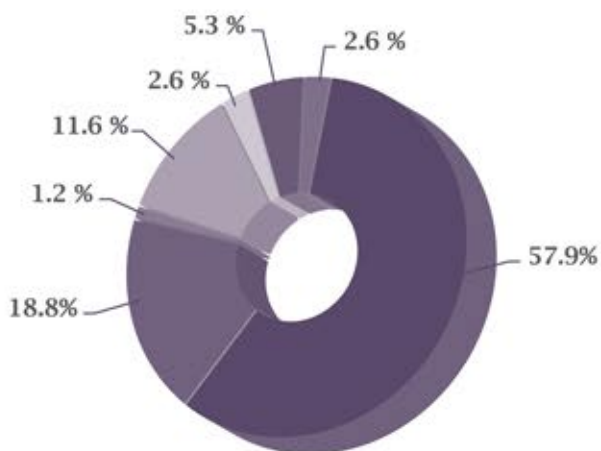
Profit and Loss Analysis (%)	2017	2016
Net sales	100.0	100.0
Cost of sales	(62.6)	(71.9)
Gross profit	37.4	28.1
Selling, marketing and distribution expenses	(22.0)	(18.3)
Administrative expenses	(2.3)	(2.5)
Other operating expenses	(1.1)	(1.2)
Other operating income	2.2	9.9
Operating profit	14.2	16.0
Financial charges	(0.1)	(0.0)
Profit before taxation	14.1	15.9
Taxation	(5.6)	(5.8)
Profit after taxation	<b>8.5</b>	<b>10.1</b>



# Statement of Value Added and its Distribution

Rupees in thousand	2017		2016	
		%		%
Revenue generated				
Total revenue	8,964,312	100.0	6,240,136	100.0
Revenue distributed				
Bought-in-materials and services	5,191,856	57.9	3,861,819	61.9
selling, marketing and distribution expenses	1,682,861	18.8	882,265	14.1
administrative expenses and financial charges	109,104	1.2	74,604	1.2
Income tax	464,023	5.2	310,598	5.0
Worker's fund	88,464	1.0	65,156	1.0
Sales tax	484,964	5.4	334,137	5.4
To government	1,037,451	11.6	709,891	11.4
Salaries, wages and other benefits	236,224	2.6	166,091	2.7
To employees	236,224	2.6	166,091	2.7
Donations	-	-	-	-
To society	-	-	-	-
Cash dividend per share	477,751	5.3	-	-
To shareholders	477,751	5.3	-	-
Retained in the business	229,065	2.6	545,465	8.7
	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.



■ Bought-in-materials and Services	57.9%
■ Selling, Marketing and Distribution Expenses	18.8%
■ Administrative Expenses and Financial Charges	1.2%
■ To Government	11.6%
■ To Employees	2.6%
■ To Society	0%
■ To Shareholders	5.3%
■ Retained in the Business	2.6%

# Financial Highlights

Revenue	.....	Rs. 8,298 mn
Profit after tax	.....	Rs. 706.8 mn
Basic earnings per share	.....	Rs. 7.39
Return on equity	.....	30.80%
Owners equity	.....	Rs. 2,297
Net assets per share	.....	Rs. 24.04
Debt to equity ratio	.....	Nil
Current Ratio	.....	2.33
Asset turnover	.....	2.1 Times



# Statement of Compliance with the Code of Corporate Governance

for the year ended December 31, 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Director	• Syed Anwar Mahmood
Executive Directors	• Farhan Haroon
	• Sohail Matin
Non-Executive Directors	• Annelize Roberts
	• Husain Lawai
	• Emine Tasci Kaya
	• Syed Azeem Abbas Naqvi

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the board during the period.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A record of particulars of such significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

9. During the year one director obtained certification under the directors' training program.

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

11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises three members, all of whom are non-executive directors including an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee,

18. 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.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

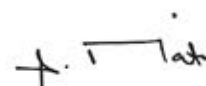
21. The 'closed period', prior to the announcement of interim results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to Directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the Code have been complied with except for the matter that the Audit Committee did not meet the external auditors without the Chief Financial Officer and the Head of Internal Audit being present.

On behalf of the Board



Sohail Matin  
Chief Executive Officer

Karachi  
January 29, 2018



## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of GlaxoSmithKline Consumer Healthcare Pakistan Limited for the year ended December 31, 2017 to comply with the Code contained in Regulation No. 5.19 of the Listing Regulations of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.


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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended December 31, 2017.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

S. No.	Note Reference	Description
(i)	24	The Audit Committee did not meet the external auditors in the absence of Chief Financial Officer and the Head of Internal Audit.

  
A.F. Ferguson & Co.  
Chartered Accountants  
Karachi


Dated: 23rd Feb 2018

# AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of GlaxoSmithKline Consumer Healthcare Pakistan Limited as at December 31, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) In our opinion,
  - (i) The balance sheet and profit and loss account together with the notes there on have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) The expenditure incurred during the year was for the purpose of the company's; and
  - (iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, its cash flows and changes in equity for the year then ended: and
- (d) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: 23rd Feb 2018

Name of Engagement Partner: Syed Fahim ul Hasan

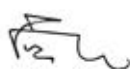


# Balance Sheet

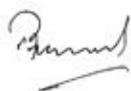
as at December 31, 2017

	Note	2017 Rupees	2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets	3	124,719,671	131,649,092
Deferred taxation	4	8,236,058	17,313,012
Long-term loans to employees	5	854,322	638,747
		<b>133,810,051</b>	<b>149,600,851</b>
<b>Current Assets</b>			
Stock-in-trade	6	821,918,549	554,838,750
Trade debts	7	271,293,332	315,941,587
Loans and advances	8	1,224,927,742	1,023,064,438
Trade deposits and pre-payments	9	52,132,311	-
Interest accrued		20,843,727	1,902,192
Refunds due from government	10	100,970,552	17,242,440
Other receivables	11	26,316,205	120,374,628
Taxation - payments less provision		-	8,059,307
Held-to-maturity investment	12	198,542,857	-
Bank balances	13	1,103,011,566	670,342,359
		<b>3,819,956,841</b>	<b>2,711,765,701</b>
<b>Total Assets</b>		<b>3,953,766,892</b>	<b>2,861,366,552</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital And Reserves</b>			
Share capital	14	955,501,830	955,501,830
Reserves	15	1,341,331,243	641,074,562
		<b>2,296,833,073</b>	<b>1,596,576,392</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Staff retirement benefits	16	19,531,078	8,546,444
<b>Current Liabilities</b>			
Trade and other payables	17	1,461,982,884	1,256,243,716
Taxation - provision less payments		175,419,857	-
		1,637,402,741	1,256,243,716
<b>Total Liabilities</b>		<b>1,656,933,819</b>	<b>1,264,790,160</b>
<b>Commitments</b>	18		
<b>Total equity and liabilities</b>		<b>3,953,766,892</b>	<b>2,861,366,552</b>

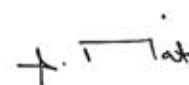
The annexed notes 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Director




Chief Executive Officer

# Profit and Loss Account

for the year ended December 31, 2017

	Note	2017 Rupees	2016
Net sales	19	8,298,142,426	5,375,804,602
Cost of sales	20	(5,196,905,515)	(3,867,068,492)
<b>Gross profit</b>		<b>3,101,236,911</b>	<b>1,508,736,110</b>
Selling, marketing and distribution expenses	21	(1,822,036,673)	(984,204,229)
Administrative expenses	22	(192,969,307)	(131,952,347)
Other operating expenses	23	(88,463,777)	(65,156,000)
Other income	24	181,205,422	530,194,830
<b>Operating profit</b>		<b>1,178,972,576</b>	<b>857,618,364</b>
Financial charges	25	(8,133,963)	(1,554,609)
<b>Profit before taxation</b>		<b>1,170,838,613</b>	<b>856,063,755</b>
Taxation	26	(464,022,840)	(310,598,363)
<b>Profit after taxation</b>		<b>706,815,773</b>	<b>545,465,392</b>
<b>Other Comprehensive Income/(Loss)</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurement of staff retirement benefits		(9,370,132)	(8,363,802)
Impact of deferred tax		2,811,040	2,312,139
<b>Other comprehensive loss for the year</b>		<b>(6,559,092)</b>	<b>(6,051,663)</b>
<b>Total comprehensive income</b>		<b>700,256,681</b>	<b>539,413,729</b>
<b>Earnings per share</b>	27	<b>Rs. 7.39</b>	<b>Rs. 7.60</b>

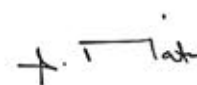
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Chief Financial Officer



Director



Chief Executive Officer

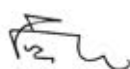


# Cash Flow Statement

for the year ended December 31, 2017

	Notes	2017 Rupees	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	28	835,713,297	1,276,487,486
Staff retirement benefits paid		(7,492,213)	(5,019,828)
Income taxes paid		(268,655,682)	(321,665,543)
Increase/decrease in long-term loans to employees		(215,575)	56,395
Net cash generated from operating activities		<b>559,349,827</b>	<b>949,858,510</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(28,387,509)	(71,003,854)
Proceeds from sale of operating assets		13,220,906	722,500
Loan to GlaxoSmithKline OTC (Private) Limited		-	(1,000,000,000)
Return received		87,028,840	21,768,917
Net cash generated from/(used in) investing activities		<b>71,862,237</b>	<b>(1,048,512,437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares		-	99,970
Net increase/decrease in cash and cash equivalents		631,212,064	(98,553,957)
Cash and cash equivalents at beginning of the year		670,342,359	3,090
Cash received from GlaxoSmithKline Pakistan Limited under the Scheme - note 1.1		-	768,893,226
Cash and cash equivalents at end of the year	29	<b><u>1,301,554,423</u></b>	<b><u>670,342,359</u></b>

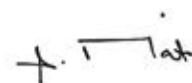
The annexed notes 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Statement of Changes in Equity

for the year ended December 31, 2017

	Rupees			
	Share capital	Capital Reserve Reserve arising at the Scheme of Arrangement - note 1.1	Revenue Reserves Unappropriated profit / accumulated loss	Total
Balance as at January 01, 2016	30	-	(252,700)	(252,670)
Issuance of right shares	99,970	-	-	99,970
Transfer of Consumer Healthcare division of GlaxoSmithKline Pakistan Limited under the Scheme of Arrangement - note 1.1	955,401,830	101,913,533	-	1,057,315,363
Profit after taxation for the year ended December 31, 2016	-	-	545,465,392	545,465,392
Other comprehensive loss for the year ended December 31, 2016	-	-	(6,051,663)	(6,051,663)
Total comprehensive income for the year ended December 31, 2016	-	-	539,413,729	539,413,729
<b>Balance as at December 31, 2016</b>	<b>955,501,830</b>	<b>101,913,533</b>	<b>539,161,029</b>	<b>1,596,576,392</b>
Profit after taxation for the year ended December 31, 2017	-	-	706,815,773	706,815,773
Other comprehensive loss for the year ended December 31, 2017	-	-	(6,559,092)	(6,559,092)
Total comprehensive income for the year ended December 31, 2017	-	-	700,256,681	700,256,681
<b>Balance as at December 31, 2017</b>	<b><u>955,501,830</u></b>	<b><u>101,913,533</u></b>	<b><u>1,239,417,710</u></b>	<b><u>2,296,833,073</u></b>

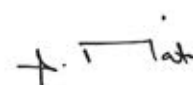
The annexed notes 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 on March 31, 2015 principally to effect the demerger of Consumer Healthcare business of GlaxoSmithKline Pakistan Limited under the Scheme of Arrangement as discussed in note 1.1. It is engaged in manufacturing, marketing and sale of consumer healthcare products. The registered office of the Company is at 35 - Dockyard Road, West Wharf, Karachi 74000. The Company has been listed at Pakistan Stock Exchange on March 22, 2017.

### 1.1. Assets and liabilities transferred under the Scheme of Arrangement

The Scheme of Arrangement (Scheme) was approved by the High Court of Sindh and its order was submitted to the Registrar of Companies on April 01, 2016, therefore, the comparative profit and loss account only represents nine months results, hence is not comparable.

1.2. Due to the pending transfer of marketing authorisations and certain permissions for the Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GlaxoSmithKline Pakistan Limited, 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 services fee charged by GlaxoSmithKline Pakistan Limited.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

### 2.1. Basis of preparation

#### Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated October 04, 2017 in continuation of circular no. CLD/CCD/PR(11)/2017 and the related press release dated July 20th, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 prevail.

#### Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards require 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) Provision for retirement benefits
- ii) Depreciation of non-current assets
- iii) Provision for obsolete and slow-moving stock
- iv) Provision for doubtful receivables
- v) Taxation

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgments made by the Company's management in applying the accounting policies that would have effect on the amounts recognised in the financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 2.2. Changes in accounting standards, interpretations and pronouncements

### (a) Standards, interpretations and amendments to published approved accounting standards that are effective in the current year and are relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 1, 2017, and are considered to be relevant to the Company's operations.

IAS 7, 'Cashflow statements' - This amendment requires disclosure to explain changes in liabilities for which cashflows have been, or will be classified as financing activities in the statement of cashflows. The amendment is part of the IASB's Disclosure Initiative. In the first year of adoption, comparative information need not be provided.

### (b) Standards, interpretations and amendments to published approved accounting standards that are effective in the current year but are not relevant

Except as stated in (a), new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2017 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

### (c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

Amendments to IFRS 2, 'Share-based payments' clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

'IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

'IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

In addition to the foregoing, the Companies Act, 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

## 2.3. Overall valuation policy

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

## 2.4. Staff retirement benefits

### 2.4.1. Defined benefit plan

The Company operates an approved funded gratuity plan for all its eligible employees. Contributions to the gratuity plan are based on actuarial recommendations. The latest actuarial valuation of the scheme was carried out as at December 31, 2017 using the Projected Unit Credit Method.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

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

**2.4.2. The Company also operates approved contributory provident fund for all its permanent employees.**

## **2.5. Taxation**

### **2.5.1 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.

### **2.5.2. Deferred**

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts. Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit and loss account except for deferred tax arising on remeasurements of staff retirement benefits which is recognised in other comprehensive income.

## **2.6. Trade and other payables**

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

## **2.7. 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. However, the provisions are reviewed at each balance date and adjusted to reflect current best estimate.

## **2.8. Fixed assets**

### **(i) Operating assets**

Operating assets are stated at cost less accumulated depreciation and accumulated impairment.

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 on assets is charged from the month of addition to the month of disposal.

The carrying value of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of operating assets are included in income currently.

### **(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.

## **2.9. Stock-in-trade**

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 necessarily to be incurred to make the sale.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 2.10. Trade debts

Trade debts are initially recognised at the invoice value which signifies their fair value, and then carried at amortised cost. Provision is made against debts considered doubtful of recovery. Bad debts are written off when considered irrecoverable.

## 2.11. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet 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 and short-term borrowings under running finance, having maturity of upto three months.

## 2.12. Foreign currency transactions and translation

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

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

## 2.13. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Sales of goods are recorded when the risks and rewards of the goods are transferred to the customers.
- Returns on deposits, investments, scrap sales and insurance commission are recognised on accrual basis.

## 2.14. Financial assets and liabilities

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received respectively. These are subsequently measured at fair value, amortised cost or cost as the case may be.

## 2.15. Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the balance sheet 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.

## 2.16. Dividend

Dividend is recognised as a liability in the period in which it is approved.

## 2.17. 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.

## 2.18. Segment reporting

The Company has not identified any operating segment for which the chief operating decision-maker reviews the operating results or for which there is any specific allocation of resources for a segment.



## for the year ended December 31, 2017

	Note	2017 Rupees	2016
<b>3. FIXED ASSETS</b>			
Operating assets	3.1	99,754,799	74,916,221
Capital work-in-progress	3.3	24,964,872	56,732,871
		<u>124,719,671</u>	<u>131,649,092</u>

	Leasehold Improvements	Furniture & fixtures	Vehicles	Office equipment	Total
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### 3.1 Operating assets

Net carrying value basis

Year ended December 31, 2017

Opening net book value	11,109,511	1,270,389	53,727,090	8,809,231	74,916,221
Additions (at cost)	-	-	33,136,500	27,019,008	60,155,508

## Disposals

- Cost	-	-	(14,872,103)	(748,627)	(15,620,730)
- Accumulated depreciation	-	-	4,621,500	288,894	4,910,394
	-	-	(10,250,603)	(459,733)	(10,710,336)

Write offs - net book value

Depreciation charge

Closing net book value

Gross carrying value basis  
At December 31, 2017

Cost

Accumulated depreciation

Net book value

Net carrying value basis  
Year ended December 31, 2016

Assets transferred from

GlaxoSmithKline Pakistan Limited

under the Scheme - note 1.1

Additions (at cost)

## Disposals

- Cost

- Accumulated depreciation

	-	-	(443,817)	-	(443,817)
--	---	---	-----------	---	-----------

Accumulated depreciation on

assets transferred under the  
Scheme - note 1.1

Depreciation charge

Closing net book value

2017年12月31日 2017年12月31日 2017年12月31日 2017年12月31日 2017年12月31日 2017年12月31日

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	Leasehold Improvements	Furniture & fixtures	Vehicles Rupees	Office equipment	Total
Gross carrying value basis At December 31, 2016					
Cost	12,251,089	2,161,553	77,173,171	17,117,144	108,702,957
Accumulated depreciation	(1,141,578)	(891,164)	(23,446,081)	(8,307,913)	(33,786,736)
<b>Net book value</b>	<b>11,109,511</b>	<b>1,270,389</b>	<b>53,727,090</b>	<b>8,809,231</b>	<b>74,916,221</b>
Depreciation rate % per annum	2.5	10	25	10 to 33.33	

### 3.2 Details of assets sold, having net book value in excess of Rs. 50,000 are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
	Rupees					
Motor vehicle	1,554,000	1,165,500	388,500	388,500	Company policy	Mr. Tafazzul Hussain - Executive
"	1,767,500	110,469	1,657,031	1,575,000	"	Mr. Asad Ahmed - Executive
"	1,291,000	907,717	383,283	779,400	"	Ms. Yumna Sultan Bari - Executive
"	2,573,000	1,125,787	1,447,213	1,657,500	"	Mr. Faisal Rafiq - Executive
"	1,529,000	1,146,750	382,250	382,250	"	Ms. Sanobar Gati - Executive
"	1,148,000	861,000	287,000	289,000	"	Mr. Siddiq Siddique - Executive
"	2,377,000	1,782,750	594,250	1,435,200	"	Ms. Sadia Nasir - Executive
"	2,519,000	1,653,094	865,906	1,575,000	"	Mr. Ahmed Jamil Baloch- Executive
"	1,857,500	783,633	1,073,867	1,467,000	"	Mr. Mazhar Iqbal Shams-Executive
"	1,211,000	908,250	302,750	484,400	"	Mr. Syed Mohsin Mazhar- Executive
"	1,291,000	968,250	322,750	786,000	"	Ms. Sarwat Akhoond - Executive
"	1,099,000	183,166	915,834	962,899	Tender	Mr. Muhammad Nasir Khan, A-597, Sector 11 A, North Karachi, Karachi
"	1,365,000	912,293	452,707	956,364	"	Mr. Hafiz Muhammad Umair, B-29, Sec- 11/C/1, Sir Syed Town North Karachi, Karachi
"	1,099,000	251,854	847,146	924,355	"	Mr. Farrukh Amjad Shah, R-25, Sector 5/L North Karachi, Karachi
"	1,365,000	1,041,637	323,363	1,200,000	"	Suzuki Macca Motors, Rashid Minhas Road, Gulshan-e-Jamal, Karachi



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>3.3. Capital work-in-progress</b>		
Opening balance	56,732,871	-
Assets transferred from GlaxoSmithKline Pakistan Limited pursuant to the Scheme - note 1.1	-	20,551,585
Additions during the year	28,387,509	43,745,906
Transfers during the year	(60,155,508)	(7,564,620)
<b>Closing balance - note 3.3.1</b>	<b>24,964,872</b>	<b>56,732,871</b>
<b>3.3.1. As at December 31, capital work-in-progress represents:</b>		
- Civil works	7,170,610	1,487,016
- Furniture and fixtures	2,252,685	1,909,966
- Office equipments	7,414,577	23,676,740
- Advances to suppliers	8,127,000	29,659,149
	<b>24,964,872</b>	<b>56,732,871</b>
<b>4. DEFERRED TAXATION</b>		
Debit balances arising in respect of:		
- provision for doubtful debts	866,007	1,871,663
- provision for slow-moving & obsolete stocks	6,859,863	18,688,449
- staff retirement benefits	5,296,506	2,362,630
	13,022,376	22,922,742
Credit balance arising in respect of accelerated tax depreciation allowances	(4,786,318)	(5,609,730)
	<b>8,236,058</b>	<b>17,313,012</b>
<b>5. LONG-TERM LOANS TO EMPLOYEES</b>		
<b>- considered good</b>		
To executives	989,256	2,373,322
To other employees	308,842	
	1,298,098	2,373,322
Recoverable within one year - note 8		
Executives	(363,341)	(1,734,575)
Other employees	(80,435)	-
	(443,776)	(1,734,575)
	<b>854,322</b>	<b>638,747</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	2016
	Rupees	
Reconciliation of carrying amount of loans to executives:		
Opening balance	2,373,322	-
Disbursements	-	3,858,599
Recoveries	(1,384,066)	(1,485,277)
<b>Closing balance as at December 31</b>	<b>989,256</b>	<b>2,373,322</b>

5.1 These loans have been given in accordance with the terms of employment for purchase of motor car, motorcycle, computer 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.

The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 2.29 million (2016: Rs. 2.81 million)

## 6. STOCK-IN-TRADE

	2017	2016
	Rupees	
Raw and packing materials [including in transit Rs. 105.57 million (2016: Rs. 47.84 million)]	219,860,556	114,766,982
Work-in-process	14,850,762	16,207,828
Finished goods [including in transit Rs. 114.58 million (2016: Rs. 242.10 million)]	639,760,309	509,488,194
	<b>874,471,627</b>	<b>640,463,004</b>
Less: Provision for slow-moving, obsolete and damaged stock - note 6.2	(52,553,078)	(85,624,254)
	<b>821,918,549</b>	<b>554,838,750</b>

### 6.1. Details of stock-in-trade held with the third parties is as follows:

For use in third party manufacturing - Roomi Enterprises (Private) Limited	12,476,508	83,130,981
Stock held at third party warehouse - DHL Global Forwarding Pakistan (Private) Limited	627,283,801	161,454,526

6.2. During the year, stock-in-trade of Rs. 37.14 million (2016: Rs. 35.43 million) has been written off against provision.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>7. TRADE DEBTS</b>		
Considered good	271,293,332	315,941,587
Considered doubtful	3,193,435	6,770,448
	<u>274,486,767</u>	<u>322,712,035</u>
Provision for doubtful debts	(3,193,435)	(6,770,448)
	<u>271,293,332</u>	<u>315,941,587</u>
<b>7.1. The ageing analysis of trade debts past due but not impaired is as follows:</b>		
- Up to 3 months	19,414,182	16,506,689
- 3 to 6 months	177,608	-
	<u>19,591,790</u>	<u>16,506,689</u>
<b>8. LOANS AND ADVANCES - considered good</b>		
Loan to GlaxoSmithKline OTC (Private) Limited (GSK OTC) - note 8.1	1,000,000,000	1,000,000,000
Current portion of long-term loans to employees - note 5	443,776	1,734,575
Advances to:		
- employees - note 8.2	1,427,935	1,617,094
- suppliers	37,926,796	19,712,769
- against letter of credit	185,129,235	-
	<u>1,224,927,742</u>	<u>1,023,064,438</u>

8.1 The Company has given a loan to GSK OTC, an associated company, on December 22, 2016 for the purchase of land, building and manufacturing facility from Novartis Pakistan (Private) Limited. The tenure of the loan was eleven months. The loan was further extended for a tenure of eleven months on November 20, 2017. Interest is receivable quarterly at the rate quoted by a designated bank for advances/loan in Pak Rupee for the respective interest period.

8.2 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

	2017	2016
	Rupees	
<b>9. TRADE DEPOSITS AND PREPAYMENTS</b>		
Container deposits - Considered good	29,457,039	-
Pre-payments	22,675,272	-
	<u>52,132,311</u>	<u>-</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 10. REFUNDS DUE FROM GOVERNMENT

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

## 11. OTHER RECEIVABLES

Due from associated companies - note 11.1

Others

2017 Rupees 2016

23,760,000	113,061,414
2,556,205	7,313,214
<u>26,316,205</u>	<u>120,374,628</u>

### 11.1. Due from associated companies - considered good

GlaxoSmithKline Pakistan Limited

GlaxoSmithKline Consumer

Health Care, Singapore

GlaxoSmithKline Limited, Egypt

GlaxoSmithKline Export Limited, UK

GlaxoSmithKline OTC (Private) Limited

-	77,452,334
-	26,325,000
-	1,892,550
-	7,391,530
23,760,000	-
<u>23,760,000</u>	<u>113,061,414</u>

11.2. The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 284.52 million (2016: Rs. 77.45 million).

## 12. HELD-TO-MATURITY INVESTMENT

This represents a treasury bill which is held with Company's banker for safe custody. The yield on treasury bill is 5.99% per annum with maturity in February 2018.

## 13. BANK BALANCES

With banks

on deposit accounts - note 13.1

on PLS savings account - note 13.1

on current account

2017 Rupees 2016

1,000,000,000	500,000,000
103,011,566	-
-	170,342,359
<u>1,103,011,566</u>	<u>670,342,359</u>

13.1 At December 31, 2017 the rates of mark-up on term deposit accounts and on PLS savings account were 5% to 5.3% (2016: 4.4% to 5.5%) per annum and 3.75% (2016: Nil) per annum respectively.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 14. SHARE CAPITAL

### Authorised share capital

2017	2016		2017	2016
Number of shares			Rupees	
200,000,000	100,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	1,000,000,000

### Issued, subscribed and paid-up capital

#### Ordinary shares of Rs. 10 each

2017	2016		2017	2016
Number of shares			Rupees	
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 - note 1.1	955,401,830	955,401,830
<u>95,550,183</u>	<u>95,550,183</u>		<u>955,501,830</u>	<u>955,501,830</u>

**14.1** As at December 31, 2017 Glaxosmithkline Consumer Healthcare B.V. and its nominees held 78,918,934 shares (2016: 78,918,934 shares).

**14.2.** During the year, the Company increased its authorised share capital for ordinary shares from Rs. 1 billion to Rs. 2 billion in its extraordinary general meeting held on November 20, 2017.

## 15. RESERVES

	2017	2016
	Rupees	
Capital reserve - note 15.1	101,913,533	101,913,533
Unappropriated profit	1,239,417,710	539,161,029
	<u>1,341,331,243</u>	<u>641,074,562</u>

**15.1.** This represents reserve in respect of Scheme of Arrangement as referred to in note 1.1.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

## 16. STAFF RETIREMENT BENEFITS

### 16.1. Staff retirement benefit

**16.1.1.** The Company operates an approved funded gratuity scheme for all its GSK OTC's eligible employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2017 using the Projected Unit Credit Method. The actuary conducts separate valuations of the Plan for the Company and GSK OTC. Hence, the information below represents the valuation of the Company.

**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:

#### 16.1.4. Balance sheet reconciliation

	2017	2016
	Rupees	
Present value of defined benefit obligation at December 31 - note 16.1.5	70,373,254	54,520,074
Fair value of plan assets at December 31 - note 16.1.6	(50,842,176)	(45,973,630)
<b>Deficit</b>	<b>19,531,078</b>	<b>8,546,444</b>

#### 16.1.5. Movement in the present value of defined benefit obligation

	2017	2016
	Rupees	
Balance at January 1	54,520,074	-
Balance transferred from GlaxoSmithKline Pakistan Limited Employees' Gratuity Fund	-	41,142,000
Benefits paid by the Plan	(5,441,214)	(314,512)
Current service cost	8,291,079	5,295,420
Interest cost	4,273,301	2,200,242
Remeasurement on obligation	8,273,854	6,196,924
Balance transferred from GlaxoSmithKline Pakistan Limited - note 16.1.14	456,160	-
<b>Balance at December 31</b>	<b>70,373,254</b>	<b>54,520,074</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>16.1.6. Movement in the fair value of plan assets</b>		
Balance at January 1	45,973,630	-
Balance transferred from GlaxoSmithKline Pakistan Limited Employees' gratuity Fund	-	41,142,000
Contributions made to the plan	7,492,213	5,019,828
Benefits paid by the plan	(5,441,214)	(314,512)
Interest income	3,457,665	2,293,192
Remeasurement on plan assets	(1,096,278)	(2,166,878)
Balance transferred from GlaxoSmithKline Pakistan Limited - note 16.1.14	456,160	-
<b>Balance at December 31</b>	<b>50,842,176</b>	<b>45,973,630</b>
<b>16.1.7. Expense recognised in profit and loss account</b>		
Current service cost	8,291,079	5,295,420
Net interest cost/(income)	815,636	(92,950)
<b>Expense recognised in profit and loss account</b>	<b>9,106,715</b>	<b>5,202,470</b>
<b>16.1.8. Remeasurements recognised in Other Comprehensive Income</b>		
Experience loss	8,273,854	6,196,924
Remeasurement of fair value of plan assets	1,096,278	2,166,878
<b>Remeasurements recognised in other comprehensive income</b>	<b>9,370,132</b>	<b>8,363,802</b>
<b>16.1.9. Net recognised liability</b>		
Net liability at beginning of the year	8,546,444	-
Expense recognised in profit and loss account	9,106,715	5,202,470
Contribution made to the plan during the year	(7,492,213)	(5,019,828)
Remeasurements recognised in other comprehensive income	9,370,132	8,363,802
<b>Recognised liability as at December 31</b>	<b>19,531,078</b>	<b>8,546,444</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	Rupees	2016	
<b>16.1.10. Plan assets of the Company comprise of the following:</b>		%		%
- Treasury bills	9,845,650	19%	-	-
- Pakistan investment bonds	34,783,405	68%	-	-
- Bank balances	5,756,961	12%	45,973,630	100%
- Others	456,160	1%	-	-
	<b>50,842,176</b>	<b>100%</b>	<b>45,973,630</b>	<b>100%</b>
<b>16.1.11. Significant Actuarial Assumptions</b>		%		%
Discount rate at December 31	8.25		8	
Future salary increases	8.25		8	

**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, 2018 is expected to be Rs. 28.268 million.

**16.1.14.** During the year, 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 sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate at December 31	1%	(4,379,312)	5,194,540
Future salary increases	1%	4,008,687	(3,466,954)

If longevity increases by 1 year, the resultant increase in obligation is insignificant.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

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 balance sheet.

### 16.3. Experience Adjustments

	2017	2016
Loss on obligation (as percentage of plan obligation)	11.76%	11.37%
Loss on plan assets (as percentage of plan assets)	2.16%	4.71%

16.4 The weighted average duration of approved funded gratuity scheme for its permanent employees is 6.22 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 Rupees	Between 5 - 10 years	Total
At December 31, 2017	33,284,608	2,367,958	18,162,863	31,749,646	85,565,075
At December 31, 2016	1,476,967	27,162,832	15,530,558	20,502,997	64,673,354

16.6. Figures in this note are based on the latest actuarial valuation carried out as at December 31, 2017.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	2016
	Rupees	
<b>17. TRADE AND OTHER PAYABLES</b>		
Creditors		
- GlaxoSmithKline Pakistan Limited - a related party	308,906,662	-
- Others	82,524,470	80,732,463
Bills payable		
- Associated companies - note 17.1	56,706,082	187,220,876
- Others	9,144,311	-
Accrued liabilities - note 17.2	758,658,451	843,877,306
Advances from customers	32,097,004	58,062,750
Taxes deducted at source and payable to statutory authorities	53,093,706	18,197,711
Workers' profits participation fund - note 17.3	113,620,690	46,473,000
Workers' welfare fund	44,181,657	18,683,000
Others	3,049,851	2,996,610
	<b>1,461,982,884</b>	<b>1,256,243,716</b>

17.1 Bills payable include payable to the following associated companies:

GlaxoSmithKline Consumer Trading Services Limited	29,525,769	52,478,678
GlaxoSmithKline Consumer Health Care Trading Limited	2,241,990	-
GlaxoSmithKline Consumer Health Care, Singapore	1,504,183	-
GlaxoSmithKline Limited, India	8,317,624	71,283,416
GlaxoSmithKline Consumer Health Care UK Limited	5,277,725	-
GlaxoSmithKline Export Limited, UK	9,838,791	63,458,782
	<b>56,706,082</b>	<b>187,220,876</b>

17.2 This includes liability for share-based compensation amounting to Rs. 18.29 million (2016: Rs. 10.48 million).



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2017

	2017	Rupees	2016
<b>17.3 Workers' Profit Participation Fund</b>			
Opening balance	46,473,000		-
Allocation for the year	62,965,120		46,473,000
Interest charge for the year	4,182,570		-
Balance at end of year	<u>113,620,690</u>		<u>46,473,000</u>

## 18. COMMITMENTS

**18.1** Commitments for capital expenditure outstanding as at December 31, 2017 amount to Rs. 9.88 million (2016: Rs. 32.33 million).

**18.2** Outstanding letters of credit amount to Rs. 1.37 million (2016: Nil).

## 19. NET SALES

### Manufactured goods

Gross sales	9,162,363,044	5,941,497,093
Less:		
Commissions, returns and discounts	(379,256,536)	(231,555,769)
Sales tax	(484,964,082)	(334,136,722)
	(864,220,618)	(565,692,491)
	<u>8,298,142,426</u>	<u>5,375,804,602</u>

**19.1.** During the year ended December 31, 2015, the Drug Regulatory Authority of Pakistan (DRAP) issued the Drug Pricing Policy 2015 (the Policy) vide a notification dated March 5, 2015. Under the Policy, pending hardship cases were to be decided within a period of nine months from the date of notification of the Policy. Prior to the promulgation of the Policy, GSK Pakistan had submitted applications for hardship price increase in respect of certain products which also included Over the Counter (OTC) drugs transferred to the Company from GlaxoSmithKline Pakistan Limited under the Scheme of Arrangement.

The Company increased prices of its certain products since DRAP did not decide on the hardship cases within the stipulated nine months period. GlaxoSmithKline Pakistan Limited filed a suit before the High Court of Sindh ('SHC') in order to avail the hardship price increase. The SHC passed an interim order in this regard, and accordingly notified to DRAP and Federation of Pakistan not to take any coercive action against GlaxoSmithKline Pakistan Limited in respect of hardship price increases.

On December 19, 2016, SHC passed Judgement in respect of the case ('the Judgement'). The DRAP, in pursuance of the said Judgment, issued a letter on December 28, 2016 requiring the Company to recall all the products from the market on which GlaxoSmithKline Pakistan Limited (on behalf of the Company - refer note 1) availed the price increase. The Company, based on the legal advice, believes that there are certain ambiguities in the Judgement and has filed an Appeal against the Judgement before the SHC in respect of which the SHC has notified to DRAP and Federation of Pakistan not to take any coercive action pursuant to the Judgement.

The management of the Company believes that there are strong grounds of Appeal to support the stance of the Company on hardship price increases.

20. COST OF SALES	2017	2016
	Rupees	
Raw and packing materials consumed	635,144,648	368,828,939
Manufacturing charges to third parties	198,972,468	123,802,506
Salaries, wages and other benefits - note 20.1	5,049,576	5,249,668
Travelling and entertainment	1,220,939	681,410
Vehicle running	405,272	392,263
Insurance	19,511,014	-
Depreciation	675,000	506,250
Handling, freight and transportation	8,238,280	7,710,000
Stock written off	-	502,012,477
Charge/(Reversal) of provision for slow-moving, obsolete and damaged stock	4,340,498	(2,111,796)
Others	578,593	44,524
Add: Stock of work-in-process transferred - note 1.1	874,136,288	1,007,116,241
	-	6,794,629
Add: Opening stock of work-in-process	16,207,828	-
Less: Closing stock of work-in-process	(14,850,762)	(16,207,828)
	875,493,354	997,703,042
Add: Stock of finished goods transferred	-	543,289,395
Add: Opening stock of finished goods	509,488,194	-
Add: Purchase of finished goods	4,451,684,276	2,835,564,249
	5,836,665,824	4,376,556,686
Less: Closing stock of work-in-process	(639,760,309)	(509,488,194)
	<u>5,196,905,515</u>	<u>3,867,068,492</u>

Salaries, wages and other benefits include Rs. 107,311 (2016: Rs. 275,034) and Rs. 144,899 (2016: Rs. 97,281) in respect of defined benefit plans and contributory provident fund respectively.



## 21. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	2017	2016
	Rupees	
Salaries, wages and other benefits - note 21.1	139,175,230	101,939,110
Sales promotion - note 21.2	519,472,058	325,558,350
Advertising	793,996,880	364,996,893
Handling, freight and transportation	221,697,617	82,804,164
Travelling and entertainment	30,524,914	30,133,270
Depreciation	19,386,525	8,096,486
Vehicle running	6,366,798	4,154,705
Provision for doubtful debts	158,196	152,035
Repairs and maintenance	3,213,609	2,333,775
Insurance	940,752	2,034,303
Printing and stationery	2,454,636	50,361
Security expenses	3,033,107	1,431,816
Shared services cost - note 21.3	78,175,200	58,631,400
Other expenses	3,441,151	1,887,561
	<b>1,822,036,673</b>	<b>984,204,229</b>

**21.1.** Salaries, wages and other benefits include Rs. 5.68 million (2016: Rs. 2.35 million) and Rs. 6.29 million (2016: Rs. 2.63 million) in respect of defined benefit plan and contributory provident fund respectively.

**21.2.** This includes promotional materials destroyed due to fire at one of the third party warehouse facilities. The Company is in the process of assessing the value of the destroyed stock and filing a claim to the Insurance Company in this respect.

**21.3.** These represent cost reimbursements to GlaxoSmithKline Pakistan Limited in respect of costs of various functions / services provided to the Company under a cost sharing agreement.

## 22. ADMINISTRATIVE EXPENSES

	2017	2016
	Rupees	
Salaries, wages and other benefits - note 22.1	91,999,495	58,902,685
Depreciation	2,903,106	1,545,249
Communication	-	30,000
Legal and professional charges	50,863,646	9,652,233
Rent, rates and taxes	-	4,241,680
Travelling and entertainment	5,330,483	3,358,306
Repairs and maintenance	4,631,220	104,880
Auditors' remuneration - note 22.3	5,324,102	4,831,433
Vehicle running	2,694,963	2,163,003
Publication and subscriptions	1,142,687	3,965,582
Insurance	18,144	545,665
Printing and stationery	1,417,935	297,300
Service fees - note 1.2	12,000,000	9,000,000
Shared services cost - note 21.3	35,546,232	31,978,494
Others	2,857,294	1,335,837
	<b>216,729,307</b>	<b>131,952,347</b>
Less: Closing stock of work-in-process	<b>(23,760,000)</b>	<b>-</b>
	<b>192,969,307</b>	<b>131,952,347</b>

**22.1.** Salaries, wages and other benefits include Rs. 3.32 million (2016: Rs. 2.67 million) and Rs. 3.12 million (2016: Rs. 2.02 million) in respect of defined benefit plan and contributory provident fund respectively.

**22.2.** These represent cost reimbursements to the Company against cost of services provided to GSK OTC under a cost sharing agreement.

	2017	Rupees	2016
<b>22.3. Auditors' remuneration</b>			
Audit fee	1,000,000		2,630,250
Fee for limited review of half yearly financial statements and other certifications	3,831,102		1,760,735
Out-of-pocket expenses	493,000		440,448
	<b>5,324,102</b>		<b>4,831,433</b>
<b>23. OTHER OPERATING EXPENSES</b>			
Workers' profits participation fund	62,965,120		46,473,000
Workers' welfare fund	25,498,657		18,683,000
	<b>88,463,777</b>		<b>65,156,000</b>
<b>24. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Return on treasury bill	1,262,857		-
Income on savings and deposit accounts	34,197,224		21,982,068
Interest income on loan to GSK OTC	71,773,151		1,689,041
<b>Income from non-financial asset</b>			
Gain on disposal of operating assets	2,510,570		278,683
<b>Others</b>			
Insurance claim recovery	68,073,343		506,245,038
Insurance commission	3,388,277		-
	<b>181,205,422</b>		<b>530,194,830</b>
<b>25. FINANCIAL CHARGES</b>			
Exchange loss - net	3,797,254		1,223,405
Bank charges	154,139		331,204
Interest on Workers' Profits Participation Fund	4,182,570		-
	<b>8,133,963</b>		<b>1,554,609</b>
<b>26. TAXATION</b>			
Current			
- for the year	361,812,776		313,606,236
- for prior year - note 26.1	90,322,069		-
Deferred	11,887,995		(3,007,873)
	<b>464,022,840</b>		<b>310,598,363</b>

**26.1** This includes prior year charge of super tax and tax on undistributed profits amounting to Rs. 26.12 million and Rs. 64.20 million imposed under section 4B and 5A of the Income Tax Ordinance, 2001 respectively.

	2017	Rupees	2016
<b>26.2. Relationship between tax expense and accounting profit</b>			
Profit before taxation	1,170,838,613		856,063,755
<b>Applicable tax rate</b>	<b>30%</b>		<b>31%</b>
Tax calculated at applicable tax rate	351,251,584		265,379,764
Impact of taxability at Final Tax Regime	103,543,834		49,272,841
Effect of prior year tax	90,322,069		-
Effect of tax credits	(86,583,959)		(8,993,385)
Effect of change in tax rate	-		1,713,187
Effect of permanent difference	6,320,290		-
Tax effect of other than temporary differences	(830,978)		3,225,956
	<b>464,022,840</b>		<b>310,598,363</b>



**27. EARNINGS PER SHARE**

Profit after taxation  
Weighted average number of  
outstanding shares  
Earnings per share

2017      2016  
Rupees

706,815,773	545,465,392
95,550,183	71,727,780
<b>Rs. 7.39</b>	<b>Rs. 7.60</b>

**27.1** A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.

**28. CASH GENERATED FROM OPERATIONS**

Profit after taxation

**Add/(Less): Adjustments for non-cash charges and other items**

Depreciation  
Operating assets written off  
Gain on disposal of operating assets  
Interest income  
Reversal of provision for slow-moving,  
obsolete and damaged stock net of stock written off  
Provision for doubtful debts  
Provision for staff retirement benefits

**Profit before working capital changes**

2017      2016  
Rupees      Rupees

1,170,838,613	856,063,755
22,964,631	10,147,985
1,641,963	-
(2,510,570)	(278,683)
(105,970,375)	(23,671,109)
4,340,498	(2,111,796)
158,196	152,035
9,106,715	5,202,470
(70,268,942)	(10,559,098)
<b>1,100,569,671</b>	<b>845,504,657</b>

**Effect on cash flow due to working capital changes**

Decrease/(increase) in current assets  
Stock-in-trade  
Trade debts  
Loans and advances  
Trade deposits and pre-payments  
Refunds due from government  
Other receivables

Increase in current liabilities  
Trade and other payables

2017      2016  
Rupees

(271,420,297)	101,242,732
44,490,059	(82,875,338)
(201,863,304)	(20,311,938)
(52,132,311)	-
(83,728,112)	(17,242,440)
94,058,423	(104,709,514)
(470,595,542)	(123,896,498)
205,739,168	554,879,327
(264,856,374)	430,982,829
<b>835,713,297</b>	<b>1,276,487,486</b>

**29. CASH AND CASH EQUIVALENTS**

Bank balances - note 13  
Held-to-maturity investment - note 12

1,103,011,566	670,342,359
198,542,857	-
<b>1,301,554,423</b>	<b>670,342,359</b>

### 30. 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	
	2017	2016	2017	2016	2017	2016
	Rupees					
Managerial remuneration	10,823,609	8,262,080	4,888,674	3,114,039	67,430,276	42,423,995
Bonus - note 30.2	7,403,821	12,819,627	2,921,276	3,044,785	24,846,734	27,243,883
Retirement benefits*	2,178,251	1,578,697	983,846	577,826	12,726,474	8,103,046
House rent	4,870,133	3,682,809	2,199,906	1,347,960	28,456,715	18,902,893
Utilities	1,082,246	818,406	488,871	299,551	6,323,693	4,200,641
Medical expenses	104,379	81,601	131,367	35,747	1,724,491	1,049,000
Others	873,702	421,317	1,297,990	555,547	18,592,638	12,796,647
	27,336,141	27,664,537	12,911,930	8,975,455	160,101,021	114,720,105
Number of person	1	1	1	1	40	35

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

**30.1** In addition to the above, fee paid to 2 (2016: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 1.2 million (2016: Rs. Nil).

**30.2** Bonus includes share-based payments as Share Appreciation Rights (SARs) given to the Chief Executive and Executive Director amounting to Rs. 9.59 million (2016: Rs. 7.04 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. Accruals made for bonus during the year are actualised subsequent to the year end when performance evaluations are finalised; and comparative figures are adjusted accordingly.

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

The above remuneration of the Chief Executive and Director is apportioned and charged to GSK OTC in respect of services rendered.

### 31. TRANSACTIONS WITH RELATED PARTIES

		2017	2016
		Rupees	
Relationship	Nature of transactions		
Associated companies:	a. Purchase of goods	4,451,684,276	2,835,564,249
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	12,000,000	9,000,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	113,721,432	90,609,894
	d. Recovery of expenses from GSK OTC	23,760,000	-
	d. Loan to GSK OTC	-	1,000,000,000
	e. Interest income on loan to GSK OTC	71,773,151	1,689,041
Staff retirement funds:	f. Sales by GlaxoSmithKline Pakistan Limited as an agent of the Company	6,221,358,628	3,852,533,217
	a. Expense charged for retirement benefit plans	18,651,044	9,902,470
	b. Payments to retirement benefit plans	17,036,542	9,742,201
Key management personnel:	a. Salaries and other employee benefits	81,021,708	36,712,780
	b. Post employment benefits	7,220,090	4,024,147
	c. Sale of assets - sales proceeds	3,010,200	-



**31.1** Balances of related parties as at December 31, 2017 are included in the respective notes to the financial statements. These are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest.

### 32. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS

The facilities for opening letters of credit as at December 31, 2017 amounted to Rs. 530.4 million (2016: Rs. 502.08 million) of which unutilised balances at the year end amounted to Rs. 529.03 million (2016: Rs. 502.08 million).

The facilities for standby letters of credit and guarantees as at December 31, 2017 amounted to Rs. 95 million (2016: Rs. 95 million). There is no utilisation of these facilities as at December 31, 2017 and 2016.

### 33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 33.1 Financial assets and liabilities

All the financial assets of the Company, except treasury bill classified as held to maturity, are categorised as loans and receivables and all the financial liabilities are categorised as financial liabilities measured at amortised cost. The carrying values of all financial assets and liabilities approximate their fair values.

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
	Rupees						
Financial Assets							
Loans and Receivables							
Loans to employees	-	-	-	443,776	854,322	1,298,098	1,298,098
Advances and deposits	-	-	-	216,014,209	-	216,014,209	216,014,209
Trade debts	-	-	-	271,293,332	-	271,293,332	271,293,332
Interest accrued	-	-	-	20,843,727	-	20,843,727	20,843,727
Loan to GlaxoSmithKline OTC (Private) Limited	1,000,000,000	-	1,000,000,000	-	-	-	1,000,000,000
Other receivables	-	-	-	26,316,205	-	26,316,205	26,316,205
Bank balances	1,103,011,566	-	1,103,011,566	-	-	-	1,103,011,566
Held to Maturity							
Investment	198,542,857	-	198,542,857	-	-	-	198,542,857
December 31, 2017	2,301,554,423	-	2,301,554,423	534,911,249	854,322	535,765,571	2,837,319,994
December 31, 2016	1,500,000,000	-	1,500,000,000	610,295,341	638,747	610,934,088	2,110,934,088
Financial Liabilities							
Trade and other payables	-	-	-	1,218,989,827	-	1,218,989,827	1,218,989,827
December 31, 2017	-	-	-	1,218,989,827	-	1,218,989,827	1,218,989,827
December 31, 2016	-	-	-	1,123,600,213	-	1,123,600,213	1,123,600,213
On Balance Sheet Gap							
December 31, 2017	2,301,554,423	-	2,301,554,423	(684,078,578)	854,322	(683,224,256)	1,618,330,167
December 31, 2016	1,500,000,000	-	1,500,000,000	(513,304,872)	638,747	(512,666,125)	987,333,875

The effective mark-up rates for the financial assets and liabilities are mentioned in respective notes to the financial statements

## 33.2. Financial Risk Management

### (a) Market risk

#### (i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at December 31, 2017 the Company does not have any borrowings. Further, the interest-bearing financial assets of Rs. 1.3 billion (2016: Rs. 500 million) are on fixed interest rates, hence management believes that the Company is not exposed to interest rate changes in respect of such financial assets. The loan to GSK OTC amounting to Rs. 1 billion is on floating rate of interest (refer note 8.1).

#### (ii) Currency risk

Foreign currency risk arises mainly where receivables and payables exist in foreign currency due to transactions with foreign undertakings. Net payables exposed to foreign currency risk as at December 31, 2017 amount to Rs. 65.85 million (2016: Rs. 151.62 million).

The liability is mainly denominated in US Dollars. At December 31, 2017, 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. 3.29 million (2016: Rs. 7.58 million).

### (b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed to perform as contracted. The analysis of maximum exposure to credit risk resulting from each class of financial assets is as follows:

	2017	2016
	Rupees	
Trade debts - note 7	271,293,332	315,941,587
Advances and deposits - notes 8 & 9	216,014,209	1,617,094
Loans, interest accrued and other receivables	1,048,458,030	1,124,650,142
Held-to-maturity investment - note 12	198,542,857	-
Bank balances - note 13	1,103,011,566	670,342,359
	<u>2,837,319,994</u>	<u>2,112,551,182</u>

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. 22.79 million (2016: Rs. 20.28 million) are past due of which Rs. 3.19 million (2016: Rs. 6.77 million) have been impaired.

Advances are placed mainly with financial institutions against leasing arrangements, hence exposed to no significant credit risk.

Loans, interest accrued and other receivables are not exposed to any material credit risk as loan mainly relates to associated company amounting to Rs.1 billion (2016: Rs. 1 billion) and other receivables mainly pertains to related parties amounting to Rs. 23.76 million (2016: Rs. 113.06 million). Loans to employees are secured against their retirement benefits.

The investment represents investment in Government securities.

Bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies.

### (c) Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient cash and balances with banks in deposit accounts and arranging financing through banking facilities and managing timing of payments to associated undertakings.

## 34. PROVIDENT FUND RELATED DISCLOSURES

The Provident Fund (the Fund) maintained by the Company also includes employees of GSK OTC. The assets and liabilities of the respective members of both companies are separately recorded in the Fund. The following information is based on un-audited financial statements of the Fund:



	2017	2016
	Rupees	
Size of the Fund - Total assets	96,842,560	59,394,744
Fair value of investments - note 34.1	85,158,511	59,394,744
Percentage of investments made	88%	100%

**34.1** The cost of the above investments amounted to Rs. 68.49 million (2016: Rs. 59.39 million).

**34.2** The break-up of the fair value of investments is as follows:

	2017		2016	
	Rupees	Percentage	Rupees	Percentage
Government securities	85,158,511	100%	-	100%
Bank deposits	-	-	59,394,744	-

**34.3** SECP has issued "Employees' Provident Fund (Investment in Listed Securities) Rules, 2016" through SRO 770 (1)/2016, dated August 17, 2016 in relation to investments made out of provident fund. Section 1 (3) of the said rules states that "within two years from the commencement of these rules, all investments from provident funds or trust shall be brought in conformity with the provision of these rules".

### 35. NUMBER OF EMPLOYEES

Number of employees at the end of year	63	55
Average number of employees during the year	59	58

### 36. 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 return on capital employed. The current capital structure of the Company is equity based with no financing through borrowings.

### 37. SUBSEQUENT EVENTS

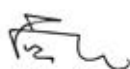
The Board of Directors in its meeting held on January 29, 2018 proposed a cash dividend of Rs. 5 per share (2016: Nil per share) amounting to Rs. 477.8 million (2016: Nil) subject to the approval of the members in the forthcoming annual general meeting of the Company.

### 38. 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.

### 39. DATE OF AUTHORISATION FOR ISSUE

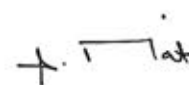
These financial statements were approved and authorised for issue by the Board of Directors of the Company on 22nd Jan 2018



Chief Financial Officer



Director



Chief Executive Officer

# Pattern of Shareholding

As at December 31, 2017

Number Of Shareholders	Shares Holding		Total Shares Held
	From	To	
1933	1	100	65,697
1773	101	500	455,877
556	501	1000	429,294
780	1001	5000	1,783,045
146	5001	10000	1,022,458
46	10001	15000	562,467
29	15001	20000	502,441
17	20001	25000	376,601
12	25001	30000	329,177
6	30001	35000	192,339
6	35001	40000	227,247
2	40001	45000	85,948
1	45001	50000	46,200
6	50001	55000	322,260
3	55001	60000	177,513
2	65001	70000	132,365
3	70001	75000	219,114
1	80001	85000	85,000
1	90001	95000	90,774
2	95001	100000	193,327
1	120001	125000	125,000
1	205001	210000	208,800
2	250001	255000	508,943
1	385001	390000	389,040
1	390001	395000	393,656
1	505001	510000	505,900
1	675001	680000	679,700
1	970001	975000	973,957
1	2750001	2755000	2,753,004
1	2790001	2795000	2,794,105
1	78915001	78920000	78,918,934
5337			95,550,183



# Categories of Shareholders

As at December 31, 2017

Sr#	Categories of shareholders	Number of Shareholder	Shares Held	Percentage %
1	Individuals	1,717	1,174,918	1.23
2	Investment Companies	3	816	0.00
3	Joint Stock Companies	8	1,260	0.00
4	Financial Institutions	2	1,809	0.00
5	Associated Companies	1	78,918,934	82.59
6	Central Depository Company (b)	3,603	15,439,756	16.16
7	Others (see below)	3	12,690	0.01
		<b>5,337</b>	<b>95,550,183</b>	<b>100.00</b>
<b>Other:</b>				
i	MOHSIN TRUST	1	7,935	0.01
ii	THE PUNJABI SAUDAGAR MULTIPURPOSE CO-OP SOC LTD	1	99	0.00
iii	ANJUMAN WAZIFA SADAT-O-MOMINEEN PAKISTAN	1	4,656	0.00
		<b>3</b>	<b>12,690</b>	<b>0.01</b>

(b) Categories of Account holders and Sub-Account holders as per Central Depository Company of Pakistan as at December 31, 2017

Sr#	Categories of shareholders	Number of Shareholder	Shares Held	Percentage %
1	Individuals	3,484	7,140,199	7.47
2	Investment companies	6	2,867,634	3.00
3	Insurance companies	6	2,851,304	2.98
4	Joint stock companies	46	828,265	0.87
5	Financial institutions	2	3,780	0.00
6	Modarabas	3	51,656	0.05
7	Foreign shareholders	7	1,133,785	1.19
8	Others (see below)	49	563,133	0.59
		<b>3,603</b>	<b>15,439,756</b>	<b>16.16</b>

**Others:**

1	TRUSTEE PAK TOBACCO CO LTD STAFF DEF CONTRI PEN FD (1384-1)	1	1,800	0.00
2	TRUSTEE PAK TOBACCO CO LTD STAFF PENSION FUND [1390-2]	1	39,390	0.04
3	TRUSTEE - SHELL PAKISTAN DC PENSION FUND	1	3,660	0.00
4	TRUSTEE - SHELL PAKISTAN MANAGEMENT STAFF PENSION FUND	1	7,380	0.01
5	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	254,043	0.27
6	TRUSTEES ENGRO CORP LTD MPT EMPLOYEES DEF CONTR PENSION FUND	1	4,770	0.00
7	TRUSTEE - SHELL PAKISTAN STAFF PENSION FUND	1	90	0.00
8	UNILEVER PAKISTAN LIMITED NON-MANAGEMENT STAFF GRATUITTY FUND	1	210	0.00
9	THE UNION PAKISTAN PROVIDENT FUND	1	6,240	0.01
10	TRUSTEE - IBM ITALIA S.P.A. PAKISTAN EMPLOYEES GRATUITTY FUND	1	120	0.00
11	TRUSTEE - IBM SEMEA EMPLOYEES PROVIDENT FUND	1	2,160	0.00
12	TRUSTEE-RAFHAN BEST FOODS EMPLOYEES PROVIDENT FUND	1	930	0.00

Others:		Number of Shareholders	Shares Held	Percentage %
13	TRUSTEE PAK TOBACCO CO. LTD MANAGEMENT PROV FUND (1386-2)	1	5,820	0.01
14	TRUSTEE PAK TOBACCO CO. LTD EMPLOYEES PROVIDENT FUND(1385-5)	1	6,210	0.01
15	TRUSTEE PAK TOBACCO CO LTD EMPLOYEES GRATUITTY FUND(1383-4)	1	8,310	0.01
16	TRUSTEE - SHELL PAKISTAN MANAGEMENT STAFF PROVIDENT FUND	1	2,700	0.00
17	TRUSTEE - SHELL PAKISTAN MANAGEMENT STAFF GRATUITTY FUND	1	150	0.00
18	TRUSTEE - SHELL PAKISTAN LABOUR & CLERICAL STAFF GRATUITTY FUND	1	510	0.00
19	TRUSTEE - SHELL PAKISTAN LABOUR PROVIDENT FUND	1	570	0.00
20	THE AGA KHAN UNIVERSITY FOUNDATION	1	6,513	0.01
21	PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	1	7,536	0.01
22	TRUSTEES KANDAWALLA TRUST	1	20,508	0.02
23	TRUSTEES SAEEDA AMIN WAKF	1	27,750	0.03
24	TRUSTEES MOHAMAD AMIN WAKF ESTATE	1	54,000	0.06
25	TRUSTEES LOTTE CHEMICAL PAKISTAN MNGT STAFF GRATUITTY FUND	1	1,065	0.00
26	MANG.COM.KARACHI ZARTHOSHI BANU MANDAL	1	8,703	0.01
27	TRUSTEES LOTTE CHEMICAL PAKISTAN NON MGN STAFF G.FUND	1	24	0.00
28	TRUSTEES LOTTE CHEMICAL PAKISTAN MNG STAFF PROVIDENT FUND	1	1,830	0.00
29	TRUSTEES OF AMINIA MUSLIM GIRLS SCHOOL	1	9,900	0.01
30	TRUSTEES LOTTE CHEMICAL PAKISTAN MGT.STAFF DEF. CONT. S.FUND	1	1,560	0.00
31	TRUSTEES MRS.KHORSHED H.DINSHAW & MR.HOSHANG N.E.DINSHAW C.TR	1	16,269	0.02
32	TRUSTEES D.N.E. DINSHAW CHARITY TRUST	1	22,083	0.02
33	RIBAT-UL-ULUM-IL-ISLAMIYAH	1	300	0.00
34	TRUSTEES OF MAGNUS INVESTMENT ADVISORS LTD. EMPL. PROV. FUND	1	45	0.00
35	TRUSTEES OF PAKISTAN REFINERY LTD MANAG. STAFF GRATUITTY FUND	1	300	0.00
36	TRUSTEES OF PAKISTAN REFINERY LTD PROVIDENT FUND	1	2,610	0.00
37	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	8,913	0.01
38	TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	1	11,400	0.01
39	THE AL-MALIK CHARITABLE TRUST	1	1,245	0.00
40	TRUSTEE ABDUL SHAKOOR HAJI HUSSAIN	1	21	0.00
41	TRUSTEES INTERNATIONAL INDUST. LTD EMPLOYEES PROVIDENT FUND	1	1,770	0.00
42	TRUSTEES INTERNATIONAL INDUST. LTD EMPLOYEES GRATUITTY FUND	1	2,700	0.00
43	TRUSTEES INTERNATIONAL STEELS LTD EMPLOYEES GRATUITTY FUND	1	345	0.00
44	TRUSTEES INTERNATIONAL STEELS LTD EMPLOYEES PROVIDENT FUND	1	510	0.00
45	AKHUWAT	1	450	0.00
46	TRUSTEE - GREAVES PAKISTAN (PVT) LTD. - STAFF GRATUITTY FUND	1	300	0.00
47	TRUSTEES ENGRO CORPORATION LIMITED GRATUITTY FUND	1	1,530	0.00
48	TRUSTEES ENGRO CORP LTD MPT EMPLOYEES DEF CONT GRATUITTY FUND	1	7,740	0.01
49	TRUSTEE AVANCEON LTD. EMPLOYEES PROVIDENT FUND	1	150	0.00
		<b>49</b>	<b>563,133</b>	<b>0.59</b>



# Shareholding Information

As at December 31, 2017

Categories of Shareholders	Shareholders	Shares Held	Percentage %
<b>Directors and their spouse(s) and minor children</b>			
HUSAIN LAWAI	3	1,159	0.00
SYED AZEEM ABBAS NAQVI	1	1	0.00
SOHAIL AHMED MATIN	1	1	0.00
<b>Associated companies, undertakings and related parties</b>			
M/S. GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	1	78,918,934	82.59
<b>Executives</b>			-
<b>Public sector companies and corporations</b>	6	3,144,411	3.29
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>	30	507,584	0.53
<b>Mutual Funds</b>			
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	208,800	0.22
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	72,755	0.08
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	3,231	0.00
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	254,900	0.27
CDC - TRUSTEE NAFA STOCK FUND	1	393,656	0.41
CDC - TRUSTEE DAWOOD ISLAMIC FUND	1	15,600	0.02
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	2,760	0.00
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	6,000	0.01
CDC - TRUSTEE NITIPF EQUITY SUB-FUND	1	2,794,105	2.92
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	1,500	0.00
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	14,200	0.01
CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND	1	97,000	0.10
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	20,000	0.02
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	65,270	0.07
<b>General Public</b>			
a. Local	5164	6,757,879	7.07
b. Foreign	1	57,513	0.06
Foreign Companies	6	1,076,272	1.13
Others	110	1,136,652	1.19
<b>Totals</b>	<b>5337</b>	<b>95,550,183</b>	<b>100.00</b>
<b>Shareholders holding 5% or more</b>			
M/S. GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.		78,918,934	82.59

# Notice of Annual General Meeting

Notice is hereby given that the 3rd Annual General Meeting of GlaxoSmithKline Consumer Healthcare Pakistan Limited will be held at 11:00 a.m. on Thursday, March 29, 2018 at Beach Luxury Hotel, Karachi to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the Company for the year ended December 31, 2017 together with the Directors and Auditors' Report thereon.
2. To appoint Auditors for the term ending at the conclusion of the next Annual General Meeting and to fix their remuneration for the year ended December 31, 2018.
3. To approve payment of Final Cash Dividend of Rs. 5 per ordinary share i.e. (50%).

## ANY OTHER BUSINESS:

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

By Order of the Board

Karachi  
March 08, 2018

**Farhan Muhammad Haroon**  
Company Secretary

## Notes:

1. The share transfer books of the Company will remain closed from March 23, 2018 to March 29, 2018 (both days inclusive) and no request for transfer of shares will be accepted for registration. Transfers received at Company's Share Registrar namely Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400 by the close of business on March 22, 2018 will be considered in time for the purpose of payment of final dividend to the transferees.
2. 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 Central Depository Company of Pakistan Limited, CDC House, 99-B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi not less than 48 hours before the time of the Meeting.
3. The shareholders are requested to notify the Company if there is any change in their addresses.
4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

#### 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 Computerised 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 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.
5. The 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), without CNIC such shareholder(s) shall not be allowed to attend and/or sign the Register of Shareholders/Members at the AGM.

#### 6. 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' shareholders @ 15% and 20% respectively. 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 be reached to our Share Registrar by March 16, 2018; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).



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. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

7. Under the provisions of Section 242 of the Companies Act, 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 dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website i.e. <https://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan-limited> and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.
8. SECP through its SRO 470(1)/2016, dated May 31, 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 sent its Annual Report 2017 to its shareholders in the form of CD. Any member requiring printed copy of Annual Report 2017 may send a request using a Standard Request Form placed on Company website.
9. **Transmission of Annual Financial Statements through Email:**

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. <https://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan-limited> and send the said form duly filled in and signed along with copy of his/her/its CNIC/Passport to the Company's Share Registrar. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice. Annual Financial Statements will be sent at your registered address, as per normal practice. The Annual Audited Financial Statements of the Company for the financial year ended December 31, 2017 have also been provided on the Company's website i.e. <https://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan-limited>.

#### 10. UNCLAIMED DIVIDEND/SHARES:

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due payable shall vest with the Federal Government after compliance of procedures prescribed under the Company Act, 2017. Section 244(I)(a) of the ACT requires the Company to give a 90 days' notice to the members to file their claims with the Company. Further SECP vide Direction No. 16 of 2017 issued on July 7, 2017 directed all listed Companies issue such notice to the members and submit statement of unclaimed shares or dividend or any other instruments which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of May 30, 2017.

#### 11. VIDEO CONFERENCE FACILITY:

Pursuant to SECP Circular No 10 dated May 21, 2014 and Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in

the meeting through video conference at least 10 days prior to the date of 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 to registered address of the Company 10 days before holding of the Annual General Meeting.

The Company will intimate Members regarding 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.

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 \_\_\_\_\_.

\_\_\_\_\_  
Signature of Member

# E-Dividend Mandate Letter

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, authorise the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

<b>(i) Shareholder's details:</b>	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
<b>(ii) Shareholder's Bank account details:</b>	
Title of Bank Account	
IBAN (See Note 1 below)	
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:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.



# Consent Required from Shareholder(s)

## For Annual Reports through e-mail

Dear Shareholder(s)

The Securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I) 2014) dated 8 September, 2014 has allowed the circulation of Company's annual balance sheet and profit and loss account, auditor's report and directors' report etc. (Audited Annual Financial Statements) to shareholders along with notice of Annual General Meeting (AGM) through e-mail.

Therefore, if you wish to receive company's (Audited Annual Financial Statements) along with notice of (AGM) via email, you are requested to provide this letter duly filled and signed to us or our Share Registrar at their below address:

E-MAIL ADDRESS: \_\_\_\_\_

CNIC NUMBER: \_\_\_\_\_

FOLIO/CDS ACCOUNT # \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF SHAREHOLDER

ای میل کے ذریعے اے جی ایم کے نوٹس کے ساتھ کمپنی کے سالانہ مالیاتی حسابات حاصل کرنے کے لیے، اس خط کو پُر کریں اور درج ذیل ایڈریس پر ہمارے رجسٹرار کو بھیج دیں۔

### Share Registrar:

Share Registrar Department  
Central Depository Company of Pakistan Limited  
CDC House, 99 - B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi-74400.  
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcpak.com  
Website: www.cdcpakistan.com

Yours faithfully,  
For GlaxoSmithKline Consumer Healthcare Pakistan Limited  
**FARHAN M. HAROON**  
Company Secretary

# Factories and Distribution

## HEAD OFFICE

35, Dockyard Road,  
West Wharf, Karachi - 74000  
Tel: (92 -21) 32315478 - 82  
Fax: (92-21) 32311120  
UAN: 111 - 475 - 725

## DISTRIBUTION / SALES OFFICE

### Karachi

B - 63, 65,  
Estate Avenue,  
S.I.T.E., Karachi  
Tel: (92 -21) 32561200 - 07  
Fax: (92-21) 32564908

### Lahore

880-B Faisal Town  
Lahore, 54700  
Tel: (92 -42) 35162194  
Fax: (92-42) 35111065

### Islamabad

Aleem House, Plot No. 409,  
Sector I - 9, Industrial Area  
Tel: (92 - 51) 4433589, 4433598  
Fax: (92 - 51) 4433706

# شیئر ہولڈر کی طرف سے درکار رضامندی

## برائے حصول سالانہ رپورٹس بذریعہ ای میل

عزیز شیئر ہولڈر

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے نوٹیفیکیشن (SRO 78(1) 2014) بتاریخ 8 ستمبر 2014 کے ذریعے کمپنی کی سالانہ بیلنس شیٹ، اور نفع و نقصان کی اسٹیٹمنٹس، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (آڈٹ شدہ فائنانشل اسٹیٹمنٹس، سالانہ اجلاس عام کے نوٹس کے ساتھ اپنے شیئر ہولڈرز کو بذریعہ ای میل ارسال کرنے کی منظوری دی ہے۔

لہذا اگر آپ کمپنی کی (آڈٹ شدہ فائنانشل اسٹیٹمنٹس) سالانہ اجلاس عام کے نوٹس کے ساتھ بذریعہ ای میل حاصل کرنا چاہتے ہیں تو آپ سے درخواست ہے کہ اس لیٹر کو باقاعدہ پُر کرنے اور دستخط کرنے کے بعد ہمارے شیئر رجسٹرار کے پاس درج ذیل پتے پر جم-ع کروا دیں۔

ای میل ایڈریس:

CNIC نمبر:

فولیو/ CDS اکاؤنٹ نمبر:

دستخط شیئر ہولڈر

شیئر رجسٹرار

شیئر رجسٹرار ڈپارٹمنٹ

سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ

سی ڈی سی ہاؤس نمبر B-99، بلاک B

S.M.C.H.S. مین شاہراہ فیصل

کراچی 74400

فون نمبر: کسٹمر سپورٹ سروسز (ٹول فری) (23275) (0800-CDCPL)

فیکس: 3432653 (21-92)

ای میل: info@cdcpak.com

خیر اندیش

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ

فرحان ایم ہارون

کمپنی سیکرٹری



# ای-ڈیویڈینڈ مینڈیٹ خط

محترم/محترمہ-----

تاریخ:\_\_\_\_\_

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

جناب 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 کروادے۔

شیئر ہولڈر کی تفصیلات	
شیئر ہولڈر کا نام	
سی ڈی سی شرکت کنندہ کی ID سب اکاؤنٹ نمبر / CDC IAS	
CNIC / NICOP پاسپورٹ/ NTN نمبر (برائے مہربانی کاپی منسلک کریں)	
رابطہ (لینڈ لائن اور موبائل)	
شیئر ہولڈر کا پتہ	
شیئر ہولڈر کے بینک اکاؤنٹ کی تفصیلات	
بینک اکاؤنٹ کا عنوان	
IBAN (درج بالا نوٹ 1 ملاحظہ فرمائیں)	
بینک کا نام	
برانچ کا نام اور کوڈ نمبر	
برانچ کا ایڈریس	

یہ بیان کیا جا تا 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 اینٹٹی کی صورت میں کمپنی کی اسٹیمپ لگائیں

نوٹس

1. برائے مہربانی الیکٹرانک کریڈٹ کی سہولت حاصل کرنے کے لیے اپنی متعلقہ برانچ سے چیک کرنے کے بعد IBAN فراہم کریں۔

2. یہ لیٹر شیئر ہولڈرز شرکت کنندگان/سی ڈی سی انوسٹر اکاؤنٹ سروسز جو کمپنی کی طرف سے وقتاً فوقتاً دیے جانے والے منافع منقسمہ کے براہ راست کریڈٹ کے لیے

اپنے سی ڈی سی اکاؤنٹ بینک اکاؤنٹ کی تفصیلات شامل کرنے کے لیے مینٹین کرتے ہیں۔

## وڈیو کانفرنس کی سہولت

SECP کے سرکلر نمبر 10 بتاریخ 21 مئی 2014 اور کمپنیز ایکٹ 2017 کے مطابق کمپنی کسی خاص جغرافیائی مقام پر رہنے والے 10 فیصد یا اس سے زائد شیئر ہولڈنگ کے حامل ممبر سے اجلاس سے 10 دن قبل اجلاس میں وڈیو کانفرنس کے ذریعے شرکت کی رضامندی حاصل کرتی ہے تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کی صورت میں وڈیو کانفرنس کی سہولت فراہم کرے گی۔ اس حوالے سے برائے مہربانی درج ذیل فارم پر کریں اور کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام سے 10 روز قبل جمع کروائیں۔ کمپنی تمام تر ضروری معلومات کے ساتھ ممبرز کو سالانہ اجلاس عام سے کم از کم 5 روز قبل وڈیو کانفرنس کی سہولت کے مقام سے آگاہ کرے گی تاکہ وہ اس سہولت تک رسائی حاصل کر سکیں۔

میں/ہم کے گلیکسو سمتھ کلائن ہیلتھ کیئر

پاکستان میٹڈ کے ممبر اور رجسٹرڈ فولیو ممبر/سی ڈی سی اکاؤنٹ ممبر کے مطابق ----- عمومی

شیئر ز کے حامل ہونے کے ناطے ----- پر وڈیو کانفرنس سہولت کا انتخاب کرتے ہیں۔

ممبر کے دستخط

مطلوبہ معلومات ہمارے شیئر رجسٹرار کے پاس 16 مارچ 2016 تک پہنچ جانی چاہئیں، بصورت دیگر یہ تصور کیا جائے گا کہ شیئرز میں پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کا حصہ برابر ہے۔

لہذا شیئر ہولڈرز سے درخواست ہے کہ براہ مہربانی ایف بی آر کی ویب سائٹ <http://www.fbr.gov.pk> پر موجود ایکٹو ٹیکس پیئر لسٹ (ATL) میں اپنا فائلر اسٹیٹس چیک کر لیں اور ساتھ ہی یقینی بنائیں کہ آپ کا کمپیوٹرائزڈ شناختی کارڈ نمبر/پاسپورٹ نمبر/شرکت کنندہ/انوسٹر 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 کے نام اور نیشنل ٹیکس نمبر (NTN) ایف بی آر ویب سائٹ کی ATL میں موجود ہیں اور شرکت کنندہ/انوسٹر اکاؤنٹ سروسز یا فزیکل شیئر ہولڈنگ کی صورت میں کمپنی کے شیئر رجسٹرار کے پاس ریکارڈ ہیں۔ NTN یا NTN سرٹیفیکیٹس جیسی بھی صورت ہو، بھجواتے ہوئے شیئر ہولڈرز لازماً کمپنی کا نام اور فولیو نمبرز ضرور بھجوائیں۔

کمپنیز ایکٹ 2017 کے سیکشن 242 کی پرویژن کے مطابق، لسٹڈ کمپنی کے لیے ضروری ہے کہ وہ شیئر ہولڈرز کو منافع منقسمہ کی ادائیگی صرف الیکٹرانک ذریعے سے ان کے تفویض کردہ بینک اکاؤنٹس میں براہ راست کریں۔ شیئر ہولڈرز سے درخواست ہے کہ وہ فزیکل شیئرز کی صورت میں کمپنی کی ویب سائٹ <http://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan=limited> پر موجود الیکٹرانک مینڈیٹ فارم پر کریں اور اسے اپنے دستخط اور کمپیوٹرائزڈ شناختی کارڈ کی کاپی کے ساتھ کمپنی کے رجسٹرار میسرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس B-99 ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی پر بھجوائیں۔ شیئرز CDC میں ہونے کی صورت میں الیکٹرانک کریڈٹ مینڈیٹ فارم لازماً براہ راست شیئر ہولڈرز/بروکر/شرکت کنندہ/سی ڈی سی اکاؤنٹ سروسز کے پاس جمع کروایا جائے۔

SECP نے اپنے 2016 (1) 47 SRO بتاریخ 31 مئی 2016 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ، پرافٹ اینڈ لاس اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) اپنے ممبرز میں CD/DVD/USB کے ذریعے ان کے رجسٹرڈ پتوں پر ارسال کریں۔ متذکرہ بالا کی روشنی میں، کمپنی نے اپنی سالانہ رپورٹ 2017 اپنے شیئر ہولڈرز کو CD کی صورت میں ارسال کردی ہے۔ کوئی بھی ممبر جسے سالانہ رپورٹ 2017 کی پرنٹڈ کاپی درکار ہو، وہ کمپنی کی ویب سائٹ پر موجود اسٹینڈرڈ درخواست فارم کے ذریعے درخواست بھجوا سکتا ہے۔

### سالانہ فائنانشل اسٹیٹمنٹس کی بذریعہ ای میل ترسیل

SECP کے 2014 (1) 787 SRO بتاریخ 8 ستمبر 2014 کے ذریعے دی گئی ہدایات کے مطابق وہ شیئر ہولڈرز جو مستقبل میں سالانہ فائنانشل اسٹیٹمنٹس بذریعہ ڈاک حاصل کرنے کے بجائے بذریعہ ای میل حاصل کرنا چاہتے ہیں، انہیں مشورہ دیا جاتا ہے کہ بمعہ اپنے ای میل ایڈریس کے، اسٹینڈرڈ درخواست فارم، جو کہ کمپنی کی ویب سائٹ <http://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan=limited> پر موجود ہے، کے ذریعے باضابطہ طور پر اپنی مرضی ظاہر کریں۔ اور یہ فارم باقاعدہ طور پر پُر کرنے کے بعد اپنے دستخط اور اپنے کمپیوٹرائزڈ شناختی کارڈ/پاسپورٹ کی کاپی کے ساتھ کمپنی کے شیئر رجسٹرار کے پاس جمع کروائیں

برائے مہربانی نوٹ فرمائیں کہ بذریعہ ڈاک سالانہ فائنانشل اسٹیٹمنٹس وصول کرنے کے بجائے انہیں بذریعہ ای میل حاصل کرنے کا اختیار آپ کے پاس ہے۔ اگر آپ یہ سہولت حاصل نہ کرنا چاہتے ہوں تو برائے مہربانی اس نوٹس کو نظر انداز کر دیں۔ سالانہ فائنانشل اسٹیٹمنٹس عام طریقہ کار کے مطابق آپ کو بذریعہ ڈاک ارسال کر دی جائے گی۔ 31 دسمبر 2017 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ فائنانشل اسٹیٹمنٹس کمپنی کی ویب سائٹ <http://pk.gsk.com/en-gb/gsk-consumer-healthcare-pakistan=limited> پر بھی فراہم کر دی گئی ہیں۔

### غیر کلیم شدہ منافع منقسمہ/شیئر ز

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق جاری کردہ شیئر یا کمپنی کی طرف سے اعلان کردہ کوئی بھی منافع منقسمہ، جو واجب الادا ہونے کے بعد تین سال کے عرصے تک غیر کلیم شدہ یا غیر ادا شدہ ہو کمپنیز ایکٹ 2017 میں بیان کردہ طریقہ کار کو پورا کرنے کے بعد فیڈرل گورنمنٹ کے پاس جمع ہوں گے۔ ایکٹ کے سیکشن 244(1) کے مطابق کمپنی ممبرز کو 90 دن کا نوٹس دینے کی پابند ہے کہ کمپنی کے ساتھ اپنے کلیم داخل کر سکیں۔ مزید SECP کی ہدایت نمبر 16، 2017 تمام لسٹڈ کمپنیز کو ہدایت دیتی ہے کہ وہ ایسا نوٹس اپنے ممبرز کو جاری کریں اور 30 مئی 2017 تک واجب الادا ہونے کے بعد سے تین سال کے عرصے تک غیر کلیم شدہ یا غیر ادا شدہ رہنے والے شیئرز یا منافع منقسمہ یا کسی بھی دوسرے انسٹرومنٹ کی اسٹیٹمنٹ جمع کروائیں



4- اجلاس میں شرکت کے لیے سی ڈی سی اکاؤنٹ ہولڈرز کو سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی ہدایات کے مطابق درج ذیل پر عمل کرنا ہوگا۔

#### 1- اجلاس میں شرکت کے لیے

- (i) فرد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکوریٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق ہیں، اپنے اصلی کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا اصلی پاسپورٹ کے ذریعے اجلاس میں شرکت کے وقت اپنی شناخت کروائیں گے۔
- (ii) کارپوریٹ اینٹیٹی 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۔

#### ب- پراکسی کی نامزدگی کے لیے

- (a) فرد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکوریٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈڈ ہوں، درج بالا ضرورت کے مطابق پراکسی فارم جمع کروائیں گے۔
- (ب) پراکسی فارم پر دو افراد کی گواہی موجود ہو، جن کے نام، پتے، شناختی کارڈ نمبرز فارم میں موجود ہوں۔
- (ج) beneficial owner کی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ منسلک ہوں۔
- (د) پراکسی کو اجلاس میں شرکت کے وقت اپنا اصلی کمپیوٹرائزڈ شناختی کارڈ یا اصلی پاسپورٹ ظاہر کرنا ہوگا۔
- (ه) کارپوریٹ اینٹیٹی کی صورت میں کمپنی کو، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی دستخط کے نمونے کے ساتھ (اگر پہلے جمع نہ کروایا گیا ہو) پراکسی فارم کے ساتھ جمع کرانا ہوگا۔

5- فریکل شیئرز کے حامل شیئر ہولڈرز لازماً اپنے اصل کمپیوٹرائزڈ شناختی کارڈ اور/یا شیئر ہولڈر/ہولڈرز جن کے وہ پراکسی ہیں، کے کمپیوٹرائزڈ شناختی کارڈ کی کاپی ہمراہ لائیں، بغیر کمپیوٹرائزڈ 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۔

#### 6- منافع منقسمہ پر ود ہولڈنگ ٹیکس میں نظر ثانی

برائے مہر بانی مزید نوٹ فرما لیں کہ انکم ٹیکس آرڈیننس 2001 کے سیکشن 15 اور فائننس ایکٹ 2017 کے تحت منافع منقسمہ پر ود ہولڈنگ ٹیکس فائلر اور نان فائلر کے لیے بالترتیب 15 فیصد اور 2 فیصد کے حساب سے منہا کیا جائے گا۔ فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول ہونے والی وضاحت کے مطابق جوائنٹ اکاؤنٹ کی صورت میں ود ہولڈنگ ٹیکس کا حساب فائلر/نان فائلر کے لیے پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے لیے ان شیئر ہولڈنگ کے تناسب سے 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 پرنسپل شیئر ہولڈرز اور جوائنٹ شیئر ہولڈرز کی شیئر ہولڈنگ کا تناسب اپنے پاس موجود شیئر ز کے مطابق ہمارے شیئر رجسٹرار کو فراہم کریں۔

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		کل شیئرز	فولیو سی ڈی ایس اکاؤنٹ #
شیئر ہولڈنگ تناسب شیئرز کی تعداد	نام اور شناختی کارڈ نمبر	شیئر ہولڈنگ تناسب شیئرز کی تعداد	نام اور شناختی کارڈ نمبر		

# نوٹس برائے اجلاس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ گلیکسو سمتھ کلائن ہیلتھ کیئر پاکستان لمیٹڈ کا تیسرا سالانہ اجلاس عام 29 مارچ 2018 بروز جمعرات صبح 11:00 بجے بیچ لگژری ہوٹل، کراچی میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا

## عمومی امور

کمپنی کے آڈٹ شدہ اکاؤنٹس بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2017 کی وصولی، غور و خوض اور منظوری آئندہ سالانہ اجلاس عام کے اختتام پر مکمل ہونے والی مدت کے لیے آڈیٹرز کی تقرری اور 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے ان کے مشاہرے کا تعین

5 روپے فی عمومی شیئر کے حساب سے (50%) حتمی منافع منقسمہ کی ادائیگی کی منظوری

## دیگر امور

چیئر کی منظوری سے کسی بھی دیگر امور کی انجام دہی

بحکم بورڈ کراچی

فرحان محمد ہارون

کمپنی سیکرٹری

کراچی

8 مارچ 2018

## نوٹس

- 1- کمپنی کی شیئر ٹرانسفر بکس 23 مارچ 2018 سے 29 مارچ 2018 تک (بشمول دونوں دن) بند رہیں گی اور شیئر کی منتقلی کی کوئی بھی درخواست رجسٹریشن کے لیے قبول نہیں کی جائے گی۔ کمپنی کے شیئر رجسٹرار سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400 کے پاس 22 مارچ 2018 کو کاروبار کے خاتمے تک موصول ہونے والی منتقلی کی درخواستوں کو منافع منقسمہ کی ادائیگی کے لیے بروقت تسلیم کیا جائے گا۔
- 2- اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جگہ کسی دوسرے کو اجلاس میں اپنی ایما پر شرکت، اظہار رائے اور ووٹ دینے کے لیے پراکسی نامزد کر سکتا ہے۔ پراکسی کی نامزدگی کی دستاویز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر کمپنی کے شیئر رجسٹرار کے آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کروائی جاسکتی ہے۔
- 3- شیئر ہولڈرز سے درخواست ہے کہ پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع کریں۔



د. فائنانشل اسٹیٹمنٹس، پاکستان میں لاگو انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کی گئی ہیں۔

ه. کمپنی اندرونی کنٹرول کا جامع سسٹم رکھتی ہے جو کسی بھی مادی نقصان یا غلط بیانی کی صورت میں مناسب اشورنس 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 آپ ڈیٹ کیا جاتا ہے۔

و. کمپنی کے گونگ کنسرن (جاری و ساری رہنے پر) ہونے پر کوئی اہم شبہ نہیں ہے۔

د. لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کی بہترین مشقوں سے کوئی مادی انحراف نہیں پایا گیا۔

ک. اہم آپریٹنگ اور فائنانشل ڈیٹا صفحہ نمبر 66 سے 75 تک درج کیا گیا ہے۔

بحکم بورڈ

سہیل متین  
چیف ایکزیکیوٹو آفیسر

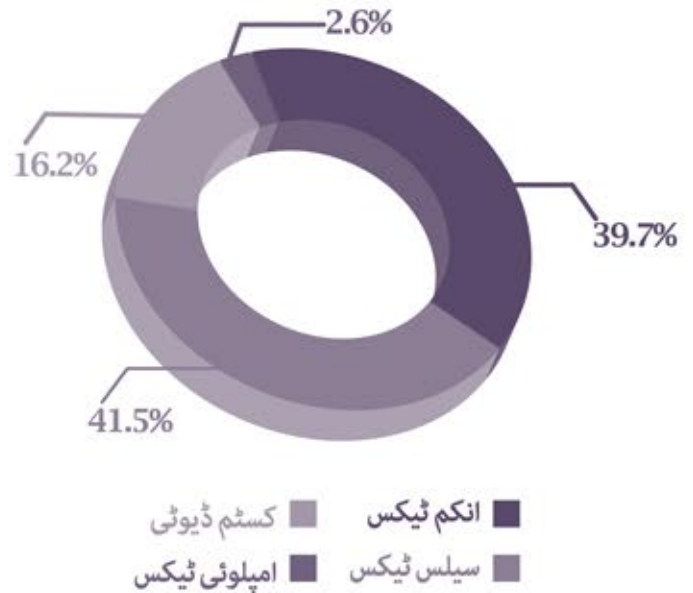
فرحان محمد ہارون  
چیف فائنانشل آفیسر

29 جنوری، 2018

## نیشنل ایکس چیکر اور معیشت میں حصہ

کسٹم ڈیوٹیز، انکم ٹیکس، سیلز ٹیکس اور ملازمین کے ٹیکس کی مد میں سال 2017 کے دوران آپ کی کمپنی نے نیشنل ایکس چیکر میں Rs.1.26 بلین شامل کیے ہیں۔

سیلز ٹیکس کی مد میں ہماری کل کنٹری بیوشن Rs.485 ملین ہے جبکہ کسٹم ڈیوٹی Rs.189.5 ملین، ہمارے ملازمین کے ٹیکس کی کنٹری بیوشن کی کل رقم Rs.31 ملین ہے۔



## کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

ا. فائنانشل اسٹیٹمنٹس، کمپنی کی مینجمنٹ کی جانب سے تیار کی گئی ہیں اور واضح طور پر معاملات کی صورتحال، آپریشنز کے نتائج، کیش فلو، اور ایکوٹی میں تبدیلی کا احاطہ کرتی ہیں۔

ب. کمپنی کی باقاعدہ بک آف اکاؤنٹس مینٹین کی گئی ہیں۔

ج. فائنانشل اسٹیٹمنٹس کی تیاری کے لیے مستقل طور پر موزوں اکاؤنٹنگ پالیسیز اختیار کی گئی ہیں اور اکاؤنٹنگ تخمینوں کا دارومدار محتاط فیصلے پر ہے۔





## آڈیٹرز

سبکدوش ہونے والے آڈیٹرز اے ایف فرگیوسنز اینڈ کو چارٹرڈ اکاؤنٹنٹس نے آڈیٹرز کی حیثیت سے اپنی خدمات جاری رکھنے کا عندیہ دیا ہے۔ کمپنی کو کمپنیز آرڈیننس 1984 کے سیکشن 253(1) کے تحت اپنے ایک شیئر ہولڈر کی طرف سے آڈیٹرز کی تبدیلی کی تجویز پر مبنی نوٹس بھی موصول ہوا ہے۔ لہذا بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے سال مختتمہ 31 دسمبر 2018 کے لیے میسرز ڈیلوے چارٹرڈ اکاؤنٹنٹس کو سبکدوش ہونے والے آڈیٹرز میسرز اے ایف فرگیوسنز اینڈ کو چارٹرڈ اکاؤنٹنٹس کی جگہ تقرر کی تجویز دی ہے۔



## پراویڈنٹ فنڈ، گریچوٹی اور پنشن فنڈز کی سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے ریٹائرمنٹ بینیفٹ کا انتظام رکھتی ہے۔ پراویڈنٹ فنڈ اور گریچوٹی کی سرمایہ کاری کی قدر 31 دسمبر 2017 کو غیر آڈٹ شدہ اکاؤنٹس (آڈٹ جاری ہے) کے لحاظ سے درج ذیل ہے۔

2017	Rs.
Rs. 51 million	گریچوٹی فنڈ
Rs. 85 million	پراویڈنٹ فنڈ



گریچوٹی فنڈ

پراویڈنٹ فنڈ

اس کے نتیجے میں، کاروباری آپریشنز کا حصہ اور فیصلہ سازی میں رسک مینجمنٹ کلیدی جزو 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 ٹیم اور کمپلائنس ٹیم ساتھ مل کر کام کرتی ہیں تاکہ حصص یافتگان کی سرمایہ کاری اور کمپنی کے اثاثہ جات کی حفاظت کو یقینی بنایا جاسکے۔ ہماری رسک (خطرات) کی درجہ بندی درج ذیل ہے۔

### 1. حکمت عملی کے خطرات (خداشات)

یہ سب سے اہم خطرات ہوتے ہیں جن کا سامنا کمپنی کو کرنا پڑتا ہے اور عمومی طور پر یہ ہمارے کنٹرول سے باہر واقع ہوتے ہیں۔ اس وقت، ہمارا سب سے بڑا رسک مارکیٹ پر مبنی ریگولیٹری اور پرائسنگ پالیسیز کی کمی ہے۔ جبکہ حکومت نے مارچ 2015 میں ڈرگ پرائسنگ پالیسی کی نشاندہی کی ہے جس کے مطابق پراڈکٹس کی بڑھتی ہوئی قیمتوں کو مہنگائی سے متعلق جزوی ایڈجسٹمنٹ کی اجازت دی جائے گی۔ ایک طویل عرصے سے تعطل کا شکار ان پراڈکٹس کا مسئلہ جن کی قیمتوں کو منجمد کر دیا گیا ہے، اس حوالے سے کوئی بات نہیں کی گئی۔ جس کے نتیجے میں گو کہ نئی پالیسی صحیح سمت میں ایک قدم ہے، مگر ابھی بھی اس میں تعطل کا شکار مسائل کو حل کرنے شدید کمی ہے جس کے لیے ہم امید رکھتے ہیں کہ ریگولیٹرز کی جانب سے ہنگامی بنیادوں پر شنوائی ہوگی۔

### 2. آپریشنل خطرات

اس شعبے میں خطرات کا تعلق کمپنی کے آپریشنز کی smooth فنکشننگ سے ہے۔ ہمارے کچھ اہم ترین آپریشنل خطرات میں سے چند مہنگائی، سپلائی کے معاملات، اور ملازمین کے ٹرن اوور کے امکانات اور فراڈ ہیں۔ آپ کی کمپنی ان خطرات سے مختلف حکمت عملیوں کی مدد سے نمٹتی ہے جیسا کہ متبادل سپلائرز کا استعمال۔

### 3. کمرشل خطرات

یہ وہ خطرات ہیں جو کاروبار کی کمرشل نوعیت کے باعث جنم لیتے ہیں۔ اس وقت GSK کنزیومر ہیلتھ کیئر کو درج ذیل تین اہم شعبوں میں چیلنجز کا سامنا ہے:

ا. اپنے اہم برانڈ پیناڈول کی اشتہاری مہم کے حوالے سے DRAP بروقت منظوری

ب. ایک پرائسنگ پالیسی فریم ورک کی تشکیل

ج. ذرائع سے متعلق طویل مدتی حکمت عملی



## مینجمنٹ کمیٹی

مینجمنٹ کمیٹی 7 سینئر اراکین پر مشتمل ہے جو اہم ترین کاروباری پلانز، مسائل اور طے کردہ امور کی کارکردگی کے حوالے سے معلومات کی آگہی کے لیے ملتے اور تبادلہ خیال کرتے ہیں۔ اس حوالے سے کارپوریٹ گورننس کے ضابطے کے مطابق بورڈ کے سامنے منظوری کے لیے پیش کیے جانے والے اہم معاملات بھی زیر غور لائے جاتے ہیں۔



## 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) 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 مناسب 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 کسی بھی خدشات کو کم سے کم کر سکیں۔ اس مقصد کے لیے ہمارا رسک مینجمنٹ فریم ورک درست پالیسیز اور حکمت عملی پر عمل درآمد کو یقینی بناتا ہے جو اہم خطرات کو پہچاننے، ریکارڈ کرنے اور کم سے کم کرنے کی حکمت عملی کے تحت خطرات کو کم سے کم کرنے کا کام سرانجام دیتا ہے۔ کمپنی RMCB کے سال میں تین اجلاس منعقد کیے جاتے ہیں۔

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 غودار ہو، کی، اوپری سطح پر کمیونیکیشن کو یقینی بناتا ہے۔

اس مقصد کے لیے RMCB نے ایک اسٹرکچر تشکیل دیا ہے۔ تفویض کردہ رسک اونرز اس بات کے ذمہ دار ہیں کہ وہ اہم خطرات کی نشاندہی اور اس کا علاج 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 ہر ممکن معاونت کا ذمہ دار ہے۔



## بورڈ کمیٹیاں

GSK کنزیومر ہیلتھ تین کمیٹیوں پر مشتمل ہے جو بورڈ کو اپنی تمام تر صلاحیتوں کے ساتھ ساتھ کام کرنے کے لیے معاونت کرتی ہیں۔ ان کمیٹیوں کی تفصیل درج ذیل ہے۔



## آڈٹ کمیٹی

آڈٹ کمیٹی 3 ارکان پر مشتمل ہے، جو تمام کے تمام نان ایگزیکٹو ڈائریکٹرز ہیں۔ اس کمیٹی کا ضابطہ کار لسٹنگ ریگولیشنز میں فراہم کر دیا گیا اور کمیٹی کو عمل درآمد کے لیے تجویز کردہ اصولوں کے مطابق طے کیا گیا (حوالہ: صفحہ نمبر 49)



## بیومن ریسورس اینڈ ریمونیویشن کمیٹی

بیومن ریسورس اینڈ ریمونیویشن کمیٹی تین اراکین پر مشتمل ہے، جن کی اکثریت نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے ضابطہ کار کی تفصیلات صفحہ نمبر 49 سے 51 تک فراہم کی گئی ہیں۔



## انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی

انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی بورڈ کے 4 اراکین پر مشتمل ہے۔ اس کمیٹی کا مقصد سپلائی نیٹ ورک کے مواقع تلاش کرنا اور سہل جوائنٹ وینچر انٹیگریشن کے عمل کی راہ ہموار کرنا ہے۔ کمپنی اس وقت گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے FMCG بزنس کے حصول کے نتیجے میں انٹیگریشن کے عمل سے گزر رہی ہے۔ باقاعدگی سے ہونے والی انٹیگریشن میٹنگز میں زیر غور لائے والے اہم معاملات بشمول قانونی منظوریوں، سنگ میل اور اوقات کار کے تعین، کو بورڈ کے سامنے پیش کیا جاتا ہے۔

اس عزم کے ساتھ، کمپنی کے بورڈ آف ڈائریکٹرز نے ہمارے ضابطہ اخلاق میں رہتے ہوئے قابل قبول کاروباری پریکٹس اور رویے کے معیارات طے کیے ہیں۔

### ہماری اقدار درج ذیل ہیں:

- صارف اولین ترجیح (سب سے پہلے صارف)
- عزت
- شفافیت
- ایمانداری/ساکھ

اس ضابطے پر عمل درآمد کے لیے ہر ملازم بشمول سینئر مینجمنٹ کے لیے اس پر دستخط لازم قرار دیا گیا ہے اور یہ GSK کنزیومر ہیلتھ کنٹری کی ویب سائٹ پر موجود ہے۔

- GSK کنزیومر ہیلتھ کنٹری اپنی پوری سپلائی چین اور اس کے ساتھ ساتھ پروڈکشن پلانٹس پر اپنی EHS پالیسیز 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 مستقل طور پر کوشاں رہتے 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۔ ہمارے ہر فیصلے کی اساس ہے جس کے لیے ہماری اقدار رہنما اصول کا کام کرتی ہیں۔ ہمارے رشوت اور کرپشن کے تدارک کے پروگرام میں رسک کا جائزہ، معیارات اور عملی رہنمائی شامل ہیں جنہیں اصولوں پر عمل درآمد نہ کرنے کی روک تھام کے لیے وضع کیا گیا ہے۔



### بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز کے 2017 میں چار اجلاس منعقد ہوئے۔ تمام تر اجلاس پاکستان میں ہوئے اور ان میں ہر ممبر کی حاضری کی تفصیلات درج ذیل ہیں۔

نام	اجلاس میں شرکت کی تعداد
سہیل متین	4
فرحان ہارون	4
انیلیز رابرٹس	4
ایمینی ٹیسکی کایا	4
حسین لوائی	4
سید عظیم عباس نقوی	4
سید انور محمود	4





## بیومن ریسورس ڈویلپمنٹ اور سکسیشن پلاننگ

کلیکسو اسمتھ کلانٹن ہیلتھ کیئر ایک ایسی کمپنی ہونے پر فخر محسوس کرتی

ہے جو نہ صرف اپنے لوگوں کو اپنا اہم ترین اثاثہ سمجھتی ہے بلکہ اس بات کو بھی یقینی بناتی ہے کہ اس کا یہ نصب العین ایک ایسے کام کے ماحول کو جنم دے جو آگے بڑھنے کے مواقع، عزت، اختیار اور ہر قدم پر رہنمائی فراہم کرے۔ ایک ایسی کمپنی ہونے کے ناطے جو لوگوں میں "مزید کام کی لگن، ایک بہتر احساس اور طویل عرصہ جینے" میں مدد فراہم کرتی ہے، ہم اس بات کو یقینی بناتے ہیں کہ ہمارے ملازمین نہ صرف اس وزن 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 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 رکھتی ہے۔ اس میں مواقع کی ایک وسیع رینج اور بین الاقوامی اسائنمنٹس تک رسائی بھی شامل ہے۔ اس میں انٹرنل 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 ہماری 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 کی بنیادی اقدار سے ہم آہنگ ہوں۔

اس کے ساتھ ساتھ ہم انفرادی احتساب کے اعلیٰ ترین معیار کو ترجیح دیتے ہیں اور دلجمعی 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 کو اپنی طاقت بناتے ہوئے ایک ایسی کمپنی کے ارتقا کے لئے جو اپنی تمام تر کاوشوں کو بروئے کار لاسکے جو انڈسٹری میں بہترین کارکردگی کی حامل اولین کنزیومر ہیلتھ کیئر گڈز کمپنی ہے۔



## ماحول، صحت اور حفاظت (EHS)

ماحولیاتی تحفظ اور پیشہ ورانہ صحت اور حفاظت کے لیے اپنی تمام تر dedication پر فخر کرتے ہوئے، GSK کنزیومر ہیلتھ کیئر پر عزم ہے کہ مستقل طور پر ان عوامل کو بہتر سے بہتر کیا جاتا رہے جو اس بات کو یقینی بناتے ہیں کہ ہمارے ملازمین ایک محفوظ، زخمی ہونے کے خدشے سے پاک ماحول میں کام کریں اور اس ماحول کے لیے بے حد پر عزم ہیں جس میں ہمارے ملازمین کام کرتے ہیں۔ مزید یہ کہ، توانائی کے مؤثر ترین استعمال کے لیے سرگرم رہنے کے لیے ایک مخصوص طے کردہ آپریشنل طریقہ کار، پالیسیز، حکمت عملی، اور سخت ترین ماحولیاتی مانیٹرنگ سسٹم کے تحت کام کرتے ہیں۔



## پیشہ ورانہ حفاظت اور صحت

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

- اس بات کو یقینی بنانا کہ ہمارے ملازمین کسی بھی کام کی انجام دہی کے دوران اس کے مخفی رسک سے پوری طرح آگاہ ہیں اور ضرورت پڑنے پر اس سے مؤثر 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۔
- توانائی کے مؤثر انداز سے استعمال کے معیارات پر عمل کر سکیں تاکہ ہمارے پانی اور توانائی کے استعمال کو کم سے کم کرتے ہوئے ایک سبز ماحول کو فروغ دیا جا سکے۔

# ڈائریکٹرز رپورٹ

## برائے حصص یافتگان

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنی پہلی سال بھر پر محیط سالانہ رپورٹ بمعہ کمپنی کی آڈٹ شدہ فائنانشل اسٹیٹمنٹس برائے سال مختتمہ 31 دسمبر 2017 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ڈائریکٹرز رپورٹ کو کمپنیز ایکٹ 2017 کے سیکشن 236 اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے ریگولیشن 5.19 کے مطابق تیار کیا گیا ہے۔ یہ رپورٹ کمپنی کے تیسرے سالانہ اجلاس عام منعقدہ 29 مارچ 2018 کے موقع پر ممبران کو پیش کی جائے گی۔

### آپریٹنگ نتائج

- کمپنی کی کارکردگی اور پیداوار میں مزید اضافے کے لیے مستقبل کی صورتحال اور امکانات
- کمپنی کے ڈائریکٹرز مذکورہ امور کے مواد کی توثیق کرتے ہیں

### حصص کی بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر بعد از ٹیکس Rs.7.39 رہی (2016 آمدنی فی شیئر Rs.7.60)



### کارپوریٹ سماجی ذمہ داری

GSK کنزیومر ہیلتھ کیئر کے افراد اس بات پر یقین رکھتے ہیں کہ ماحول اور افراد کے لیے عزت کسی بھی کاروبار کے لیے کلیدی حیثیت کے حامل ہیں، جس کا نتیجہ کامیابی اور صارفین کی برانڈ کے ساتھ بنتے تعلق میں جھلکتا دکھائی دیتا ہے۔ ایک ہیلتھ کیئر کمپنی ہونے کے ناطے، ہم صحت، صفائی، تغذیہ اور پاکستان میں دیگر کمیونٹی پروگرامز outreach کی اصل ضرورت کو بخوبی سمجھتے ہیں۔

ماحولیاتی استحکام ایک اور اہم شعبہ ہے۔ اس بات کو مدنظر رکھتے ہوئے کہ 2017 کمپنی کے آپریشنز کا پہلا مکمل سال تھا، جس میں کمپنی نے اپنی بنیادی توجہ پیداوار اور جدت پر مرکوز رکھی، اور کارپوریٹ سماجی ذمہ داری سے متعلق کوئی اہم سرگرمی انجام نہ دی گئی۔ بہر حال، مستقبل میں کمپنی سپلائی چین پروسس میں وسائل کے استعمال کو مزید مؤثر بنانے اور اس میں بہتری کے طریقوں کو بروئے کار لانے کے حوالے سے اپنے حصے کا کام انجام دینے کا ارادہ رکھتی ہے تاکہ ماحولیاتی استحکام کو بہتر بنایا جا سکے جس کے ذریعے صارفین کی ہیلتھ کیئر فوائد کے حامل معیاری برانڈز تک رسائی کو بہتر بنایا جا سکتا ہے۔

بورڈ آف ڈائریکٹرز اپنا پہلا کیش ڈیوڈنڈ Rs.5 فی شیئر جس کی مالیت Rs.478 ملین ہے کا اعلان کرتے ہوئے خوشی محسوس کر رہے ہیں، جس کا دارومدار 29 مارچ 2018 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبرز کی منظوری پر ہے۔ سال رواں کے دوران کمپنی کی کل سیلز 8,298 ملین رہیں اور ہمارے کنزیومر گڈز نے بزنس ذیل میں 6 فیصد پیداوار کے ساتھ Rs.2,076 ملین کا منافع دیا۔ کمپنی کا کل منافع Rs.707 ملین رہا جو گزشتہ سال کے مقابلے میں Rs.162 ملین زیادہ ہے۔

### کمپنی کی بولڈنگ

31 دسمبر 2017 کو گلیکسو اسمتھ کلائن ہیلتھ کیئر BV کے Rs.10 کے شیئرز کی تعداد 78,918,934 ہے۔

### شیئر بولڈنگ کا طریقہ کار

کمپنی کے شیئرز کی خرید و فروخت پاکستان اسٹاک ایکسچینج لمیٹڈ میں ہوگی۔ شیئر بولڈنگ سے متعلق معلومات اور دیگر معلومات 31 دسمبر 2017 تک، ہمارے صفحہ نمبر 109 سے 112 تک فراہم کی گئی ہے۔

### چیف ایگزیکٹو کا تجزیہ

- چیف ایگزیکٹو کا تمام حصص یافتگان کے لیے پیغام صفحہ نمبر 60 سے 63 پر ہے جو درج ذیل امور کا احاطہ کرتا ہے۔
- معاشی جائزہ اور ہیلتھ کیئر انڈسٹری میں ہونے والی جدید تبدیلیوں کے ساتھ کاروباری کارکردگی۔
- گزشتہ سال کی soaring growth trajectories پر روشنی ڈالتے ہوئے، وجوہات کے ساتھ سال کے دوران کمپنی کی کارکردگی کا جائزہ،
- پاکستان میں ہیلتھ کیئر انڈسٹری میں کام کے حوالے سے حالیہ اور مستقبل میں آنے والے ممکنہ چیلنجز۔





# FORM OF PROXY

## GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

I/We \_\_\_\_\_ of \_\_\_\_\_, being a Member of GlaxoSmithKline Consumer Healthcare Pakistan Limited holding \_\_\_\_\_ ordinary shares, HEREBY APPOINT \_\_\_\_\_ of \_\_\_\_\_, another Member of the Company, failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Beach Luxury Hotel, Karachi at 11:00 a.m. on Thursday, March 29, 2018 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signed in the presence of:

Ten Rupees  
Revenue  
Stamps

(Signature of Witness 1)

Name of Witness:

CNIC No:

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Signature of Witness 2)

Name of Witness:

CNIC No:

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Name of Block letters)

Folio No.

Signature of the Shareholder

### Notes:

- The Member is requested:
  - to affix Revenue Stamp of Rs. 10/- at the place indicated above;
  - to sign in the same style of signature as is registered with the Company;
  - to write down his/her Folio Number.
- For the appointment of the above Proxy to be valid, this instrument of proxy must be received at the Office of the Share Registrar of the Company at Share Registrar Department, Central Depository Company of Pakistan Limited, 99-B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi, at least 48 hours before the time fixed for the Meeting.
- Any alteration made in this instrument of proxy should be initialled by the person who signs it.
- In the case of joint holders, the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
- The Proxy must be a Member of the Company.

### For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

- The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and of the Proxy must be furnished with the proxy form.
- The Proxy must produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) alongwith proxy forms to the Share Registrars.

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**Share Registrar Department:**  
Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal,  
Karachi - 74400, Pakistan

# پراکسی فارم

## گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کنٹر پاکستان لمیٹڈ

میں/ہم۔۔۔۔۔ کے۔۔۔۔۔ گلیکسو اسمتھ کلائن  
کنزیومر ہیلتھ کنٹر پاکستان لمیٹڈ حامل۔۔۔۔۔ عمومی شیئرز،۔۔۔۔۔ کے  
کمپنی کے ایک دوسرے ممبر کو میرے/ہمارے پراکسی کی حیثیت سے میری/ہماری غیرموجودگی کی صورت میں  
میری/ہماری طرف سے کراچی میں کمپنی کے سالانہ اجلاس عام منعقدہ 29 مارچ 2018، بروز جمعرات صبح 11 بجے بیچ لگژری ہوٹل، کراچی یا کسی بھی التوا کی صورت  
میں، میری/ہماری ایما پر میری/ہماری طرف سے شرکت اور ووٹ دینے کے لیے پراکسی نامزد کرتا ہوں۔

بطور گواہ۔۔۔۔۔ 2018 کو میں/ہم نے درج ذیل کی موجودگی میں دستخط کیے۔

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Revenue  
Stamps

<p>دستخط گواہ نمبر 2:</p> <p>گواہ کا نام:</p> <p>شناختی کارڈ نمبر:</p> <p>پتہ:</p> <p>شیئر ہولڈر کے دستخط</p>	<p>دستخط گواہ نمبر 1:</p> <p>گواہ کا نام:</p> <p>شناختی کارڈ نمبر:</p> <p>پتہ:</p> <p>فولیو نمبر</p>
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### نوٹس

- 1 ممبر سے درخواست ہے کہ  
ا دس روپے مالیت کی ریونیو اسٹیمپ اوپر دی گئی جگہ پر چسپاں کریں۔  
ب اسی انداز میں دستخط کریں جو کمپنی کے ساتھ رجسٹرڈ ہیں۔  
ج اپنے فولیو نمبر کا اندراج کریں۔
- 2 درج بالا نامزد کردہ پراکسی کے قابل قبول ہونے کے لیے، پراکسی کی یہ دستاویز لازماً شیئر رجسٹرار ڈپارٹمنٹ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ  
B-99 بلاک S.M.C.H.S، مین شاہراہ فیصل، کراچی میں کمپنی کے شیئر رجسٹرار کے پاس اجلاس کے لیے طے کردہ وقت سے کم از کم 48 گھنٹے قبل جمع کروا دی جائے۔
- 3 پراکسی کی اس دستاویز میں کسی بھی قسم کی ترمیم کی صورت میں دستخط کرنے والے شخص کی طرف سے initials ضرور کیے جائیں۔
- 4 جوائنٹ ہولڈرز کی صورت میں دیگر جوائنٹ ہولڈرز کے ووٹ کو مسترد کرتے ہوئے، سینئر کا ووٹ قبول کیا جائے گا، خواہ وہ از خود موجود ہو یا پراکسی کے ذریعے۔  
اس مقصد کے لیے سینئر کا تعین اس آرڈر کے ذریعے کیا جائے جس میں ممبر کے رجسٹر میں نام موجود ہوں۔
- 5 پراکسی لازمی طور پر کمپنی کا ممبر ہونا چاہیے۔  
سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اینٹی ٹیز  
درج بالا کے علاوہ، درج ذیل شرائط پورا ہونا ضروری ہیں۔  
پراکسی فارم پر لازمی طور پر دو افراد بطور گواہ درج ہونے چاہئیں، جن کے نام، پتے اور قومی شناختی کارڈ نمبر بھی درج ہوں۔  
بینیفیشل اونر ز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ لازماً فراہم کی جائیں۔  
اجلاس کے موقع پر پراکسی لازمی طور پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ فراہم کر سکے۔  
کارپوریٹ انٹی کی صورت میں شیئر رجسٹرار کو پراکسی فارم، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور نمونے کے دستخط لازمی جمع کروائے جائیں۔  
(سوائے اس کے کہ پہلے سے فراہم کیے جا چکے ہوں)



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