

# Annual Report 2020

Glaxosmithkline Consumer  
Healthcare Pakistan Limited

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# the extra mile

THE BLUE DOT

GSK Consumer Healthcare Pakistan Limited is proud to present its Annual Report for the year 2020. This report focuses on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ended December 31, 2020.

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

**Dilawar Meghani**

***Chief Financial Officer***

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**Abdul Haseeb Pirzada**

***Head of Corporate Affairs and Administration***

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We present to you our Annual Report 2020 with our Company's vision and mantra to go The **Extra Mile** in all absolutes in 2021. As we step in this new era with courage and growth mindset; our active drive has and will continue to take accountability to act ethically in all our business matters.

In this unprecedented time when the world is seized under the restraints of COVID-19, GSK Consumer Healthcare Pakistan Limited (GSK CH) stands its ground showing agility, obsession and world class team execution. Our employees wear the GSK CH values at heart, set aside their fears, egos and relentlessness. During this year, we went **Extra Mile** in achieving all challenges, driving our full capabilities under the guidance of expert leadership to ensure availability of our products in lock-down markets at all times.

Being consumer and customer-obsessed our agile and growth mindset easily integrated finance and supply chain network with our distributors, experts and stakeholders enabling us to execute our marketing and sales plan achieving net revenue of Rs. 19,186 million, with a growth of 22% in comparison to last year helping GSK CH to excel in the industry with more profound strength.

Our mantra to go The **Extra Mile** by leveraging digital, data and analytics has exceeded our customers and consumers expectations in 2020 as we led, created and drove category growth by responding to the everchanging economic demand with precise and timely execution.

Here, we take this opportunity to **Thank** our customers, consumers and especially stakeholders for their continuous trust and support to make GSK CH the number one choice for our consumers in Pakistan.

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# Our Story

**X**  
**2015**

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

**X**  
**2016**

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

**X**  
**2017**

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

**X**  
**2018**

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

**X**  
**2019**

- Transfer of Marketing authorizations and manufacturing license of GSK OTC (Pvt.) Limited to GSK Consumer Healthcare Pakistan Ltd.
- Deployment of SAP in the manufacturing division of the Company

**X**  
**2020**

- Transfer of Marketing authorization of Panadol, Eno, Hydrozole and Brevoxyl in the name of GSK Consumer Healthcare Pakistan Limited from GSK Pakistan Limited
- Deployment of SAP in the Commercial division of the Company to have a standard set of processes with ONE ERP.

# Our Vision

GSK CH's vision is inspiring:

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

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

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

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

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

# Our Mission

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

# 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.

# Our Core Values

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

Our core values are:

### **Consumer First:**

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

### **Respect:**

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

### **Transparency:**

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

### **Integrity:**

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



# Our Expectations

To thrive in an ever-changing world and achieve our purpose, we need to adapt some of our behaviours to keep us competitive, all while staying true to our values.

That's why we have our four expectations:

**Courage**

**Accountability**

**Development**

**Teamwork**

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



## Code of Conduct:

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



## Compliance and Ethics:

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

# Ownership and Operating Structure

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

## Significant Changes From **Prior Year**

There were no significant changes from prior year.

## Composition of **Local Versus Imported Materials**

GSK CH procures its materials from both local and international sources. Composition of local versus imported materials during the year ended December 31, 2020 was as follows:

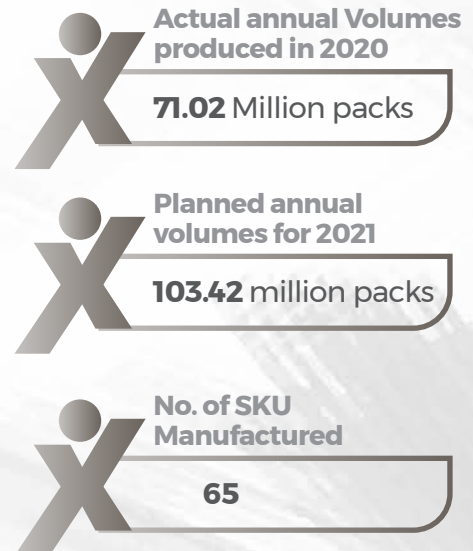


For a sensitivity analysis related to foreign currency, please refer page 185

# Plant Operations

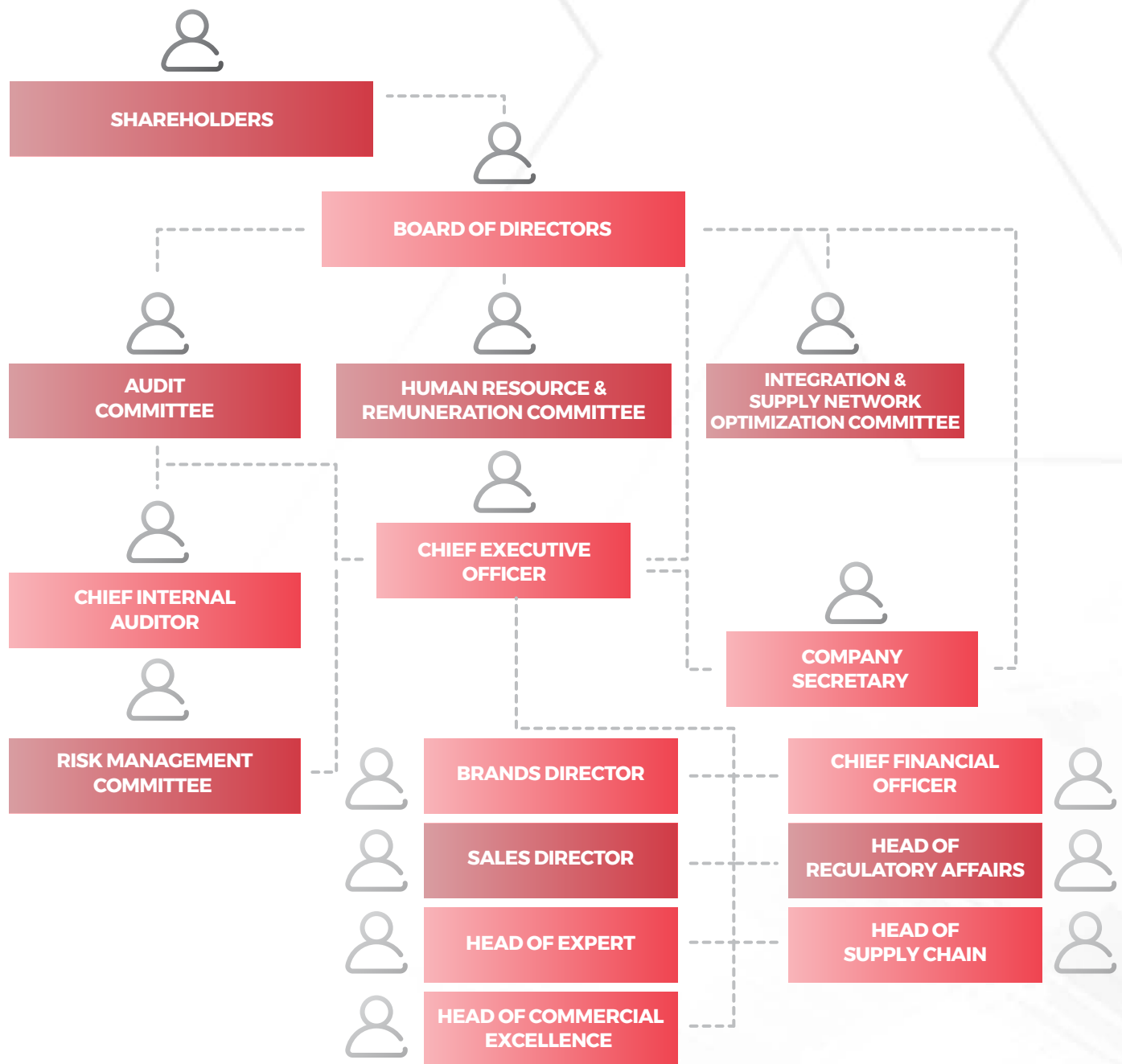


GSK CH's Jamshoro plant, is the state-of-the-art facility, serving three markets, Pakistan, Vietnam, and the Philippines. It manufactures and packages consumer healthcare products for GSK CH and pharmaceutical products for Novartis Pharma (Pakistan) Limited. The site has the capability of manufacturing and packaging tablets, capsules, syrups/suspensions, creams, and gel products. The plant also has a dedicated facility for vitamin products, namely calcium effervescent (CaC-1000 PLUS) and chewable tablets (QalSium-D). All products are manufactured and packed as per cGMP, high standards of quality following international, and local standards. The plant complies with NEQS (National Environmental Quality Standards) as per EPA (Environmental Protection Agency) and SEPA (Sindh Environmental Protection Agency). During the pandemic situation, the site has managed to deliver its products to patients, consumers and customers without several challenges of material connectivity and availability of manpower. The manufacturing plant ensured full compliance to the guidelines issued by the government for the health and safety of employees during the pandemic while fulfilling the market demand for during COVID-19.





# Organizational Structure – GSKCH



**Mr. Sohail Ahmed Matin**  
Chief Executive Officer

**Mr. Dilawar Meghani**  
Chief Financial Officer

**Mr. Ahmed Jamil Baloch**  
Brands Director

**Syed Abrar Ali**  
Sales Director

**Mr. Mazhar Shams**  
Head of Regulatory Affairs

**Mr. Faisal Rafiq**  
Head of Expert

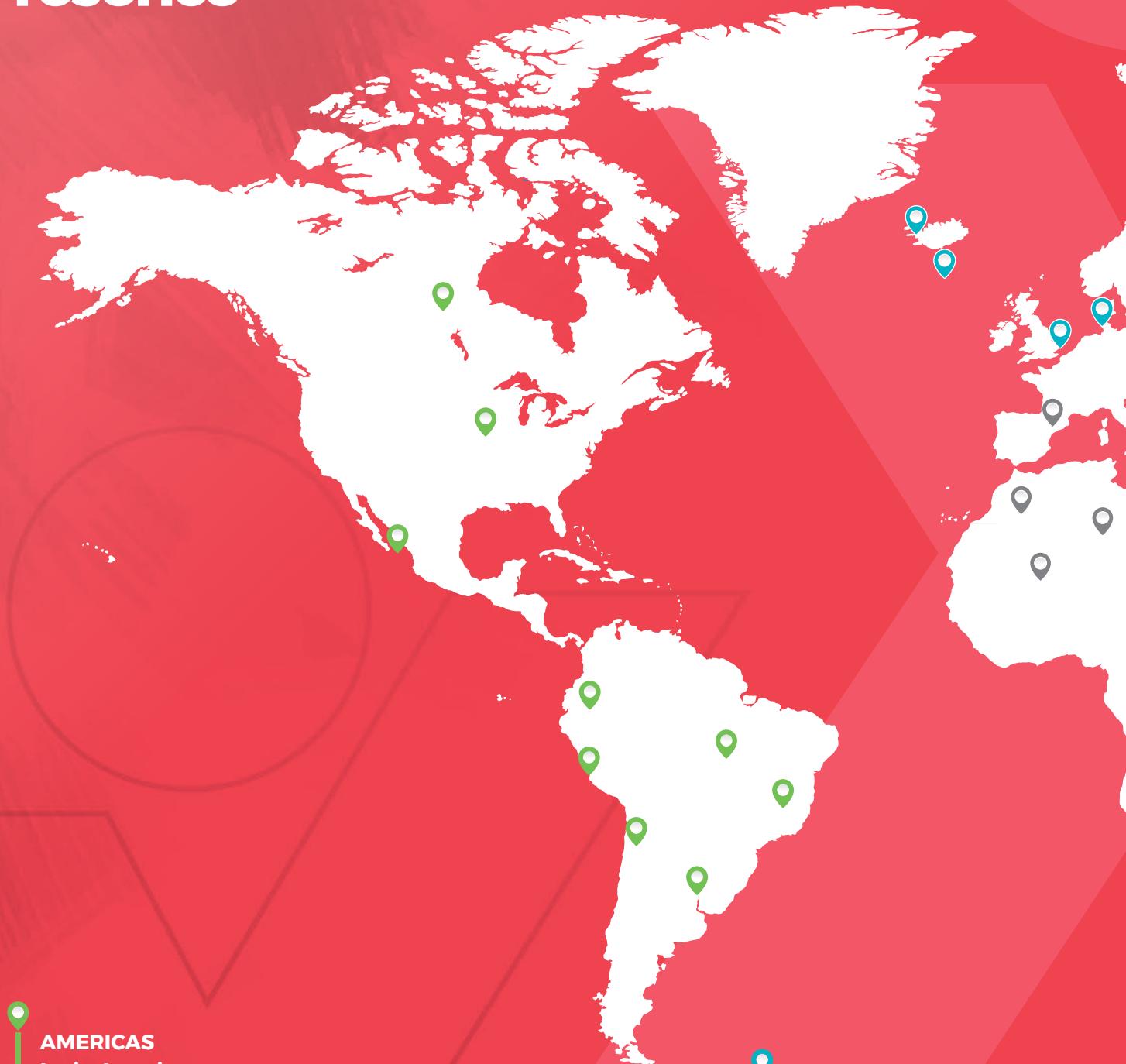
**Mr. Irfan Qureshi**  
Head of Supply Chain

**Ms. Mashal Mohammad**  
Company Secretary

**Ms. Mariam Maqsood**  
Chief Internal Auditor

**Mr. Khurram Khan**  
Head of Commercial Excellence (Commex)

# Geographical Presence



## AMERICAS Latin America

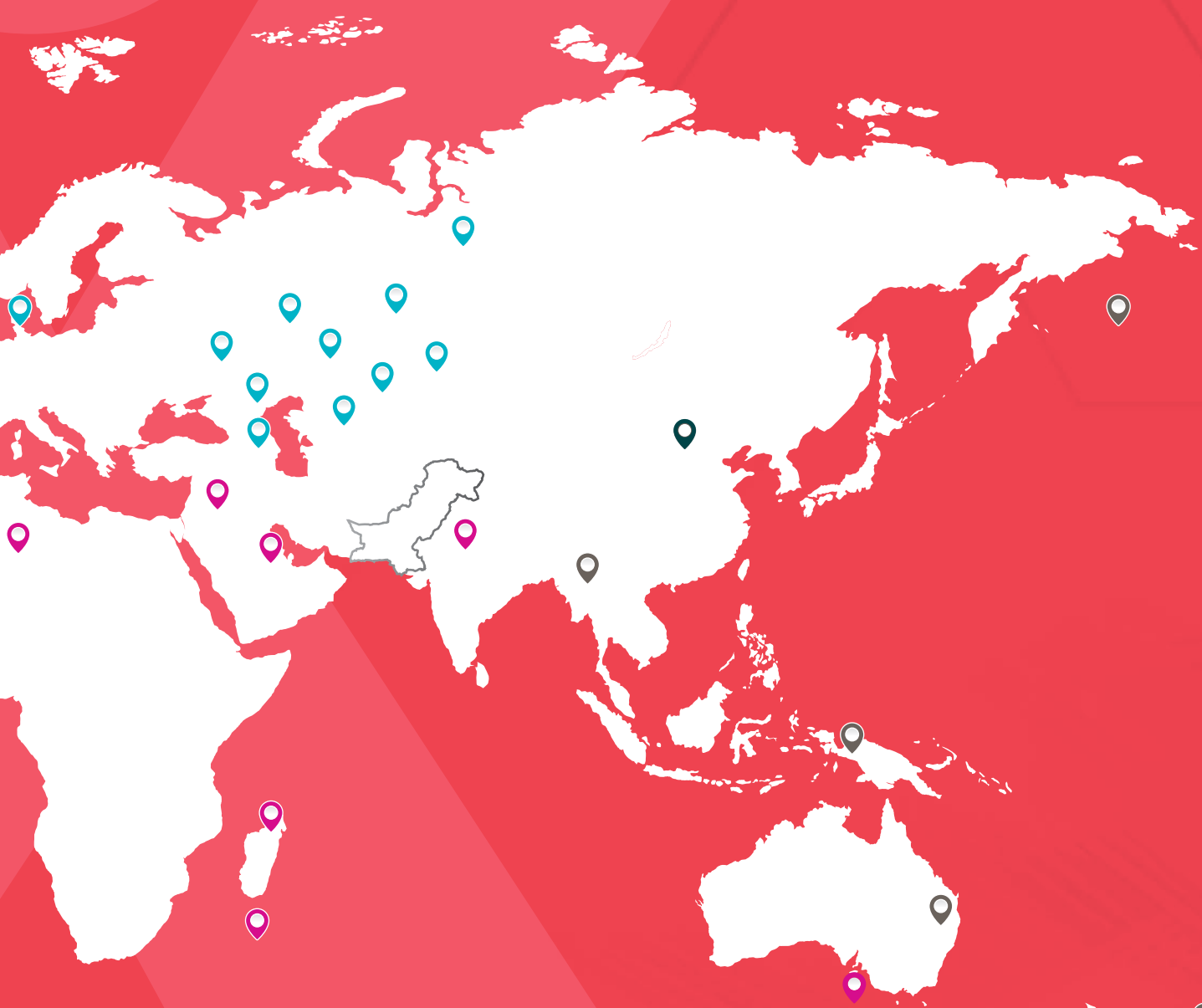
Argentina  
Brazil  
CariCam  
Chile  
Colombia  
Ecuador  
Mexico

## NORTH AMERICA

Canada  
Puerto Rico Pharma  
United States of America

## EUROPE Southern Europe

France  
Iberia  
Italy  
Portugal  
Ireland



**Central and Eastern Europe**

- Romania
- Russia
- Ukraine & CIS
- Adriatic
- Poland
- Norther Europe
- Great Britain
- Ireland



**ASIA PACIFIC**

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

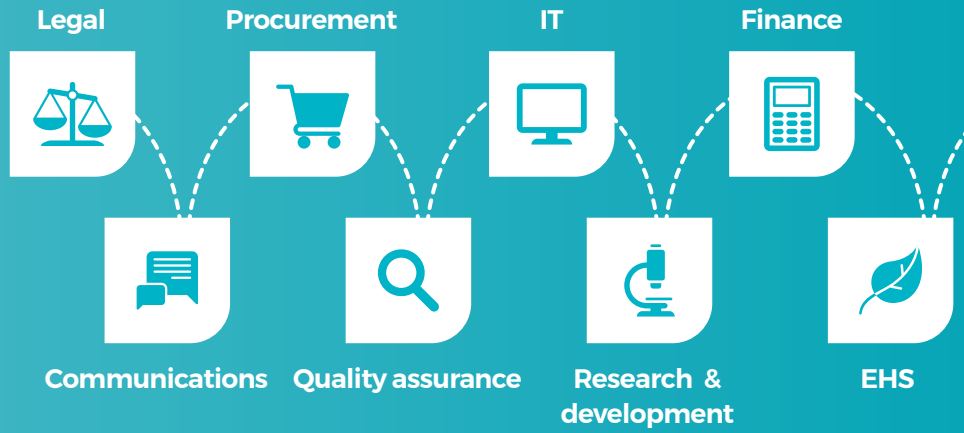


**MIDDLE EAST AND AFRICA**

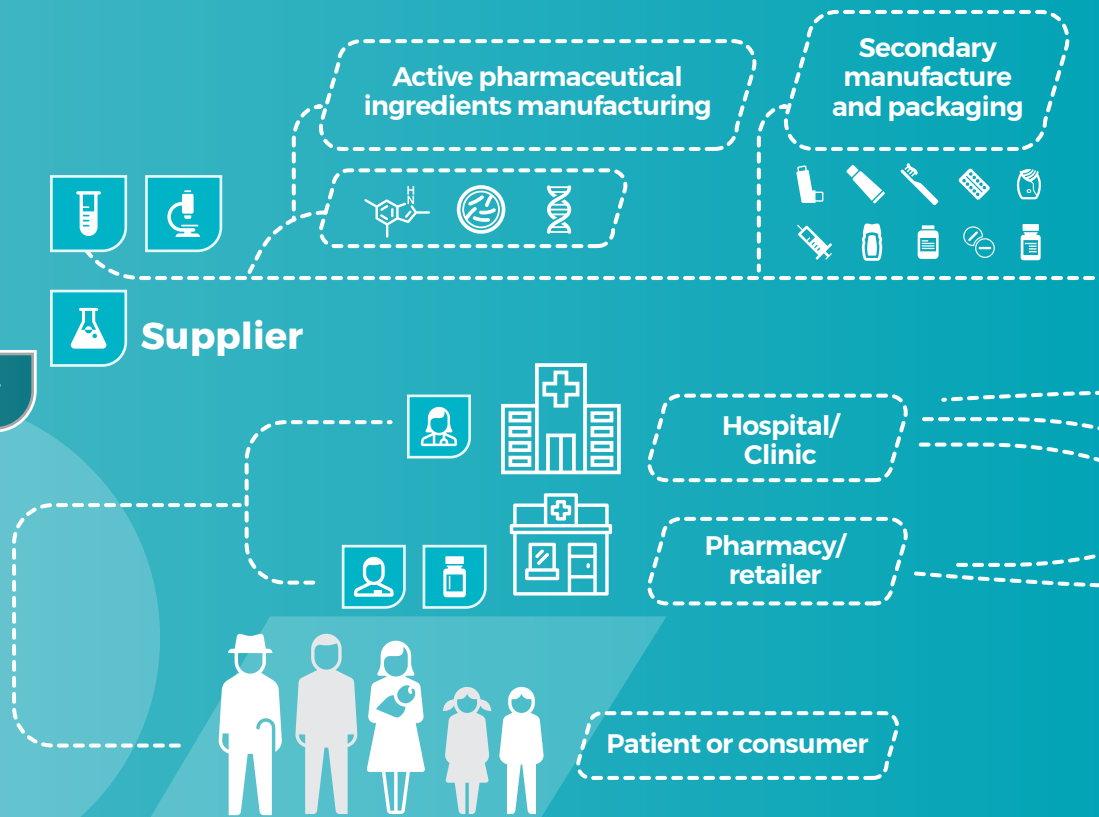
- East Africa
- Egypt
- Gulf and Near East
- Pakistan
- Saudi Arabia
- South Africa
- Turkey
- West Africa

# GSK's Position in the Value Chain

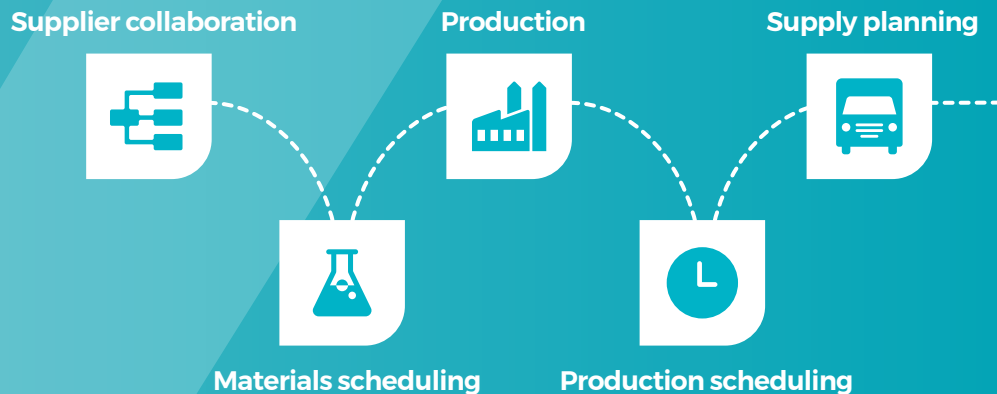
## Functions



## Physical flow



## Planning flow





Human resources

Regulatory

External supply

Logistics

GPS



Engineering

Commercial

Strategy

Technical

Control Tower

Multi-market warehouse country hub

Local distribution center



Government agency



Distributor



Wholesaler

Distribution planning

Demand forecasting



Inventory management



Customer order management



Customer collaboration management

# Group Structure

## GlaxoSmithKline PLC

No 03888792 incorporated 06/12/1999, England  
 Address: 980 Great West Road, Brentford Middlesex Tw89Gs  
 Public Company with shares on the London

## GlaxoSmithKline Consumer Healthcare Holdings Limited

No 8998608 incorporated 15/04/2014, England

## Pfizer, Inc.

See separate Letter from Pfizer Inc. Schedule B

100%

100%

68%

32%

## PF Consumer Healthcare Holding LLC

No 374151 incorporated in Delaware, USA

## GlaxoSmithKline Consumer Healthcare Holdings (No.2) Ltd.

No 11961650 incorporated 24/04/2019, England

100%

## Consumer Healthcare Holdings Limited

No 11985432 incorporated 09/05/2019, England

71.36%

## PRISM PCH Limited

No 11986381 incorporated 09/05/2019, England

100%

## GlaxoSmithKline Consumer Healthcare (Overseas) Limited

No 09237639 incorporated 29/09/2014, England

68%

## PF Consumer Healthcare B.V.

No 24243225 incorporated 08/12/1993, Netherlands

100%

## GlaxoSmithKline Consumer Healthcare B.V.

No 33147823 incorporated 23/03/1977, Netherlands

85.8%

## GlaxoSmithKline Consumer Healthcare Pakistan Limited

No 0092738 incorporated 31/03/2015, Pakistan

# Our **Business Model**

## **Inputs**

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

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

## **Outputs**

Integrated business strategy and reliable inputs result in actionable outputs:

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

## **Business Activities**

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

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

## **Outcomes**

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

# The Year **2020** at a Glance

## Market **Dynamics / Highlights**



in **Pain Relief**  
Category



in **Sensitivity**  
Category

*\*IQVIA/Nielsen MAT Dec'20*



### TURNOVER

**Rs. 19,846  
million**



### EARNINGS PER SHARE

**Rs. 10.78**



### GROSS PROFIT

**Rs. 5,328  
million**



### PROFIT AFTER TAX

**Rs. 1,262  
million**

**CaC-1000PLUS**



in **Vitamin and  
Mineral** Category

**Voltral Emulgel**



in **Topical Pain**  
Category

**parodontax**



Fastest Growing  
in **Toothpaste** Category



We aim to challenge ourselves by ensuring our decisions are made closer to **consumer and customers** by bringing their voices in.

the  
**extra  
mile** in  
**consumer &  
customer obsession**

# Our Brands



Panadol is the market leader in the pain category with a market share of 21.6%\*. In 2020, the brand not only maintained its category leadership but also emerged as the No. 1 Pharmaceutical brand of the country, achieving another major milestone.

Owing to its medical heritage and superior science, Panadol has been the first choice for fever and pain relief among consumers and doctors. It is the most prescribed brand by experts in the analgesics category with a prescription share of 32.9%\*\*.

Marketing activities have always been at the heart of the brand and 2020 was no different. Multiple marketing campaigns were rolled out including "Lady Dr" and "Cinderella". The first campaign reinforced consumer trust with Panadol being the No. 1 prescribed brand whereas the second one strengthened brand relevance by emerging as a safe and effective solution for fever relief.

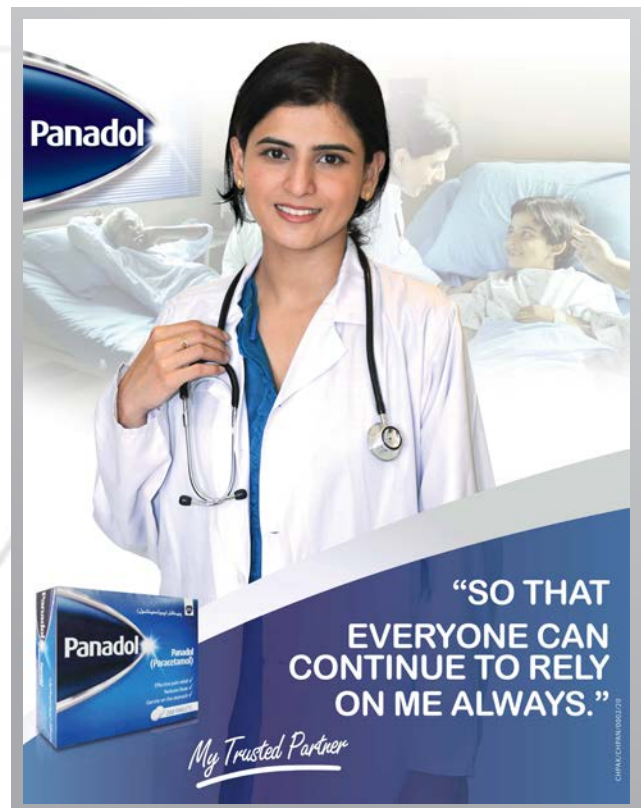
Being a socially responsible brand, Panadol responded with a "COVID-19 public awareness campaign" within weeks from the onset of COVID-19. The big idea was to launch an educational campaign on protection against this virus. The campaign theme was "Fighting Tough Pains Together" reinforcing that Panadol stands shoulder to shoulder with the consumers during these tough times.

\*IMS MAT Dec'20 Sales data

\*\*IMS H2'20 Prescription data

By building on the key consumer insights and by reinforcing brand relevance, Panadol delivered exceptional business results with a 36.8% growth over last year, translating into a PKR 7.5 billion brand.

The portfolio consists of a diverse range including solution for Fever, Pain and Cold & flu with varying strengths for all age groups. In line with its strategic vision, Panadol will continue to deliver innovative solutions to cater to a wide range of pain sufferers.



# CaC-1000 PLUS

## Driven by purpose

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

## Maintaining Market Leadership

**CaC-1000 PLUS** is the biggest brand in the Vitamins & Minerals Category with a value share of 33.4%<sup>2</sup> driven by utmost trust of Consumers and Healthcare Professionals alike. CaC-1000 PLUS is an effervescent tablet, available in 4 flavors; Orange, Cola, Lemon and Mango (sugar-free).

## Celebrating Records

The year 2020 saw CaC-1000 PLUS deliver phenomenal results as it achieved the milestone of PKR 4Bn in local sales and a growth of 43%<sup>3</sup> vs last year.

We launched a new Calcium Awareness Campaign “#1000WaysICan” that celebrated women who do more regardless of age by prioritizing their bone health with regular

Calcium intake. It was awarded the “Best Consumer Campaign of 2020” in GSK’s Middle East & Africa (MEA) region. Moreover, with the rise of digital penetration in Pakistan, we produced the first-ever GSK CHC Global-first Web Series called “Ayesha” to engage with our audience through an impactful story. Other achievements in 2020 include a massive digital and on-ground campaign on World Osteoporosis Day, BMD activations testing ~120K consumers for Calcium deficiency through free testing and clutter-breaking trade visibility drives, to name a few.

## #1 Prescribed Calcium Supplement

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



1. National Nutrition Survey, '11  
2. IMS MAT Dec '20  
3. Secondary Sales Data, Dec '20



# SENSODYNE

2020 for Sensodyne, with the arrival of the COVID-19 pandemic, was a challenging year to begin with. Sensodyne had to tactically change its strategy with the changing market dynamics throughout the year.

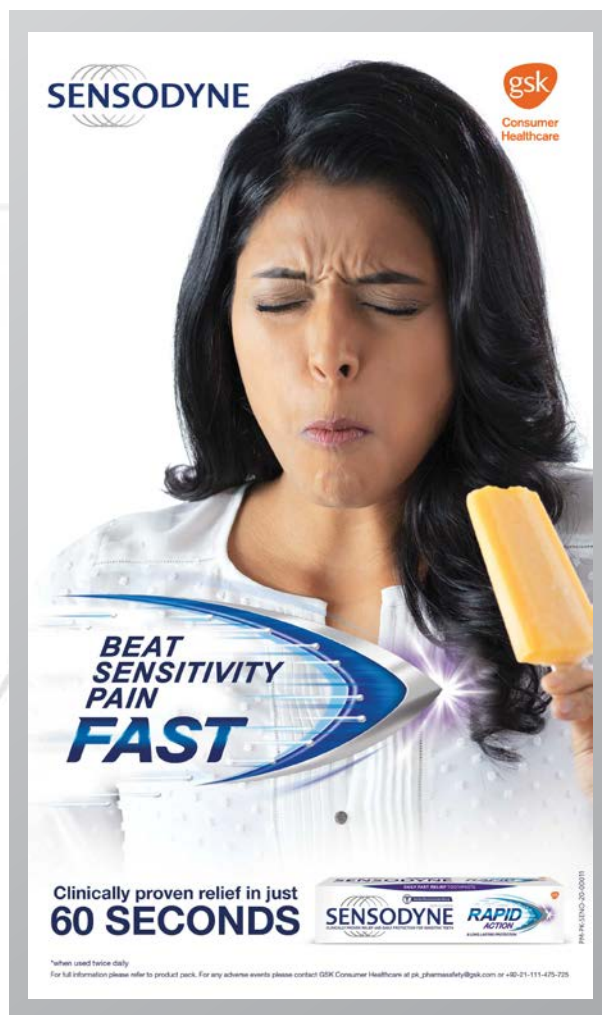
Now, more than ever, there was an increasing focus on health, and a rise in conscious consumption – trust and quality had become imperative in purchasing decisions. Building on this human-centric approach and the fact that every 2 in 5 people suffer from sensitivity, Sensodyne pivoted to a 360 strategy championed by Rapid Action, because it's a trusted variant amongst both consumers and dentists, providing quick sensitivity relief in 60 seconds<sup>^</sup>.

Furthermore, in times when dentists were only able to consult critical patients, Sensodyne, owning social responsibility, created an opportunity for dentists to meet patients through a series of online short videos, in which dentists were giving tips and advice on how to maintain oral health during lockdown.

Later in the year when COVID-19 related regulations were eased, Sensodyne showed agility and resumed building direct to consumer connections through trademark Check Up activation. It also introduced a new partnership with ice cream and juice joints – a strategic initiative building relevance of the brand with key sensitivity triggers. Despite the challenges Sensodyne faced in the beginning, it closed the year with +1.7ppt\*

increase in market share, growing 5.3X the Category\*. Additionally, Sensodyne still stands as No. 1 Dentist recommended toothpaste for sensitive teeth <sup>^</sup>.

Sensodyne understands that sensitivity pain can be a hindrance in enjoying life's pleasures and is dedicated to creating a future where every life is sensitivity free. The portfolio includes 7 variants of toothpastes, 4 brushes and a mouthwash – all designed specially to treat sensitivity, supported by their own unique propositions.



\*Nielsen Retail Audit Data Dec'20

<sup>^</sup>IPSOS Expert Performance Tracking

# parodontax

Parodontax is a gum care toothpaste to help stop and prevent bleeding gums. Since its launch, Parodontax has been creating awareness in Pakistan on how bleeding gums can be a sign of gum disease and can lead to much worse.

The biggest excitement for the brand in 2020 was entering the Oral Health Herbal segment, with a 360 launch of Parodontax Herbal Fresh (with Ginger, Mint and Eucalyptus extracts), designed to scientifically be 4X more effective at removing plaque, the main cause of bleeding gums. However, soon after, with the arrival of COVID-19 in Pakistan, the brand's major on-ground/in-store activations were put to a halt and Parodontax had to show agility in responding to the changing marketing dynamics.

The Parodontax Time campaign remained universally relevant and was run throughout the year on TV and digital platforms with Herbal Fresh as the hero variant. Explaining the cycle that begins from bleeding gums and ends with loss of tooth, it emphasized the seriousness of the issue and urged action to be taken, while building relevance for Parodontax as the solution.

To overcome the halt on on-ground activities due to the pandemic, digital channels were utilized to the maximum, ensuring reaching consumers at the right touchpoints. A new addition was made to our campaign called the MythBusters. Played on all digital channels, these videos clarified common myths held by consumers and encouraged better oral health practices. Towards the end of the year, Parodontax also introduced special web series featuring dentist influencers explaining gum disease symptoms and recommending Parodontax as the solution; the testimonies gave consumers more reasons to trust the brand. When lockdowns were eased, Parodontax reconnected with consumers and dentists face-to-face by condition awareness and sampling in stores and leveraging science in dentist chambers.

Despite the pandemic, Parodontax closed the year delivering a high double-digit growth and increased its penetration. The brand will continue driving condition awareness to win the fight against the devastating progression of gum disease in Pakistan.



## Other Brands



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



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

**Voltral Emulgel**



Topical Emulgel for neck, back and muscular pain

**QalSium-D**

Chewable calcium tablets for strong bones and teeth

**Actifed**

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

Anti-allergic

# T-Day

(Levocetirizine Dihydrochloride)

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

HYDROPHASE AQ

# Brevoxyl

Benzoyl peroxide BP 4%w/w

For the treatment of mild acne

# 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

# IODEX

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

## Expert **Testimonial**



I have been using the Panadol Pediatric range for my pediatric patients for the last 20+ years. I have found this range to be highly effective, trustable, with minimal side affects in all age groups.



**Dr. Mohsina Noor Ibrahim**

*Assistant Professor*

*Consultant Pediatrician & Pediatric Endocrinologist*



I have been prescribing my patients Sensodyne; they express having felt instant relief. As a dentist, I wish to recommend a toothpaste where I feel assured that my patients would see results and have a quality experience each time they brush their teeth.

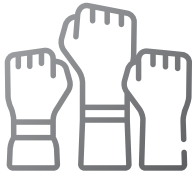


**Dr. Ashar Jamelle**

*HoD Assistant Professor Periodontology*

*Fatima Jinnah Dental College*

# SWOT Analysis



## Strengths

- 1) Global footprint with operations in nearly 150 countries and diverse portfolio of category defining brands that have established themselves as the leading products in their respective markets.
- 2) Strong distribution network with collaboration of 34 distributors nation-wide.
- 3) Global thinking with local execution, which means that it pursues global strategies that make it win the hearts and minds of consumers.
- 4) State of art manufacturing facility in Jamshoro serving three markets, Pakistan, Philippines and Vietnam.



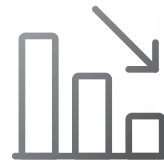
## Weaknesses

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



## Opportunities

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



## Threats

- 1) Weak implementation of Intellectual Property Rights can lead to loss of market share.
- 2) Deteriorating exchange rates pose a high risk to our profitability as we depend heavily on imported raw materials.
- 3) Consistent increase in cost of doing business including raw material prices and associated handling and freight bill amid COVID-19

# Competitive Landscape and **Market Positioning**

GSK CH has progressed to deliver over-the-counter healthcare needs of Pakistan. Over the years, it's grown brands such as Panadol, CaC 1000 PLUS and Sensodyne to a status of heritage. With a state-of-the-art production facility, it has continued to gain market share across the different categories the entity operates in.



## **Oral Health**

Oral Health is a heated category across all fronts, one that is highly penetrated across the country. In terms of landscape, Sensodyne is the #1 player in the Sensitivity category while Parodontax is the #1 recommended brand for Bleeding Gums by Dentists. Sensodyne is also #1 in share for recommendation for consumers suffering from Sensitivity.



## **Pain Relief**

The Pain Relief category in Pakistan is dominated by systemic pain segment with around 95% of the share and topical pain contributing towards the remaining 5%.

The Systemic Pain segment is further divided into two subcategories Analgesics and NSAIDS. Even though the category is dominated by NSAIDS (both in terms of value market share (60%) & volume market share (55%)), Panadol, despite being an Analgesic brand, leads the market with a 21% Market Share (Value) which reflects the strong equity & heritage of the brand.



## **Vitamins & Mineral Supplements**

This subcategory has a fragmented market landscape with various product offerings. There are 8 sub-segments, out of which Calcium is the biggest with 36% contribution to overall VMS sales. Within VMS, CaC-1000 PLUS is the market leader with 15.7% value share.



### **Threat of Substitutes**

Healthcare is essential for the people and the demand for it in the country must be met. GSK CH undertakes extensive research to come up with a product that would help the consumers in fulfilling their demand of healthcare needs. Threat of substitute is always there since for every treatment, pain or disease there are multiple medicines being made. Technological advancement also plays a huge role in development of these products as GSK CH continues to incorporate innovative enhancements in its offerings.



### **Power of Customers**

GSK CH has been serving its customers with excellence for over 5 years. The Company prioritizes its relationship with its customers and the trust they have in the company. GSK CH has played a major role in shaping the healthcare sector of Pakistan. They introduced Protective Counter Units in pharmacies for customers well-being and to minimize exposure of pharmacists during COVID-19.







### **Power of Suppliers**

Supply chain department at GSK CH holds a crucial area of operational excellence. For the company to keep growing they need a sustainable framework that allows smooth and uninterrupted supply of input. GSK CH has good strategic relationship with its suppliers; be it for smooth access of raw materials or capital inputs.



# Objectives and **Strategies**

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



## **Future Relevance**

The KPIs will remain relevant in the future.

# Objectives and **Strategies**



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

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

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## **Significant Plans and Decisions:**

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

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## **Liquidity Position of the Company:**

The company maintains healthy operating cashflows, which are 164% of its Profit before tax as compared to 78% as at last year. The acid-test ratio of the Company has also improved from 0.72 to 0.78 during the year.

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## **Strategy to Overcome Liquidity Problem:**

The Company has no liquidity problem and manages its working capital in the most efficient manner. Our treasury department invests the surplus funds at the most beneficial rates, which, in turn, adds to its investment income and duly provides the Company with additional funds to meet its operational needs. Furthermore, better Capital Expenditure planning and healthy operating cash inflows have helped to eliminate the Company's dependency on running facility by the year end 31 December 2020.

# Risk Management

## Board's Statement on Risk Management

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






## Risk Management Framework

Our risk management framework is well embedded within the processes of the

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

Board of Directors monitors various compliance initiatives and promotes risk management and compliance culture in the Company. Board has

# Risk and Opportunity Report

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



Risk



High



Low



Medium



Internal



Opportunity



Long Term



Short Term



Medium Term



External

## Information about default in payments of debts

There were no defaults in payments of debts during the year ended December 31, 2020.

## Inadequacy in the capital structure

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

delegated the responsibility of monitoring and control of business risks to the management of the Company.

### Assessment of Principal Risks

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

The RMCB has formed a structure whereby designated Risk Owners are responsible for

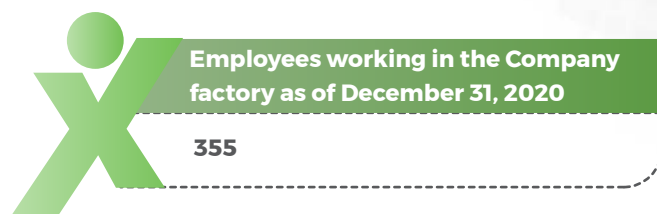
identifying and treating significant risks, each Risk Owner then performs a review of their key Principal Risks, take corrective and preventive approaches to ensure controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Officer facilitates in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

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

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

### Key Quantitative Information

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



# Significant Factors Affecting **the External Environment and the Organizational Response**

<b>Economic</b>	<b>Social</b>	<b>Environmental</b>
High inflation and interest rates, increasing labor cost, and low economic growth adversely affects the profitability.	Corporate Social Responsibility program initiated to increase awareness amongst the people and to promote a healthy lifestyle for them.	Increasing awareness about the surroundings and the condition in which a person operates.

<b>Organizational Response</b>		
Initiatives taken to reduce costs and price adjustment.	Various steps taken as part of our CSR campaign.	The Company complies with local regulatory compliance requirements to environmental safety

<b>Legal</b>	<b>Technological</b>	<b>Political</b>
Companies Act 2017, Income Tax Ordinance 2001, Sales Tax Act 1990, Pakistan Stock Exchange listing regulations, SECP Act, Drug Regulatory Authority of Pakistan Act, 2012	Continuous technological changes and advancements lead to obsolescence and excessive training.	Political instability and uncertainty.

<b>Organizational Response</b>		
The Company ensures compliance with all the applicable laws and regulations.	Continuous training provided to the employees regarding evolving ways of working.	Diversification of inventory holding across the country and across the route-to-market. Use of technology to manage business operations during uncertainties.

## **Effect of Seasonality in terms of production and sales**

With continued availability of our wide range of consumer healthcare products, our products are in high demand throughout the year. Sales of Pain portfolio increase in winters whereas Wellness portfolio is sold more during the summers. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management as well as distributor warehouses to ensure enhanced availability of our products for patients without any supply limitations enabling them to do more, feel better and live longer.

## **Significant changes from prior year**

There are no significant changes from prior year.

# Corporate Social Responsibility (CSR)

Grants and Donation (G&D) is embedded in our ways of working, with our commercial practices keeping at heart the patient first and focusing on ethical selling. This is also demonstrated in principle by our core values. Through the above initiatives, we are driving the GSK mission of "helping people to do more, feel better, live longer..."

As a responsible member of the community, GSK CH recognizes the importance and role that GSK as a company can play in supporting worthy social causes.

As important as Grants & Donation is for the community, it is equally respectable and valuable for the Organization. Such initiatives help build a stronger bond between employees and corporations, boost morale and help employees feel more connected with the community around them. The **purpose is such** to give back to the community and provide positive social value.

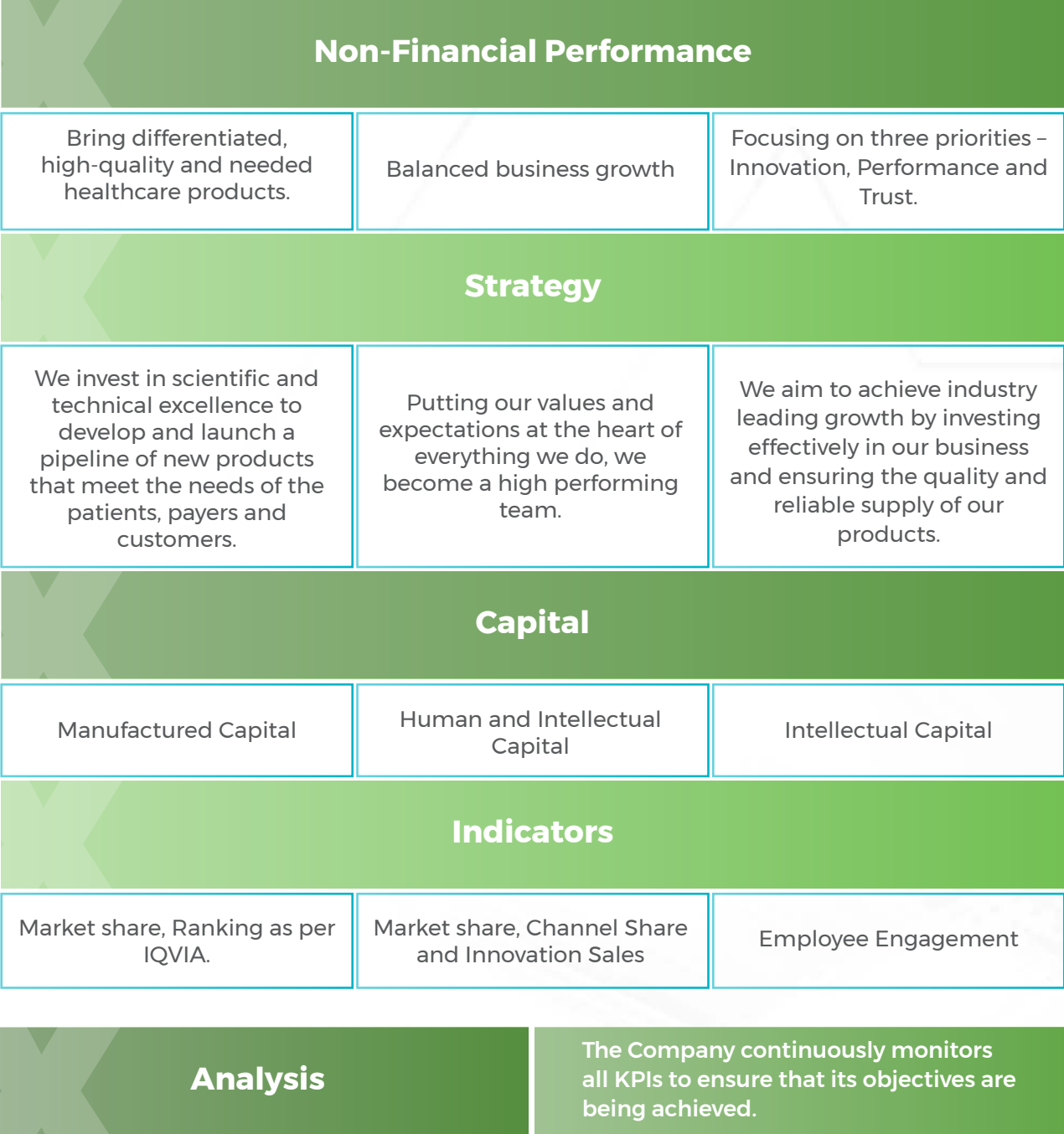
Grants & Donation Projects are the work that GSK CH does as a part of its Grants and Donation communities in Pakistan. These are approved in G&D Working Group and G&D Committee. Our product offering is such that our aim through this Committee is to ensure accessibility regardless of circumstances / background.

We have facilitated "**The Pakistan Association of the Deaf**" for enhancing living standard of the deaf and enabling them to play an active and respectable role in the society by supporting with operational expenses. Additionally, we have also contributed to **Green Crescent Trust** for adding great academic value and transforming lives through continuous enhancement of knowledge and empowerment. Also, supporting the underprivileged with a food drive during COVID-19.

Our purpose is to add great value of living and benefit to the underprivileged community in Pakistan .



# Analysis of Financial and Non-financial Performance **Using Key Indicators**



**Financial Performance:**

Financial Performance using indicators is explained on page 110 and onwards.





We commit to be more agile  
as we develop faster and  
simpler decision making by  
encouraging more risk  
taking and learning.



the  
extra  
mile in  
agility

# Response to COVID

The COVID-19 pandemic is considered as the most crucial global health calamity of the century and the greatest challenge that the humankind faced since the World War II. It has rapidly spread around the world, posing enormous health, economic, environmental and social challenges to the entire human population. The coronavirus outbreak has severely disrupted the global economy. Almost all the nations are struggling to slow down the transmission of the disease by testing & treating patients, quarantining suspected persons through contact tracing, restricting large gatherings, maintaining complete or partial lock down etc.

Even in such times the companies must operate while taking all the necessary precautions and actions and that is what GSK CH did to ensure

that company keeps functioning while providing safety to its employees. Firstly, they introduced work from home for their employees to ensure their safety and well-being. Secondly, they ran a COVID-19 awareness campaign by Panadol and Sensodyne to raise awareness among masses. In order to reach doctors, the expert team started remote detailing in which they hosted online conferences. Besides this, protective kits were given to doctors, experts, and sales team for their safety. For the safety of Pharmacists & customers, safety shields were installed in medical stores. To deal with the upsurge in demand of CaC-1000 PLUS and Panadol, strong BCGS were put into place. COVID-19 Pandemic had an impact on all companies in and outside of Pakistan and this is how GSK CH responded and tackled all the hardships ensuring Company continues to function while keeping safety as its top priority.

## Response in COVID



Quickly responded to changing market dynamics



Dentist Awareness message on Oral Health habits by Sensodyne during COVID-19



Expert team started Remote Detailing to reach doctors; hosted online conferences

## People Safety



- Ensured team and front-line workers were safe
- Work from Home + Electronic Approval process implemented for Employees (Ergonomics allowance provided)



Protective shields installed in medical stores for safety of pharmacists



Protective Kits given to Doctors, Sales & Expert team for their safety

## Supply Chain Operations Put customers & consumers first



Strong BCPs put in place to cater to upsurge in demand of Panadol & CaC

COVID-19 has led to massive change in consumer sentiments and behavior. Since the onset of the pandemic, people have started shifting into protection mode, minimizing their exposure to potential virus contraction. While other sectors remained under lockdown, pharmacy was one channel that remained operational to facilitate provision of public healthcare. In turn, this caused high exposure to pharmacists resulting in a surge in COVID-19 cases amongst them.

Living the GSK attribute of customer obsession, we introduced Protective Counter Units in this channel to not only minimize exposure for pharmacists and consumers but also leveraged on the branding opportunity in a disruptive way.



## Pandemic Recovery Plan

There is nothing in the world which didn't get impacted by the Pandemic of COVID-19. From poor to rich, small businesses to corporate giants, lifestyles, social activities, just everything got terribly impacted. The entire world implemented alternate measures & execute Business Continuity Plans (BCPs) to cope up with the situation.

GSK CH put in place a strong governance



Additional inventory of RM/PM purchased to support continuous operations



BCPs agreed with LSPs to ensure Finished Goods are delivered to customers on time and in full

process, firstly to ensure the safety of the employees along with the business continuity. BCPs were executed at all levels to ensure that remote working doesn't hamper the product supply to the patients and consumers. Starting from the procurement of materials to the final distribution of finished goods, the entire chain worked with great collaboration to avoid any disruption. On one hand Factories played an integral role to run the production machines with full capacities while following the COVID-19 related SOPs and precautionary measures; on other hand, a strong alliance with 3rd party Logistics business partners really helped in executing a BCP around warehousing and distribution operation which resulted in robust On time and In Full Performance (above 98% throughout the year).

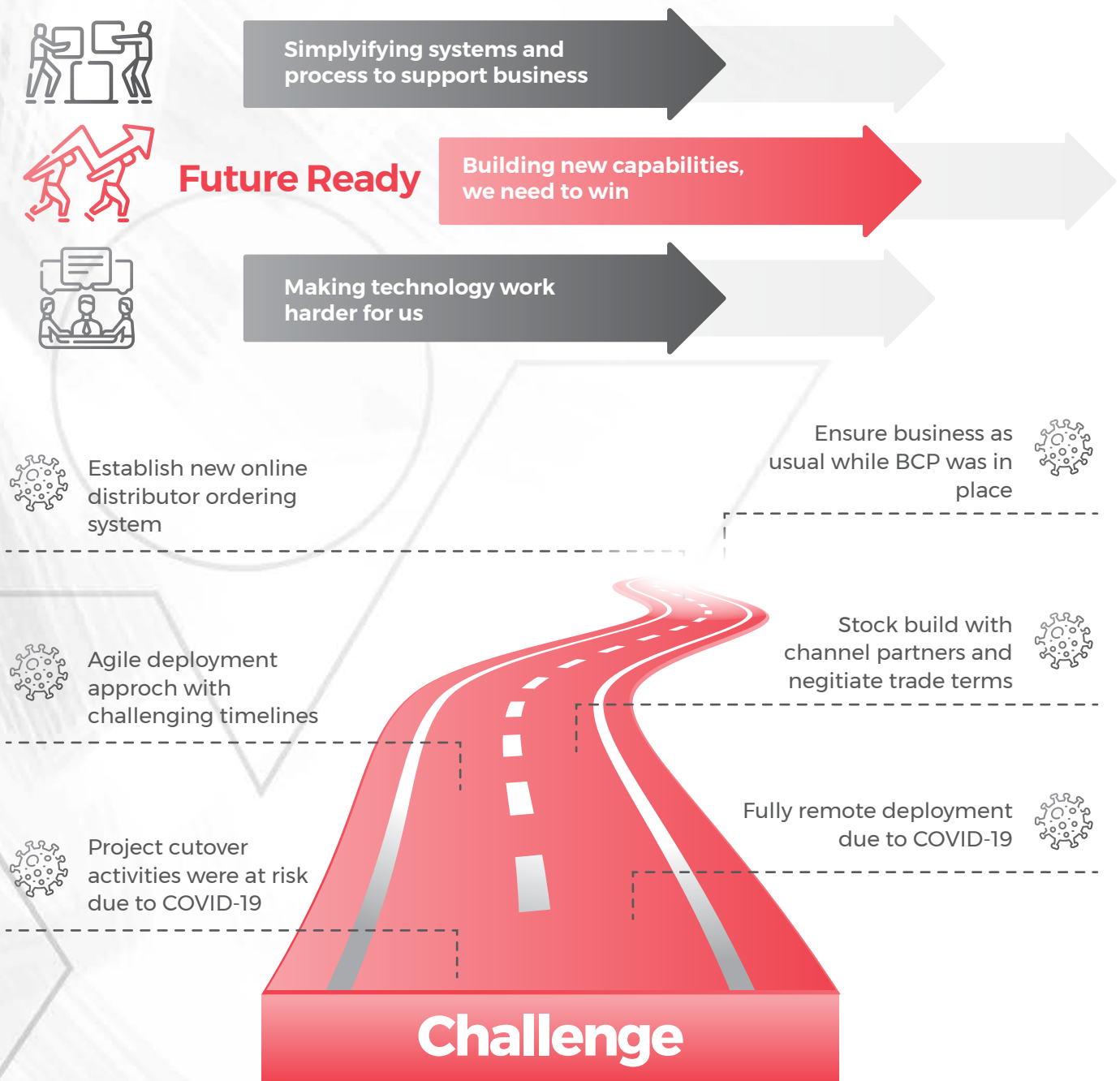
Furthermore, our team underwent a transformational journey, with the onset of COVID-19 giving rise to new ways of working. The country-wide lockdown meant that all face-to-face interactions with HCPs had to be halted indefinitely. However, continuing to engage HCPs in scientific dialogue while safeguarding the wellbeing of our field force was our utmost priority. Hence, we successfully navigated to a hybrid detailing model, using digital channels to engage HCPs where face-to-face interaction was not possible. During this time, our team also conducted numerous digital presentations and hosted informative webinars in partnership.

# Deployment of **One ERP**

GSK CH deployed SAP in the commercial division during COVID-19 and faced several challenges but overcame them through strong governance and decision making. It helped the company in many ways as it centralized data base that supports all core processes and simplified systems and processes to support businesses. It added value to business by simplifying operating models and unifying them onto one platform.

## **ONE ERP: Remote Deployment in Pakistan**

Extraordinary Project Management during unprecedented times



# How we did it virtually:

## Strong Governance & Decision making



### Virtual One ERP Journey

Stong ONE-ERP project management executed through effective activities conducted remotely.



### Governance

The project was tracked on a weekly and fortnightly basis by focus group including LT members from the LOC and key project sponsors to ensure adequate support and timely completion of the deployment.



### Supply chain, logistics and GMS Sites

Effectively and efficiently managed stock build requirements



### Warehousing and Distribution

Ensured products delivery before cutiver freeze across all warehouses.



### Finance

Played a pivotal role in robust decision making, effective Gross to Net management, business partnering and timely submission of group and statutory reporting's.

## Milestones



First successful virtual go-live

Online integrated portals for Procurement and managing Travel and Entertainment

Virtual accounts and online customer portal

Successful stock building

Efficient working capital management

BI & Lumira reports

Efficiencies on the area supply chain & Warehousing & Distribution

Standard Ways of Working aligned with global policy



## Success Factors



Winning mindset & Inclusive Behaviour



Robust & Effective Decision Making



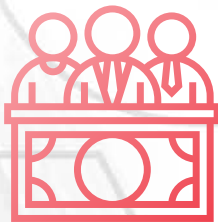
One GSK One Team

# Stakeholders **Engagement**

The Company recognizes that stakeholder engagement, particularly under the challenging circumstances of a global pandemic, should be more than an exercise undertaken for its own sake, but rather an opportunity to drive positive change for business, its employees, the environment, local communities / society as a whole and to create value for its shareholders.

The Company engages with a wide range of stakeholders through day-to-day interactions with customers; engagement with the government and regulators; regular dialogue with employees; suppliers, partners, distributors and investors to follow its business priorities of Innovation, Performance and Trust in letter and spirit.

Dialogues with stakeholders enable the Company to identify and prioritise significant issues and develop responses that are in the best interests of society, as well as shareholders. Engagement with the Company's main stakeholder groups, including patients, shareholders, consumers, customers and employees, at all levels of the organisation and across the enterprise is summarised below:



## **Shareholders and Investors**

- Annual General Meetings
- Corporate Briefing Sessions
- Annual Reports
- Quarterly Financial Statements and Directors' Reports
- The Company's website
- Dedicated email address for investor relations



## **Consumers**

- Advertising campaigns
- Press releases
- Radio Messages
- Multichannel / digital campaigns

## Employees



- Biannual employee Surveys
- Let's Talk sessions with Leadership teams across the GSK universe
- Townhalls with local leadership
- Several engagement initiatives as a part of the 'Play Above' programme, including skip level sessions with +1 line managers

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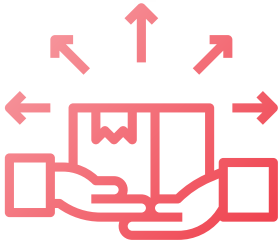
## Healthcare professionals (HCPs)



- Conferences and seminars
- Regular visits by field force
- Advisory Board meetings

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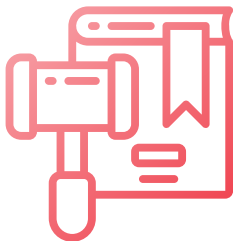
## Suppliers and Distributors



- GSK's Third Party Oversight programme and external platforms to help monitor performance.
- Miscellaneous trainings like QMS training sessions and regular QMS audits
- Distributor conferences
- Market visits

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## Governments and Regulators



- Scheduled meetings
- Industry conferences
- Trade associations
- Written communication
- Facility visits

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## Local Community



- CSR initiatives

# Corporate Governance

## OUR CORPORATE GOVERNANCE STATEMENT

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

## COMPLIANCE WITH THE BEST CORPORATE PRACTICES

The Company is fully compliant with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Report issued by the auditors confirming the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Code of Corporate Governance") is contained on page 138.

The Directors of the Company confirm compliance with the below mentioned:

- Financial statements accurately represent the current standing of the Company, its operations, cash flows and changes in equity.
- Books of accounts of the Company have been properly maintained.
- Internal control has been implemented and monitored by the Internal Audit function led by the Chief Internal

Auditor supported by Yousuf Adil, Chartered Accountants.

- The Company has followed the International Financial Reporting Standards (IFRS) in preparation of financial statements
- Departures from the IFRS, if any, have been adequately disclosed and explained throughout this Annual Report.
- There is no material departure from the best practices of corporate governance as per the Code of Corporate Governance.

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

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

## GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

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



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

- The Code of Corporate Governance encourages at least half of the directors on the Board of a Company to have completed the Directors' Training Programme trained by 30 June 2020. Currently, as of December 2020, more than 50% of the Directors are either trained through SECP approved institutions or exempted. We foresee this number to rise in 2021.
- The Code of Corporate Governance also encourages at least one (1) female executive to complete the Directors' Training Programme in a year, which the Company has complied with to ensure best practices in corporate governance yearly, despite this being an encouraged stipulation of the Code of Corporate Governance.
- The Company has had two (2) female directors on its Board prior to the Code of Corporate Governance mandating female representation on boards.

## **Living our Values and Expectations Together**

Together, our Values (Consumer First, Integrity, Respect and Transparency) and Expectations (Courage, Accountability, Development and Teamwork) help us to create the culture we want. They are included in the Company's Code of Conduct, which we have updated to make it simpler and easier to use. Every employee and complementary worker is required to complete mandatory trainings on the Code of Conduct annually.

## **Reporting and investigating concerns**

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

## **Inside Information Register**

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

## **CONFLICT OF INTEREST AMONG BOARD MEMBERS**

The Company has a clear policy on conflict of interests which contained in the Code of Conduct duly approved by the Board of Directors. As per the Code of Corporate Governance, every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters. Further, complete details of all transactions

with related parties are submitted to the Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company. All Directors are reminded of insider trading and avoid in the dealing of shares during the closed period every quarter.

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

## **WHISTLE BLOWING POLICY**

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

## **ZERO TOLERANCE FOR RETALIATION**

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

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

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

## **SPEAK UP INSTANCES DURING THE YEAR**

During 2020, there were no instances that qualified as that of material nature.

## **CORPORATE BRIEFING SESSION 2020**



The Company held its second successful corporate briefing session on 7 December 2020 virtually due to COVID-19 induced lockdown. Mr. Sohail Ahmed Matin (CEO), Mr. Dilawar Meghani (CFO), Mr. Ahmed Baloch (Director Marketing) and Ms. Mashal Mohammad (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview.

The presentation was followed by a Q&A session, where thought provoking questions were put forward to the management of the Company, which were well addressed to the satisfaction of the attendees. The following are some of the topics discussed during the briefing session:

- The landscape of the industry and the Company's growth in relation to other players.
- Key brands performance and performance highlights of the Company since the last AGM.
- The Company's response to COVID-19.
- The Company's future outlook and challenges.

The presentation from the corporate briefing session can be viewed on the Company's website under the "Investors" section i.e.

<https://pk-consumerhealthcare.gsk.com/en-gb/investors/shareholder-notice-and-forms/>

## **INVESTORS' GRIEVANCE POLICY/ REDRESSAL OF INVESTORS' COMPLAINTS**

The Company's Corporate Secretarial team promotes dialogue with its shareholders and investors in line with GSK Values and Expectations. The Company's commitment to open communication ensures accountability and transparency to its external audiences and plays an important role in the Company's success.

The Management of the Company is also committed to provide equal and fair treatment to all shareholders through transparent investor relations, increased awareness, effective communication and prompt resolution of shareholders' complaints. Further, the Company maintains a record of all such grievances along with actions taken for resolution. The main principles of the Investor Relations Policy are as follow:

- All the shareholders are always treated politely, fairly and equally.
- Complaints raised by shareholders are dealt with courtesy and in a timely manner.
- The Management works in good faith and without prejudice towards the interests of any of the shareholders.

The Company has internally established a mechanism for shareholder grievances handling. The Company has a dedicated Shares Department in place and appointed an independent Share Registrar (CDCSRSL) to resolve issues of the shareholders as well as to provide a faster and efficient provision of services to its shareholders and investors.

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

Shareholders can also submit their complaint(s) to a dedicated email address i.e. [chc.shareinfo@gsk.com](mailto:chc.shareinfo@gsk.com) which is also available at the Company's website in line with the directives of SECP. Grievances can also be notified to the Company by post and telephone.

In case a complaint has not been properly redressed by the Company or the Registrar, shareholders / investors, the Company has highlighted on its website that shareholders may lodge their complaints with the Securities and Exchange Commission of Pakistan on their SDMS portal.

## **INVESTORS' SECTION ON WEBSITE**

In order to provide ease of access to stakeholders, the Company's latest

information for investors is available on our website, under the “Investors” section on the Company’s website

**([www.pk-consumerhealthcare.gsk.com/en-gb/investors](http://www.pk-consumerhealthcare.gsk.com/en-gb/investors))**

This page is updated regularly in order to provide transparent, adequate and updated information to all investors and stakeholders. All information is made available in both English and Urdu languages for the ease of shareholders and investors and in compliance with applicable law.

## **POLICY FOR SAFEGUARDING OF RECORDS**

Under the Company’s Global Records Retention Policy and Schedule, all staff in all business units, regions, areas and functions must follow approved retention periods in managing their records. The Company’s Global Records Retention Schedule applies to all media and formats.

The Company believes that documentation practices have a direct impact on product quality and consumer safety, and it implements the highest standards of record safeguarding through our document management and control policy. The Company has strict data lifecycle management guidelines in place which are implemented across all its activities and processes. These guidelines outline

procedures for data approvals, use, access and retention as well as the use of third-party archive service. This helps ensure document accuracy, consistency, integrity, availability and legibility.

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

The Company continues to invest in technology and software to ensure the safekeeping for documents which includes its contract management repository, and other forms of document management applications.

# Directors' Profile

**Appointment:** 26 April 2018

**Nationality:** Pakistani

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

**Education:** Chartered Accountant

**M. Z. Moin Mohajir's** business experience spans 40 years. After qualifying as a Chartered Accountant with A.F. Ferguson & Co. He joined Pakistan Security Printing Corporation in 1978, where he was Chief Accountant/Company Secretary. In 1981, he joined Sanofi Aventis Pakistan Limited (formerly Hoechst Marion Roussel Limited/Hoechst Pakistan Limited) from where he retired as Director Finance and Administration in October 2011.

He joined the Overseas Investors Chamber of Commerce and Industry (OICCI) in October 2011, where he is presently working as the Deputy Secretary General. He also serves as the Independent Member of the Board of Directors of Pakistan Oxygen Limited, Wyeth Pakistan Limited and Loads Limited and their Board Committees. He is also a Member of Federal Tax Ombudsman Advisory Committee (South), and a Member of the Fiscal Law committee of the Institute of Chartered Accountants of Pakistan (ICAP).

His previous responsibilities included: Member of the Board of Directors and Chairperson Audit Committee - Pakistan Industrial Development Corporation (PIDC), Member of the Board of Directors and Audit Committee - Standard Chartered Leasing Limited, Member of the Board of Directors and Audit Committee - Sindh Modaraba Limited, Chairperson of the Election Committee - ICAP, Audit Committee - ICAP, Member of the Finance Subcommittees of two major Clubs.

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

*Independent  
Director  
(Chairperson)*



**Appointment:** 06 January 2016

**Nationality:** Pakistan

**Years of experience:** 36 years of experience in pharmaceuticals

**Education:** Master's degree in Mechanical Engineering from Stevens Institute of Technology, followed by an MBA in Management from Oklahoma State University.

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

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

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

He also serves as a Chairperson on the Board of Directors of Pakistan LNG Limited.

## Mr. Sohail Ahmed Matin

*Executive Director  
(Chief Executive Officer)*



**Appointment:** 27 October 2020

**Nationality:** Pakistani

**Years of experience:** over 15 years

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

**Dilawar Meghani** has diverse experience spanning over 15 years of Financial Planning & Controlling, Assurance & Advisory and led various restructuring, integration and change management programs. He has worked as a Senior Finance Business Partner for GSK Pharma Saudi Arabia. Prior to this, he served as a Financial Controller for GSK CH .

He joined GSK in 2015 as part of Novartis Integration where he was responsible for Consumer Healthcare business as Manager Business Planning and Analysis since 2012. Before joining Novartis, he has also worked for Johnson & Johnson Pakistan and PriceWaterhouseCoopers (PWC) on various managerial and advisory positions.

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

## Mr. Dilawar Meghani

*Executive Director  
(Chief Financial Officer)*



**Appointment:** 23 June 2016

**Nationality:** Pakistan

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

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

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

He joined the Central Superior Services (CSS) of Pakistan in November in 1971. After training at the Civil Services Academy, he was assigned various positions and responsibilities during which he earned varied experience both in media and management, including hands-on-experience of executing media and communications strategy for the Federal Government at the highest level.

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

## **Syed Anwar Mahmood**

*Independent Director*



**Appointment:** 3 March 2021

**Nationality:** Pakistani

**Years of experience:** over 28 years of financial experience

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

**Ms. Aziz** currently serves as the CEO / Managing Director of Pak Brunei Investment Company (nominee of GoP). She brings over 20 years of experience in Structured Finance, Private Equity & Strategic Advisory businesses. Ms. Aziz started her career from ANZ Grindlays Bank & worked in Merchant Banking & Treasury Markets Divisions. She was also involved in establishing and managing business operations of Pak Oman Investment Company and its subsidiaries, in senior roles.

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

## **Ms. Ayesha Aziz**

*Independent Director*





**Appointment:** 26 August 2020  
**Nationality:** French  
**Years of experience:** 25 years  
**Education:** International Executive MBA (High Distinction) from the Louvain School of Management - Belgium (1999); Doctorate Degree, Faculty of Pharmacy - University Claude Bernard (Lyon - France); Second Degree Master - Focus in Galenic (Formulation - Process - Production) - University Diploma of Pharmaceutical Management, Institute de la Pharmacie Industrielle de Lyon.

**Mr. Abbas** currently Head of Supply Chain - Turkey, Middle East & Africa (MEA), Consumer Health Supply Chain (CHSC), is an accomplished industrial senior executive of GSK with proven abilities in international pharmaceutical, biotech and animal healthcare. He also has solid experience in leading manufacturing plants of commercial and clinical supply-chain operations. He is deeply involved in corporate organizational changes with understanding of impact on other business functions.

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

He also serves as a Non-Executive Director of the Board of Directors of GlaxoSmithKline Consumer Nigeria plc.

## Mr. Oussama Abbas

*Non-Executive Director*



**Appointment:** 13 April 2020  
**Nationality:** Pakistani  
**Years of experience:** over 25 years  
**Education:** Master's Degree in Mass Communication from Karachi University.

**Erum Shakir Rahim**, VP & General Manager of GSK Pakistan Limited has a professional career that spans over 25 years in the Pharmaceutical sector. She started her career in the field of media, first in advertising, then as a journalist and later joined GSK in Pakistan.

In GSK Pakistan, Erum did multiple commercial roles in Rx, Vaccines and Consumer. These included Marketing, Sales, Comms, GA and Business Development (leading the BMS, Stiefel and UCB acquisition as well as launching around 20 assets across oncology, vaccines and Specialty and growing GSK core assets). During her tenure, GSK Pakistan had absolute leadership of the market with a 14% market share.

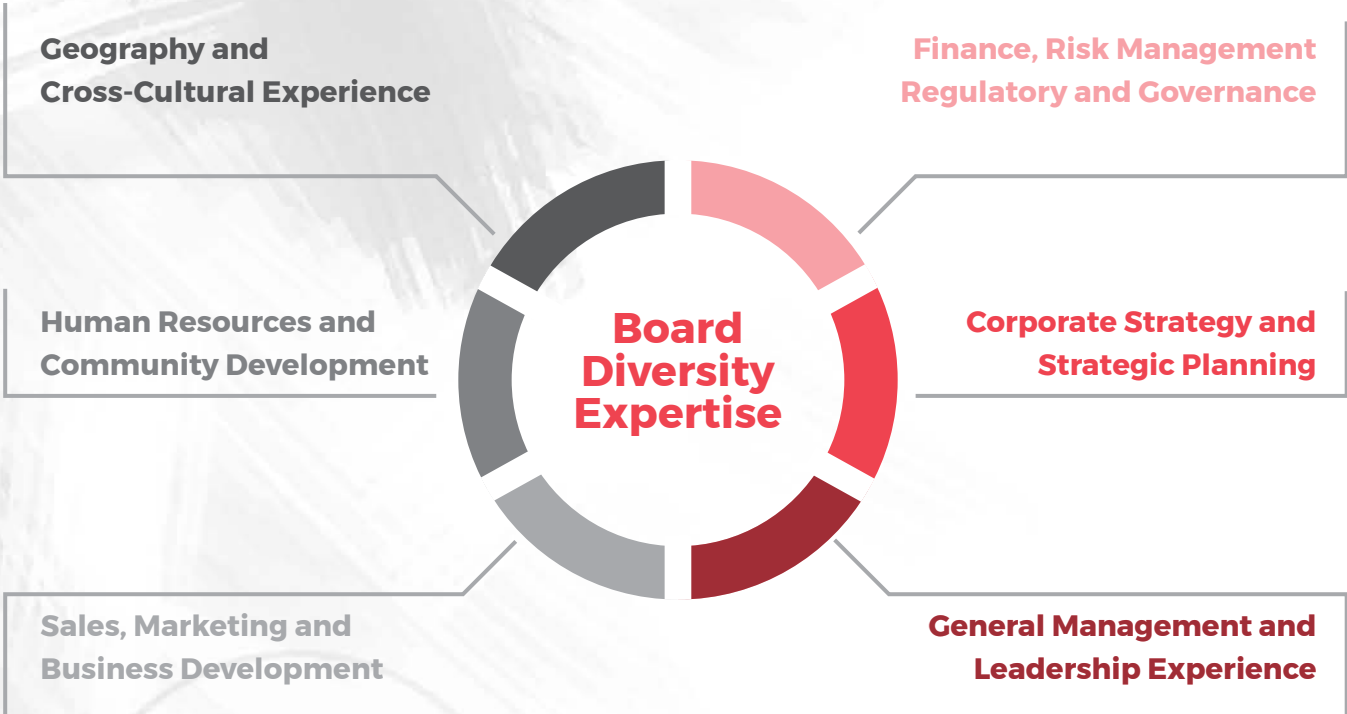
In 2013 Erum was appointed as General Manager of GSK Malaysia (+Brunei). In 2016 she took over as MD & GM of GSK Bangladesh and Developing Countries Asia Cluster and then as GM Indonesia from mid-2018. She took over as Vice President & General Manager of GSK Pakistan in April 2020.

Erum has been on the GSK Pakistan, GSK Bangladesh and GSK CH Boards ensuring regulatory compliance of the listed company. She has also represented the industry on various forums across different countries as part of the Industry associations and is a member of the Managing Committee of OICCI, Pakistan. Erum is the first woman from the subcontinent to be appointed as GM by GSK. She was also the first female GM in Malaysia, Bangladesh and now Pakistan.

## Ms. Erum Shakir Rahim

*Non-Executive Director*

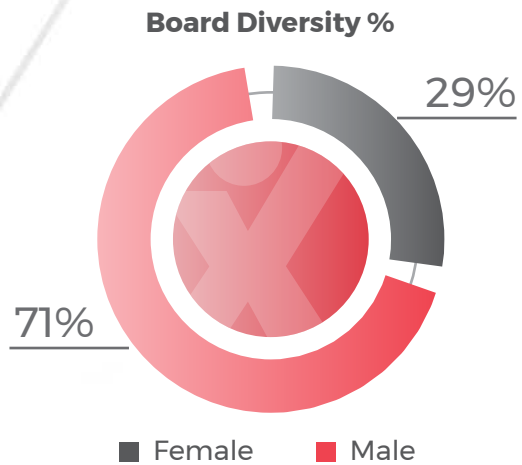
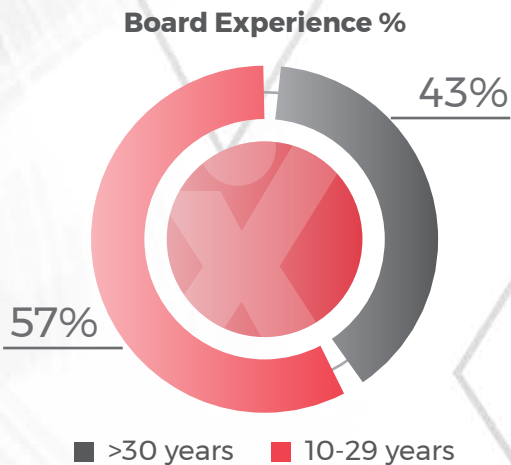




### Expertise

Our Brand is an ideal mix of analytical, strategic and leadership skills. The Directors are seasoned professionals and are familiar with the organizational and industrial aspects of operations and have adequate competencies to bring value additions to our functions.

The Board represents diverse skill sets and expertise in Accounting Sales and Development, Information Technology, Public Relations, Digital Marketing, Strategy Development and Implementation, in alignment with our long-term strategic plans.



# Role of **Board of Directors**

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

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

The Board of Directors meets approx. 4-5 times a year to consider the Company's financial performance, operating budgets, forecasts, business strategy, development

plans, capital expenditure plans, assets disposal, major investments, licensing decisions and evaluates and monitors the Company's performance. The Board comprises of seven (7) Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected.

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

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

## **OUR BOARD COMPOSITION**

There are two (2) executive and five (5) non-executive directors on our Board, three (3) of whom are independent directors.

All independent Directors have been appointed in accordance with the requirements of Section 166 of the Companies Act, 2017 and all applicable law. The current Board composition reflects a good mix of experience, diversity in

backgrounds, skills and qualifications, and comprises of individuals actively ensure that all shareholders and stakeholder's interests are fully protected.

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

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

The composition of the Board and the names of Members of Board sub-committees are disclosed in the Statement of Compliance with the Code of Corporate Governance, issued by the Company on pages 90 to 91.

## **CHANGES IN THE BOARD COMPOSITION**

The changes in the Board composition are as follows:

- a) The resignation of Ms. Annelize Roberts, Non-Executive Director, who was replaced by Ms. Erum Shakir Rahim, Non-Executive Director.

- b) The resignation of Ms. Emine Tasci Kaya, Non-Executive Director, who was replaced by Mr. Oussama Abbas, Non-Executive Director.
- c) The resignation of Mr. Talal Javed Ahmed, CFO and Executive Director, who was replaced by Mr. Dilawar Meghani, CFO and Executive Director.
- d) The resignation of Syed Azeem Abbas Naqvi, Non-Executive Director, who was replaced by Mr. Talal Javed Ahmed, Non-Executive Director.
- e) The resignation of Mr. Talal Javed Ahmed, Non-Executive Director, who was replaced by Ms. Ayesha Aziz.

For further details regarding the above, please refer to pages 90 to 91 of this Report.

## **EXTERNAL SEARCH CONSULTANCY - APPOINTMENT OF DIRECTORS**

No external search consultancy has been used in the appointment of the Chairperson or a non-Executive Director.

## **BOARD OF DIRECTORS MEETINGS**

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

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

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

Name	Board of Directors Meetings	Board of Audit Committee Meetings	Human Resource and Remuneration Committee	Integration & SNO Committee Meeting
	5	5	2	1
Mr. M.Z. Moin Mohajir	5/5	5/5	2/2	-
Syed Anwar Mahmood	5/5	5/5	2/2	-
Mr. Sohail Ahmed Matin	5/5	-	-	1/1
Ms. Erum Shakir Rahim	4/4	-	-	-
Mr. Talal Javed Ahmed	4/4	-	-	1/1
Mr. Oussama Abbas	2/2	-	-	1/1
Mr. Dilawar Meghani	2/2	-	-	-
Syed Azeem Abbas Naqvi	3/3	3/3	1/1	-
Ms. Emine Tasci Kaya	2/2	-	-	-
Ms. Ayesha Aziz	1/1	1/1	1/1	-

## Meetings held during the year - 2020

Board of Directors Meetings held on	Board of Audit Committee Meetings held on	Human Resource and Remuneration Committee held on	Integration & SNO Committee Meeting held on
<b>Q4-2019</b> 12 March 2020	<b>Q4-2019</b> 12 March 2020	<b>Q4-2019</b> 12 March 2020	<b>Q4-2020</b> 9-Dec-20
<b>Q1-2020</b> 20 May 2020	<b>Q1-2020</b> 20 May 2020	<b>Q4-2020</b> 5 March 2021	-
<b>Q2-2020</b> 26 August 2020	<b>Q2-2020</b> 26 August 2020	-	-
<b>Q3-2020</b> 27 October 2020	<b>Q3-2020</b> 27 October 2020	-	-
<b>Q4-2020</b> 5 March 2021	<b>Q4-2020</b> 5 March 2021	-	-

## Board Meetings Held Outside Pakistan

No Board meetings were held outside Pakistan during the year.

Directors	Organizations
<b>Mr. M.Z. Moin Mohajir</b>	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	Archroma Pakistan Limited
	Wyeth Pakistan limited
	Pakistan Oxygen Limited
	Loads Limited
<b>Mr. Sohail Ahmed Matin</b>	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	Pakistan LNG Limited
<b>Mr. Dilawar Meghani</b>	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	Syed Anwar Mahmood
<b>Ms. Erum Shakir Rahim</b>	GlaxoSmithKline Pakistan Limited
	GlaxoSmithKline Consumer Healthcare Pakistan Limited
<b>Mr. Oussama Abbas</b>	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	GlaxoSmithKline Consumer Nigeria plc
<b>Ms. Ayesha Aziz</b>	GlaxoSmithKline Consumer Healthcare Pakistan Limited
	Pak Brunei Investment Company
	Awwal Modaraba Management Limited
	KSB Pumps Company Limited
	Engro Polymer and Chemicals Limited
	Primus Leasing Limited

## **BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON**

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

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

## **CHAIRPERSON'S SIGNIFICANT COMMITMENTS**

The Chairperson's significant commitments during the year included:

- Effective conducting of meetings and decision making virtually keeping in view COVID-19 induced lockdown and social distancing measures.

- Maximising value and safeguarding of interests of shareholders under the difficult circumstances of the COVID-19 pandemic.
- Focused attention to the intersection between the business and society in the face of country's economic hardship.
- Delivery of value by the Company to its customers.
- Monitoring the Company's supply of its products and ensuring access to of the same patients and consumers, all the more under the difficult circumstances of the COVID-19 pandemic.
- Review of the Company's progress in strategic matters, risk management, technological advancements and financial performance.
- Working with the management to foster a culture instilled with GSK Values and Expectations and having visibility of the Company's COVID-19 safety measures for all employees.
- The Chairperson's engagements other than GSK CH have been disclosed on page no. 62 of this Report.

## **BRIEF ROLES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER**

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

The responsibilities of the Chief Executive Officer include:

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

minimum cash threshold to meet operating needs.

- Report on governance, risk management and compliance issues.
- Evaluate the Company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

## **BOARD COMMITTEES**

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

### **BOARD AUDIT COMMITTEE**

The Audit Committee comprises of three (3) members, all of whom are Non-Executive Directors including the Chairperson of the Committee, who is an Independent Director.

The Audit Committee comprises of three members, one of whom is a Chartered Accountant, one is a CFA Charter holder while one member has a M.Sc. in Finance and Economics. The Audit Committee members have extensive experience in the fields of financial management, accounting, business and economics.

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



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

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

The Audit Committee held four (4) Meetings in 2020 and met once with the Chief Internal Auditor and other members of the Internal Audit function without the CFO and the external auditors being present.

The Audit Committee also met the external auditors without the presence of the CFO and Chief Internal Auditor.

## **TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

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

The Audit Committee terms of reference state the following:

- The Internal Audit department carried out its audits in accordance with the approved audit plan which is presented annually to the Audit Committee
- The Committee has ensured that the

Internal Audit department is well equipped with personnel possessing financial and business acumen according to the criteria defined in the Companies Act, 2017.

- The Chief Internal Auditor has the required qualifications as prescribed under the Regulations.
- The Internal Audit department has direct access to the Chairperson of the Audit Committee. The performance appraisal of the Chief Internal Auditor is also carried out directly by the Audit Committee.
- Internal Audit function plays a vital role in improving the overall control environment. It also acts as an advisor to other functions for streamlining processes and ensuring implementation of the Company's policies
- Audit Committee has provided a proper platform to the management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Audit Committee also undertook an overall review of the business risks to ensure that the existing control environment identified any emerging risks post COVID-19. The summary of the risks together with the mitigation plan was presented to the Board for its review.

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Company has established this Committee in accordance with the

requirements of the Code of Corporate Governance. This Committee assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of Human Resource policies and the appointment and remuneration of the CEO, CFO, Company Secretary, and Chief Internal Auditor. It also considers and approves recommendations on matters related to succession planning of CEO, CFO, Company Secretary and Chief Internal Auditor and ensuring proper compensation to the Company's employees. This Committee meets at least once in a year.

### **Terms of Reference of the Human Resource and Remuneration Committee**

- It should comprise of at least three (3) members, consisting of mainly Non-Executive Directors, including one Independent Director. The CEO can be a member, but not the Chairperson of this committee. The CEO cannot participate in the proceedings of the committee on matters related directly to his performance and compensation.
- Recommend HR Management Policies to the Board
- Recommend to the Board for consideration and approval of a policy framework for determination of remuneration of Directors (both executive and non-executive directors and members of senior management).
- Recommend selection, evaluation, development, compensation (including retirement benefits) and succession planning of the CEO, CFO, Company Secretary and Chief Internal Auditor.

- Consider and approve recommendations of CEO on matters related to key management positions who report directly to CEO.
- To approve and ensure dissemination of Company's Code of Conduct across the company.
- Undertake annually a formal process of evaluation of performance of the Board as a whole and its committees.

### **INTEGRATION AND SUPPLY NETWORK OPTIMIZATION COMMITTEE**

The Integration and Supply Network Optimization Committee comprises of four (4) members of the Board. The purpose of this committee is to explore significant Supply Network opportunities and facilitate a smooth Integration process.

### **DECISIONS TAKEN BY THE BOARD**

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

### **EVALUATION OF THE CHIEF EXECUTIVE OFFICER**

The performance of the Chief Executive Officer is evaluated through the Company's performance evaluation system based upon the Company's objectives and aligned with the model of Innovation, Performance and

Trust. This is further deliberated upon by the Board.

## **ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES**

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals.

As per the requirements of Code of Corporate Governance and S.R.O. 301 (I)/2020 dated 9 April 2020, the Chairperson of the Board of Directors opted for an in-house assessment with the support of the Secretary of the Human Resources and Remuneration Committee and the Company Secretary to evaluate the performance of the Board in 2020. Qualitative and quantitative criteria were used in the evaluation form, as follows:

- Appropriate composition of the Board and its quality of skills.
- Compliance with all applicable law, particularly the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Memorandum and Articles of Association of the Company.
- Execution in supporting and upholding the Company's Values and Expectations
- Adherence to the Company's Code of Conduct.
- Advising the management on developing appropriate strategies and ensuring that operations are in line with the same.
- The effectiveness and efficiency of the operation of the Board and its committees.
- Oversight of the Financial Reporting

Process, including Internal Controls.

- Contributions to ensure robust and effective risk management and monitoring the Company's performance against its objectives.
- Adequate and constructive execution of the Chairperson's role.

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

## **BOARD INDUCTION AND ORIENTATION**

The Company Secretary assists the Chairperson in designing and facilitating individual induction programmes for new Directors. They are designed with the purpose of orienting and familiarizing new Directors with our industry, organisation, governance and our long-term Innovation, Performance, Trust to the power of Culture priorities.

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

The induction programme for Executive Directors normally includes an explanation

of the role of an Executive Director, if appropriate, building relationships with the Chairperson and the Board and arranging to fill any capability gaps the new Director may have.

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

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

- Are familiarised with the industry and the Company.
- Review the Board's operations, legal requirements and duties, committee structures and relevant charters.
- Peruse and understand the Board Chairperson and Committee chairperson roles along with the CEO's roles and responsibilities.
- Are aware of Director duties.
- Review company policies, including any policy that impact the Directors such as conflict of interest, whistle blowing, health and safety, environment, corporate social responsibility.
- Review any recent investor presentations such as the corporate briefing sessions.
- Visit our business operations and different manufacturing sites, which are also a feature of the Directors' induction programme.
- Receive documents explaining the following:
  - The Company's business and financial

structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.

- Role and responsibility of Directors under the Companies Act, 2017, Code of Corporate Governance and any other applicable law.
- Investor relations and stakeholder reports to maintain awareness of investor and stakeholder views and competitors' performance and strategy.
- Directors and Officers (D&O) insurance and indemnification documents.
- Yearly meeting schedules of the Company.
- Latest financial statements.
- Important minutes of past meetings.
- Major litigations status.

## **INCLUSION & DIVERSITY POLICY**

The Company takes a progressive approach to Inclusion and Diversity because it wants everyone to bring their authentic selves to work and bring their unique perspectives to its business. Together, these perspectives and experiences make its business stronger, enhances its ability to innovate and respond to the diverse needs of patients and consumers in Pakistan.

The Company believes that everyone has a part to play in creating a fair and inclusive work environment. As a modern employer, the Company has 12% of female representation within its workforce.

The Company has a zero-tolerance approach to harassment, bullying, unwelcome / unreasonable / offensive behavior, and/ or discrimination of any kind. This policy is driven by home by several face to face awareness sessions further to the

GSK Women's Leadership Initiative, Protection against Harassment of Women at the Workplace Act, 2010 as well as the GSK Code of Conduct. The Company cascades several e-learning modules to its employees as well on, covering its Code of Conduct and on Inclusion and Diversity.

## **INCLUSION AND DIVERSITY ON THE BOARD AND C-SUITE EXECUTIVES**

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

## **DIRECTORS' TRAINING**

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

the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company. The Company conducts various training programmes to make sure the Board is aligned with the Company's missions and governance.

Four out of seven (4/7) Directors on the Board have successfully completed the Directors' Training Programme certification from SECP approved institutions, as specified below.

- Mr. Sohail Ahmed Matin
- Mr. M.Z. Moin Mohajir
- Ms. Ayesha Aziz
- Ms. Erum Shakir Rahim

All the other directors possess sufficient skills and experience as prescribed by the Code of Corporate Governance. One more Director will be completing this Programme in 2021.

## **DIRECTORS' REMUNERATION POLICY**

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

remain market-based in accordance with their experience.

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

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

The remuneration paid to Executive and Non-Executive Directors during the year is specified in Note No. 35 of the annexed financial statements.

## **SECURITY CLEARANCE OF FOREIGN DIRECTORS**

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

foreign Directors are subject to provision of security clearance certificate from the Ministry.

## **EXECUTIVE DIRECTOR IN THE COMPANY SERVING AS NON-EXECUTIVE DIRECTOR**

Mr. Sohail Ahmed Matin, the Chief Executive Officer / Executive Director of the Company is serving as a Non-Executive Director in Pakistan LNG Limited.

## **POLICY OF RELATED PARTIES**

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

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

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

Names of all such related parties along with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note No. 36.2 and detailed disclosure regarding related party transactions has been presented in Note No. 36 of the Financial Statements.

## **PRESENCE OF THE CHAIRPERSON OF THE AUDIT COMMITTEE AT THE AGM**

In view of Company's priority of being transparent with all of its shareholders and stakeholders, members of the Board, senior management and the Chairperson of the Audit Committee (Syed Anwar Mahmood) were present at the Annual General Meeting of the Company held on 20 May 2020 in order to address all concerns and queries raised by the shareholders.

## **ISSUES RAISED AT THE LAST AGM**

No significant issues were raised at the previous AGM held on 20 May 2020 other than general queries on the accounts and business by shareholders and investors.

## **BUSINESS CONTINUITY PLANNING**

The Company routinely monitors the compliance of external manufacturing

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

The Company has always used effective crisis management and business continuity planning to provide for the health and safety of our people and to minimise impact to us, by maintaining functional operations following a natural or man-made disaster, or a public health emergency. A corporate policy requires each business and functional area head to ensure effective crisis management and business continuity plans are in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes, before any business disruption occurs. Corporate Security supports the business by coordinating crisis management and business continuity training; facilitating simulation exercises; assessing our preparedness and recovery capability; and providing assurance oversight of our central repository of plans supporting our critical business processes.

The above enabled the Company to swiftly deploy technology to ensure business continuity and to offset the disruptions caused by the COVID-19 induced lockdown. The Company acted with speed and agility to ensure the continual movement of our supply chain, balanced with the safety of its workforce. Keeping in view the proactive approach of the Company regarding its advanced business continuity planning, its

responsibility as a diligent corporate citizen, and our consumer focused approach, the Company ensured access of its OTC medicines and products to Consumers through the year. Progress was, and continues to be, monitored weekly in a Crisis Management Team meeting consisting of the Company's leadership team and regular updates were provided to the Board of Directors.

## **DISASTER RECOVERY MECHANISM**

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

IT Continuity Plan Key objectives:

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

IT Continuity Team - Key responsibilities include:

- To restore, maintain and secure the critical business systems in GSK Pakistan.
- Establish and maintain regular progress reporting for duration of incident.

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

In the event of a major disaster, business operations can be continued from the GSK Site located in F-268. All the centrally hosted applications and systems will be accessible from mentioned location.

## **ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS**

The Company encourages its shareholders to attend its general meetings in the following manner:

### **a) Notices of general meetings:**

- i. Are circulated in accordance with legally stipulated lead times.
- ii. Are published in leading Urdu and English newspapers with nationwide circulation.
- iii. Are timely updated on its website.
- iv. Contain a link / QR Code to a dedicated online portal / Vevox to facilitate those shareholders attending the AGM to submit their queries to the Company in advance.



## **b) The Annual Report:**

- i. contains the notice of the AGM and is sent in a uniform manner to all shareholders, including minority shareholders, regardless of shareholding.
- ii. contains a proxy form to ensure shareholder representation and participation in the AGM in case a shareholder is unable to attend the meeting.

## **c) The AGM:**

- i. is held virtually via WebEx and the link to the AGM is shared in advance via the AGM Notice with the public at large without any registration requirements to facilitate shareholders and investors.
- ii. is held at a convenient location for the ease of shareholders.
- ii. has a dedicated timeslot for shareholder queries whether submitted digitally or asked in person.

## **DIRECTORS' TRAINING PROGRAM ATTENDED BY FEMALE EXECUTIVES AND HEAD(S) OF DEPARTMENT AND/OR EXEMPTIONS**

The Company has successfully complied with the encouraged requirement of the Code of Corporate Governance regarding training of at least one head of department and one female executive every year. Ms. Mashal Mohammad, Legal Director and Company Secretary completed the Directors' Training Programme this year.

## **COMMUNICATION OF FINANCIAL RESULTS**

Periodic financial statements of the Company were circulated to Directors duly

endorsed by the CEO and the CFO.

Half-yearly and annual financial statements were initialed by the external auditors their presentation to the Board Audit Committee and the Board of Directors for approval.

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

## **MANAGEMENT COMMITTEE**

The Management Committee comprises of eight (8) senior members of the leadership team who are external facing and who meet and discuss significant business plans, issues, progress and updates of their respective functions. Significant matters to be put forth in the Board as per the Code of Corporate Governance are also discussed for onward approval. The Management Committee meets once very quarter.

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

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

# Composition of the Management Committee



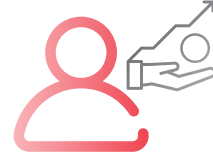
**Mr. Sohail  
Ahmed Matin**

Chief Executive Officer



**Mr. Dilawar  
Meghani**

Chief Financial Officer



**Syed Abrar  
Ali**

Sales Director



**Mr. Ahmed  
Baloch**

Marketing Director



**Mr. Faisal  
Rafiq**

Head of Expert



**Mr. Khurram  
H. Khan**

Head of Commercial  
Excellence



**Mr. Moein  
Ahmed Khan**

Pakistan E2E SC  
and Jamshoro  
Site Lead



**Mr. Mazhar  
Shams**

Head of Regulatory



**Ms. Mashal  
Mohammad**

Legal Director

## Calendar of **Major Financial Events 2020**

<b>Q4-2019 / 15<sup>th</sup> BoD Meeting</b>	<b>Q1-2020 / 16<sup>th</sup> BoD Meeting</b>	<b>5<sup>th</sup> AGM</b>
12 March 2020	20 May 2020	20 May 2020
<b>Q2-2020 / 17<sup>th</sup> BoD Meeting</b>	<b>Q3-2020 / 18<sup>th</sup> BoD Meeting</b>	<b>Corporate Briefing Session</b>
26 August 2020	27 October 2020	7 December 2020
	<b>Q4-2020 / 19<sup>th</sup> BoD Meeting</b>	
	5 March 2021	

## Marketing **Calendar 2020**

### Major Marketing Events 2020

<b>Launch of New Calcium Awareness Campaign "1000WaysICan"</b>	<b>Launch of first-ever Calcium Awareness Web Series "Ayesha"</b>	<b>Launch of Parodontax Herbal</b>
Mar-20	Mar-20	Mar-20
<b>Launch of Sensodyne Multi Dentist Rapid Action campaign</b>	<b>Launch of "Panadol Covid awareness campaign" Digital</b>	<b>Launch of Qalsium-D T-40</b>
Mar-20	Apr-20	May-20
<b>Launch of Sensodyne Love Food Again Digital campaign</b>	<b>Roll-out of World Osteoporosis Day Digital Campaign</b>	
Jun-20	Oct-20	

## Financial **Calendar 2021\***

<b>Q1-2021 / 20<sup>th</sup> BoD Meeting</b>	<b>6<sup>th</sup> AGM</b>	<b>Q2-2021 / 21<sup>st</sup> BoD Meeting</b>
21 April 2021	21 April 2021	24 August 2021
<b>Q3-2021 / 22<sup>nd</sup> BoD Meeting</b>	<b>Corporate Briefing Session</b>	<b>Q4-2021 / 23<sup>rd</sup> BoD Meeting</b>
26 October 2021	16 November 2021 (tentative)	Mid-March 2022

\* Approved by the Board of Directors in its meeting held on 5 March 2021.

# Directors' Report



The Directors of the Company are pleased to present your Company's audited financial statements for the year ended 31 December 2020, in accordance with Section 223 of the Companies Act, 2017.

This Directors' Report has been prepared in accordance with section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019.

## REVIEW OF OPERATING RESULTS

The Company posted net turnover of Rs. 19,846 million during the year, with a phenomenal growth of 22% over last year. While business dynamics were challenging consequent to COVID-19 related restrictions and constant high inflationary pressures, the Company served its consumers with utmost zeal and met their needs across each category we operate in. The core business witnessed a healthy 28% growth in Over the Counter (OTC) portfolio; with category growths of 31% in the Pain, 30% in the Nutrition and Digestive Health and 15% in the Oral Healthcare respectively.

Company's export revenue declined from last year by 25%, amounting to Rs. 249 million. With an upsurge in the local demand putting strain over our Supply Chain, the Company first serve our local customers.

The Company recorded a gross profit of Rs. 5,328 million as compared to Rs. 4,986 last year. The devaluation of the Pakistani Rupee since the beginning of the year against currencies in which our key imports are made and increase in the prices of raw materials led to a decline in gross margins. This decline in gross margins was partially offset through the mandated price increase implemented during the fourth quarter of 2020.

Remote working and restricted travel during most of 2020 assisted in keeping administrative expenses to a nominal 2% increase. Selling, marketing and distribution expenses were recorded at Rs. 3,098 million, which included advertising and sales promotional expenses of Rs. 2,051 million (10% of sales), aimed at consistently supporting our key brands. Financial charges during the year decreased by 70% mainly due to improved cash position during the year, reduced interest

rates, and relatively less fluctuations in exchange rate compared to previous year.

The profit before tax for the year was recorded at Rs. 1,774 million which is 4% higher than last year. Liquidity position of the Company has improved considerably as cash and cash equivalents were recorded at Rs. 1,898 million as compared to a net bank overdraft situation as at last year end.

For the year 2020, the Company delivered a net profit after tax of Rs. 1,262 million, which is recorded at 6.4% of net sales.

## **DIVIDEND FOR THE YEAR**

The Board of Directors in its meeting held on March 5, 2021 proposed a cash dividend of Rs. 5 per share amounting to Rs. 585 million (subject to the approval of the members in the forthcoming annual general meeting of the Company).

## **HOLDING COMPANY**

As at 31 December 2020, GlaxoSmithKline Consumer Healthcare B.V. held 100,423,259 shares of Rs. 10 each, representing 85.79% of the total shares of the Company.

## **PATTERN OF SHAREHOLDING**

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding information as of 31 December 2020 and other related information is set out on pages 193 to 195.

## **CHAIRPERSON'S REVIEW**

The Chairperson's message to the shareholders on pages 86 to 87 contains information regarding:

- Board evaluation for the year 2020;

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

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

## **BASIC EARNINGS PER SHARE**

Basic earnings per share after taxation was Rs. 10.78 as compared to Rs 10.74 earnings per share in 2019.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Beyond our focus on our customers and employees, the Company aspires to pave the way for sustainable living and positively impact the society. As a healthcare company, the core necessity for outreach programmes institutionalizing on the importance on health, hygiene, nutrition and other community development programmes in Pakistan. The Company believes that respect for the environment and its people is an integral part of conducting a business, which in turn boosts success and consumer engagement of the brand.

For this purpose, the Company has taken CSR initiatives which are elaborated upon in detail on page no. 37 - 38. The Company remains firm to add great value to the community in future as well.

## HUMAN RESOURCE DEVELOPMENT AND SUCCESSION PLANNING

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

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

In addition to this, we prioritize the highest standards of individual accountability, and are constantly trying to evolve in terms of our ability to recognize and reward the deserving talent that demonstrate the right mix of commitment and dedication.

Due to the Company's operations as a Fast-Moving Consumer Healthcare business and its commitment to provide consumers better access to world class brands with health-related benefits which promote good quality of life, we understand the criticality of having the right team in place. Our recruitment drives and processes are effectively designed to acquire high potential talent, by targeting top tier universities and acquiring the right mix of talent that can evaluate future challenges and has the potential to face and resolve them adequately.

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

## CONSUMER / PATIENT SAFETY

In view of its Value of *Consumer Focus*, the Company has extensive controls in place designed to detect, evaluate and communicate benefits, risks and any potential safety concerns about its products. The Company is committed to meeting the highest standards through stringent quality control and quality assurance processes. Our products are manufactured according to Good Manufacturing Practice (cGMP) regulations, and our internal quality management system.

Along with internal controls, the Company has strict supplier requirements, designed to ensure consistent high quality and safety in the production of its products. This

end-to-end approach safeguards patient and consumer safety and helps the Company to deliver the highest quality products, improve its safety performance and reduce waste.



## ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company is committed to comply with all relevant environmental, occupational health and safety standards through an established framework of compliance. EHS is an integral part of the Company's business and the company promotes a safe, injury free and energy resilient workplace. The Company implements its global standards and procedures to deliver best quality products while ensuring the safety of its employees. In order to ascertain this objective, there is a strong emphasis on continuous improvement and effective oversight. The initiatives have been instrumental in achieving following Health & Safety objectives of the Company:

- Improved management of workplace risks and development of a safe working environment.
- Prioritizing safety over every operational task.

- Ensuring that Environment, Health & Safety are the essential elements of The Company's business strategy.
- Promotion of a conducive work-environment to help our employees Do More, Feel Better and Live Longer.

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

## OCCUPATIONAL SAFETY AND HEALTH

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

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

consumption, thus promoting a greener environment the Company aims to further enhance its EHS policies across its supply chain as well as production plants.

The Company strives for the highest quality in Environmental Health and Safety by monitoring performance and setting new challenges and targets.

## **ETHICS, COMPLIANCE AND RISK MANAGEMENT**

At the Company, we face several legal, regulatory, operational and strategic risks that come with being in a highly regulated industry. We manage these risks using our own Internal Control Framework (ICF) methodology that is based on recognised international risk management standards.

The Ethics and Compliance function is responsible for supporting the development and implementation of practices that facilitate compliance with laws and global company policies. The Compliance function partners with the business to support the Winning Formula by effectively managing risk, simplifying controls, promoting company Values and securing our Mission to make a positive impact on patients and consumers.

The various risks in the Company are managed through multiple compliance programmes which are explained below:

### **Risk Management and Compliance Board Meetings:**

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

RMCB, which promotes the 'tone from the top', establishes the culture regarding risk and oversees internal controls. The RMCB has formed a structure whereby designated Functional Heads are responsible for identifying and treating significant risks and each Functional Head then performs a review of their respective key risks, takes corrective and presentative approach to ensure appropriate controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance Function facilitates in instilling a risk- based approach to establishing a robust internal controls system. This eventually makes risk management an integral part of decision making and business operations. The RMCB is held at least once in a quarter or more frequently when required.

### **Anti-Bribery and Anti-Corruption (ABAC):**

The Company's ABAC programme is developed to help ensure that neither the Company nor its third parties bribe (or are bribed by) either government or regulatory bodies, or private sector entities. It reinforces its zero tolerance towards all forms of corruption and its commitment to maintaining accurate records of all business dealings. It is also to ensure that no undue influence is exerted in engagements, that no personal benefit is gained and that no corruption occurs. Corruption can include fraud, money laundering and tax evasion. Put simply, it helps to ensure ethical business, aligned to the Company's values.

**Privacy** is concerned with how we manage the personal information we hold on individuals – such as patients, healthcare professionals, consumers, employees and complementary workers. Personal information is any information that can identify, or reasonably be used to identify someone.



The Company has strict policies in place when it comes to Data Privacy and there is zero tolerance for data breaches.

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

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

**Values and Expectations:**

We deliver clear and integrated compliance solutions that embed the Company's values (Consumer focused, Respect, Integrity, Transparency) and expectations (Courage, Accountability, Development, Teamwork) in order to build trust. We also conducted a GSK Values Assurance review this year and made significant progress: our employee engagement score is among the highest across the GSK universe.

**Written Standards:**

The Company's has various policies and other written standards which help us manage the risks associated with operating in a heavily regulated industry.

**Speak Up Programme:**

The Company ensures that it conducts business with complete honesty, fairness,

openness and integrity. The Company encourages its employees and business partners to report any genuine concerns about misconduct or unlawful conduct and has strict policies in place against any kind of retaliation against the person raising the concern.

**Governance of Legal Agreements (GOLA):**

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

**RELATED PARTY TRANSACTIONS**

The Company ensures compliance with Code of Corporate Governance for all the related party transactions.

The details of the transactions are provided in note no. 36 of the annexed financial statements.

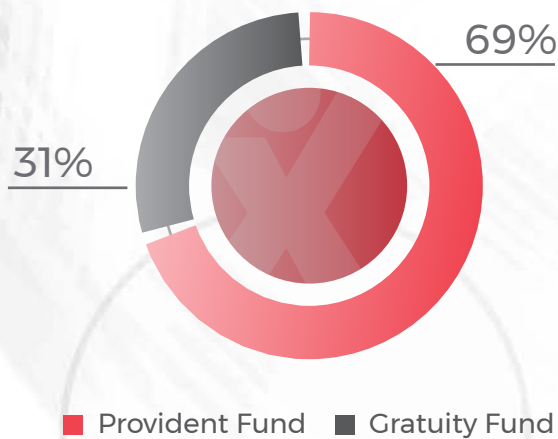
**AUDITORS**

The present auditors, Yousuf Adil, Chartered Accountants had indicated their consent to continue as auditors. The Board of Directors endorses the recommendation of the Audit Committee for their continuation as the Auditors of the Company for the financial year ending 31 December 2021, at a mutually agreed fee.

## VALUE OF INVESTMENTS OF PROVIDENT, GRATUITY AND PENSION FUNDS

The Company maintains retirement benefit plans for its employees. The value of investments of provident and gratuity funds as at 31 December 2020 was as follows:

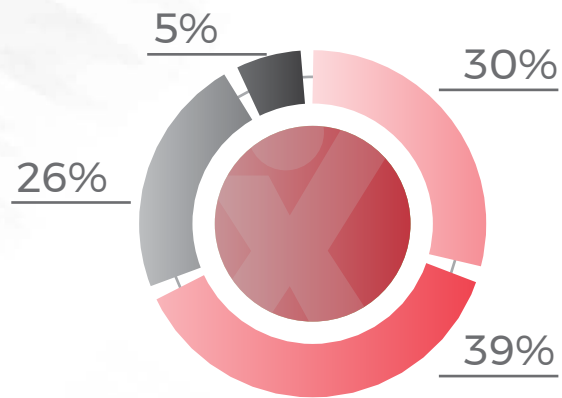
Provident fund Rs. 250 Million  
Gratuity fund Rs. 114 Million



## CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

The Company made a total contribution of Rs 1,651 million to the National Exchequer by way of custom duties, income tax, sales tax and employees' tax during the year 2020.

Our contribution through sales tax amounted to Rs. 499 million, income tax Rs. 637 million, customs duty Rs. 429 Million and Rs. 86 Million through employee related taxes.



■ Sales Tax      ■ Income Tax  
■ Custom Duty      ■ Employee Related Taxes

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors have set up effective internal financial controls across all functions. The independent Internal Audit function of your Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework.

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

As required by the Listed Companies (Code of Corporate Governance) 2019 Regulations, the Directors are pleased to state as follows:

- 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.

- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent view.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalized by the Board's Audit Committee and is updated as and when needed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.
- Outstanding debts, if any, have been duly disclosed in the financial statements.
- Significant deviations, from last year in the operating results of the Company have been highlighted and explained.

- The key operating and financial data is set out on pages 111 to 116.

Refer page no. 135 to 138 for Statement of Compliance with the Listed Companies (Code Of Corporate Governance) Regulations, 2019 and the Independent Auditor's Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## **CAPITAL EXPENDITURE**

The Company made a capital investment amounting to Rs. 764 million during the year in order to enhance productivity, equip itself with the latest health and safety kits and for the improvement of plant efficiency.

## **FUTURE OUTLOOK AND CHALLENGES**

During this year, the country faced unprecedented challenges due to COVID-19 which severely impacted economic activities. Although there were several lockdowns by the Government, healthcare businesses could continue their manufacturing and commercial operations in the interest of the health and well-being of the country's population.

Clinics and hospitals' OPDs were closed during most of the year 2020, which resulted in lesser detailing and reduced face to face interaction with the Health Care Professionals (HCPs). Logistical congestion during the year was also a major area of concern amidst all the challenging circumstances. However, being a consumer and customer focused Company, we navigated to a hybrid detailing

model, i.e. using digital platforms and remained agile to ensure continued supply of products in the markets at all time. To meet the current challenges, your Company remains proactively engaged in supply chain optimization initiatives as well as strengthening our pipeline of high-quality innovations.

The country also experienced some devaluation during the year where the Pakistani Rupee reached an all-time low, leading to a rise in price of raw materials. These economic indicators continue to pose challenges in maintaining our production costs. At the same time, the Company remains conscious of the consumers' purchasing power while taking pricing decisions to maintain a viable business model.

In this fast-changing environment with the potential for growth, it is imperative that the Company continues to invest in world class innovations alongside the established brands. With enhanced sales structure focused on commercial excellence, we plan to drive exponential growth in key trade channels and display agility to address the challenging business environment. Our business is built on science and this research heritage contributes to the development of our consumer healthcare products, giving us a unique advantage over our competition.

The Company believes in maintaining its focus on Innovation, Performance and Trust. Strong emphasis is always placed on increased productivity, reduced cost and improved technology to be able to sustain long-term profitability and fulfil the dynamic needs of our consumers and healthcare professionals.

Although there is a reduction in the cases of COVID-19 and lock down situation in the country has eased out, the second wave of COVID-19 is still continuously evolving and cannot be ignored. OPDs in hospitals and clinics have resumed which will hopefully allow us to interact and conduct face to face discussions with more HCPs than before. We are hopeful that the Government would take more policy relief measures during these difficult times to support the industries and help the economy in its growth revival.

We intend to serve our consumers, patients and customers even better than before and continue to monitor the situation closely, including market demand, supply continuity and wellbeing of employees.

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

## REMUNERATION POLICY

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

The salient features of the policy are:

- The Company will not pay any remuneration to its non-executive directors (including independent directors) except as meeting fee for attending the Board and its Committee meetings.

- The remuneration of a director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors
- A director shall be provided or reimbursed all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company

Please refer to page no. 69 to 70 for a detailed note on remuneration of the Chief Executive Officer, Directors and Executives for the year 2020.

## BOARD EVALUATION

The Board has carried out an evaluation of performance of its individual members, the Board and the performance of its Committees. Please refer to page no. 67 for the salient features of the evaluation.

## COMPOSITION AND COMMITTEES OF THE BOARD

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

- Male: 5
- Female: 2

Composition of the Board is as follows:

- Independent Directors: 3
- Executive Directors: 2
- Non-Executive Directors: 2

The Board's composition and the details of its committees are provided on Page 90 to 91.

## SUBSEQUENT EVENTS

Mr. Sohail Ahmed Matin will be retiring as the Chief Executive Officer of the Company effective 31 March 2021. The Board of Directors acknowledged his services and extended their best wishes to him. The Board of Directors have also decided to appoint Mr. Farhan Muhammad Haroon as the Chief Executive Officer and Executive Director of the Company effective 1 April 2021.

## ACKNOWLEDGMENT

The Board of Directors would like to take this opportunity to extend appreciation to employees, suppliers and partners for their continued support and dedication in the achievement of the Company's results. The professionalism and self-motivation displayed by employees is truly inspirational in these difficult times.

By order of the Board Sincerely,



**SOHAIL AHMED MATIN**  
Chief Executive Officer  
5<sup>th</sup> March, 2021



**Dilawar Meghani**  
Director

# Chairperson's **Review**



I am delighted to share the phenomenal performance of your Company for the year ending 31 December 2020. The year was full of unprecedented challenges that the world in general and Pakistan in particular faced, in terms of COVID-19, macro-economic inflationary pressures, supply volatility and emerging consumer preferences.

The Company remained focused and overcame all challenges to ensure we are able to serve our customers in need of quality healthcare products. Our renowned and industry leading Wellness, Pain Relief and Oral Healthcare brands continued to gain traction with consumers who are now more aware and conscious about preventive healthcare products and intend to take control of their health.

Our focus will continue to be on delivering results on our promise of unwavering commitment to our shareholders. We will reciprocate the trust placed in us by creating long-term value for your investment.



accordance with the Financial Reporting framework applicable in Pakistan.

After a smooth deployment of SAP in our manufacturing division last year, the Company was also able to deploy SAP in the Commercial division in 2020 to have standard set of processes throughout the organization. This was a fast-paced remote deployment amid challenging pandemic times which the GSK CH team managed successfully through their hard work and dedication without any business interruption.

## **BOARD COMMITTEES**

GSK CH has three committees, as stated below, to assist the Board for its optimal performance:

- Audit Committee;
- Human Resource and Remuneration Committee; and

## **BOARD EVALUATION**

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

## **FINANCIAL REPORTING**

With strong oversight on the reporting, the Board has a responsibility to provide clear visibility of financial reports to stakeholders in

• Integration and Supply Network Optimization Committee

The terms of reference and details about the members of Committees are provided on page 90 and 91 respectively.

## CULTURE OF THE COMPANY

Our Culture and Values drive everything we do. The Company expects its employees to put GSK Values at the heart of every decision and act with Transparency and Integrity. We believe in offering individual development opportunities and recognising employees for how they work as well as what they achieve. We want everyone at the Company to feel proud of the work they do, with a strong belief in our Purpose to deliver better everyday health with humanity.

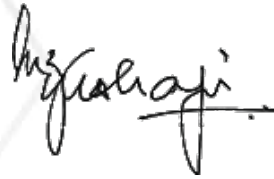
## ACKNOWLEDGMENT

I would like to thank Mr. Sohail Ahmed Matin for being a great contributor to the business and an inspirational leader. Sohail will be retiring as the Chief Executive Officer and as the member of the Board of Directors of the Company effective 31 March 2021. I wish Sohail great happiness and health in the new phase of his life. His contributions will certainly be missed.

I would like to welcome Mr. Farhan Muhammad Haroon as the Chief Executive Officer and a member of the Board of Directors effective from 1 April 2021. Farhan has a deep understanding of the market, a unique enterprise-wide perspective and track record of business delivery. Under the leadership of Farhan, I am confident that the Company will continue to deliver strong performance.

I extend my gratitude to the Board of Directors for their valuable support and commitment. I would also like to sincerely thank our employees for all their efforts, as well as our customers and suppliers for placing their trust in us. It is with

your support that we are growing swiftly and expanding rapidly year by year.



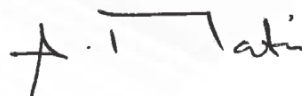
**M.Z. Moin Mohajir**  
**Chairperson**

## Farwell message from Mr. Sohail Ahmed Matin

Dear Shareholders,

I would like to take this opportunity to express my sincere thanks to you, our valued shareholders, for your ongoing support, trust, and confidence you have given to me over the years at our company. I am convinced that my designated successor Mr. Farhan Muhammad Haroon, with his comprehensive expertise and deep knowledge of the economy and industry, will prove to be an excellent Chief Executive Officer and a member of the Board of Directors of the Company. I would like to extend my best wishes and continued success to the Company, its shareholders, employees, and business partners and last but certainly not least, my colleagues on the Board of Directors and the entire management team.

Yours sincerely,



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



We bring in more  
accountability, more  
empowerment and straight  
talk resulting in more  
effective execution.

the  
**extra  
mile** in  
**execution  
powerhouse**



# Corporate Information

## Board of Directors

Mr. M.Z. Moin Mohajir (Chairperson)

Mr. Sohail Ahmed Matin

Syed Anwar Mahmood

Mr. Dilawar Meghani\*

Ms. Erum Shakir Rahim\*\*

Mr. Oussama Abbas\*\*\*

Ms. Ayesha Aziz\*\*\*\*

## Management Committee

Mr. Sohail Ahmed Matin

(Chief Executive Officer)

Mr. Dilawar Meghani

(Finance Director / Chief Financial Officer)

Syed Abrar Ali

(Sales Director)†††

Mr. Ahmed Baloch

(Director Marketing)

Mr. Faisal Rafiq

(Head of Expert)

Mr. Khurram H. Khan

(Head of Commercial Excellence)

Mr. Moien Ahmed Khan

(Pakistan E2E SC and Jamshoro Site Lead)††

Mr. Mazhar Shams

(Regulatory Affairs Head)

Ms. Mashal Mohammad

(Legal Director and Company Secretary)†

## Integration Supply and Network Optimization Committee

Mr. Oussama Abbas (Chairperson)\*\*\*

Mr. Sohail Ahmed Matin

Mr. Dilawar Meghani\*

## Secretary

Mr. Irfan Qureshi

## Human Resource and Remuneration Committee

Syed Anwar Mahmood (Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz\*\*\*\*

## Secretary

Mr. Farqaleet Iqbal

## Board Audit Committee

Syed Anwar Mahmood (Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz\*\*\*\*

## Secretary

Ms. Mariam Maqsood†††

## Company Secretary

Ms. Mashal Mohammad†

## Chief Financial Officer

Mr. Dilawar Meghani\*

## Chief Internal Auditor

Ms. Mariam Maqsood††

## Bankers

Citibank N.A

Standard Chartered Bank (Pakistan) Limited

## Auditors

Yousuf Adil & Co. Chartered Accountants

## Legal Advisors

Hashmi & Hashmi

- \* Mr. Dilawar Meghani was appointed as CFO and Executive Director w.e.f. 27 October 2020 to replace Mr. Talal Javed Ahmed who resigned w.e.f. 27 October 2020.
- \*\* Ms. Erum Shakir Rahim was appointed as a Non-Executive Director w.e.f. 13 April 2020 to replace Ms. Annelize Roberts, Non-Executive Director who resigned w.e.f. 16 January 2020.
- \*\*\* Mr. Oussama Abbas was appointed as a Non-Executive Director w.e.f. 26 August 2020 to replace Ms. Emine Tasci Kaya Non-Executive Director who resigned w.e.f. 31 May 2020.
- \*\*\*\* Ms. Ayesha Aziz was appointed as an Independent Director w.e.f. 3 March 2021 who resigned as the Non - Executive Director w.e.f. 17 Feb, 2021 to replace Mr. Talal Javed Ahmed.
- † Ms. Mashal Mohammad was appointed as the Company Secretary to replace Ms. Mehar Ameer, Company Secretary who resigned w.e.f. 31 May 2020.
- †† Mr. Moien Ahmed Khan was appointed as Pakistan E2E SC and Jamshoro Site Lead in place of Mr. Saleem Khilji on 1 December 2020.
- ††† Ms. Mariam Maqsood was appointed w.e.f. 3 August 2020 to replace Ms. Varisha Shahid who resigned w.e.f 1 July 2020.
- †††† Syed Abrar Ali replaced Ms. Sadia Nasir as Director Sales w.e.f. 7 December 2020.

## Registered Office

35 Dockyard Road, West Wharf,  
Karachi-74000

**Tel:** 92-21-111475-725

(111-GSK-PAK)

**Fax:** 92-21-323-148-98

## Investor Relations Contacts

### Share Registrar

CDC Share Registrar Services Limited  
CDC House, Main Shahrah-e-Faisal, Karachi.

**Tel:** 021 111-111-500

**Email:** info@cdcsrsl.com

## GSKCH Shares Department

35 Dockyard Road, West Wharf,  
Karachi-74000

**Email:** chc.shareinfo@gsk.com

## Business Units - Geographical Location and Addresses

The business units and addresses are mentioned in Note no. 43 of the financial statements available on page 183 to 184 as well as on page 12-13 of this report.

### Website:

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

# Finance



Finance is one of the functions which forms the common core of GSK's operating model and drives one GSK enterprise approach. We provide partnership, strategic counsel and support services the business units need to operate efficiently and effectively. We add focus and combine it with positive attitude to engage all business finance areas effectively by optimizing company's financial performance. This includes business planning and budgeting, strategic allocation of resources across our valuable brands, managing liquidity through better cashflow planning while keeping an eye on risk and opportunities.

We deploy numbers to drive our strategic success, so we can help do more, feel better, live longer.

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



After the deployment of SAP in the manufacturing division, we deployed SAP in the Commercial division in October 2020.

The Company was able to achieve this milestone through remote deployment amid COVID-19 with extraordinary Project Management skills, strong oversight and efficient decision making. It helped the company to have a standard set of systems and processes which allowed everyone to access and store data in a consistent way. Moreover, it has a centralised data base that supports all core processes of the business and unifies organisation's reporting system. It also helped in providing real-time analysis with complete access to standardized and reliable data regardless of where you are.

Consensus forecasting is also automatized resulting in greater accuracy when it comes to business planning and budgeting. Further it

gives flexibility and enhanced capability to maneuver different scenarios with much closer view on the details including sensitivity analysis.

Liquidity position of the company has improved owing to better CAPEX planning and healthy operating cash inflows. This has eliminated the Company's dependency on running finance facility by the year ended December 31, 2020. The team was also able to achieve a healthy cash to conversion ratio during the year along with a Zero-Based Budgeting exercise to improve the management of overheads.

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

# Marketing



In-line with GSK values, the Marketing Team has continued to innovate its science driven brands to evolve with the consumer journey.

The Marketing function has been effectively engaged in designing communication of its brands to connect with consumers at all levels; enabling them to relate with and better understand our brands. In 2020, several campaigns were executed successfully across the Consumer Healthcare portfolio across each of our notable categories. These strategies reinforced our existing interactions across channels with retailers, healthcare professionals and shoppers.

We saw several leading campaigns, including #1000WaysICan: newest rendition of the Calcium Awareness series, that urged to empower women to do more regardless of age by prioritizing their bone health with regular Calcium intake. While for Sensodyne, lockdowns across the nation, courtesy COVID - 19, meant a Dentist Advice

Campaign to educate Consumers sitting at home on how to take care of their Oral Health.

These campaigns were a strong testament to GSK's commitment to help people do more, feel better and live longer.

Innovation has not only been limited to communication. In the essence of recognizing consumer preferences, for more natural offerings, we also brought in a global scientific product innovation in the name of Parodontax Herbal Fresh.

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

# Commercial Excellence



Commercial Excellence (ComEx), **the execution powerhouse** for the organization focuses on winning at key touch points by developing and deploying best in class trade strategies which translates into business growth.

2020 presented a different set of challenges never faced before which required unique solutions to minimize the impact on business. With curfews, lockdowns and limited timings of trade due to the COVID-19 pandemic, it was essential for ComEx to act fast & innovatively to ensure distribution and facilitate our trade customers. Focus was shifted to online ordering by expanding our **sales force automation** & launching a mobile application for the retailers.

GSK CH took the initiative to be the first company to think of our Customer & Shoppers' safety by deploying **counter face shields** in pharmacies which not only served the purpose of protection but also gave the much-needed brand reminders for consumers on Panadol & CaC-1000 PLUS. Furthermore, looking into the growth trends of Project Spearhead, existing footprint was increased to enhance visibility on core brands.

A change in shopper behavior was observed as they spent less time in stores, it was important to immediately set up out of

category units & displays in Modern Trade outlets to create immediacy of purchase for shopper. For consumers transitioning to online shopping, it was imperative to accelerate our presence on **Ecommerce** which was done by developing a trademark JBP with the biggest online retailer in Pakistan and participating with maximum presence in major shopping events. Moreover, new **Activation** ideas were also generated to reach out to consumers by sampling through first time strategic partnerships with ice cream parlors & juice bars to maintain our presence in the market.

Despite limitation of conducting face to face training sessions, journey for development was carried forward by conducting Capability building session virtually for both expert & trade teams. Increased focus on Net Revenue Management to identify opportunity areas to bring in efficiencies on trade investment & promotions.

With GSK CHC aspiring to significant growth in 2021, ComEx is looking forward to go an **Extra Mile** and help achieve this ambition by focusing on priorities such as Driving Visibility & Accessibility, Winning in Channel & Customers, Accelerating Revenue Growth and Upscaling Digital Analytics.

# Sales



Despite a risky and threatful external environment due to COVID-19 the sales team at GSK CH has done a tremendous job in turning this adversity and threat into an opportunity which resulted in an underlying growth of 22.8% excluding toll manufacturing and exports. Our team of highly professional distributors and their sales teams have worked relentlessly in this tough environment to bring around these results, whilst adhering to our core values of patient focus, respect, integrity and transparency.

Performance was broad based across portfolios with both OTC and FMCG growing double digit with CaC-1000 PLUS taking center stage with a growth of 43.1% while Panadol and Sensodyne following closely at 36.8% and 17.3% respectively. Key highlights of the year are coverage expansion in oral care and increase in drop size for CaC-1000 PLUS.

Pharmacy is still by far the highest contributing channel. High consumer traffic was witnessed in this channel during lockdown period since other channels were majorly impacted amid COVID-19. General trade and modern trade also grew last year however they did see some constrained operating environment.

Throughout the year the focus was on ensuring that market service levels are improved to keep up with the unprecedented demand on our key brands due to COVID-19.

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

# Expert



The fundamental driver behind the success of any healthcare brand is endorsement by healthcare providers (HCPs), also known as Experts. The Expert Department is a strategic function that strives to provide HCPs with information backed by scientific evidence, enabling them to make informed decisions while prescribing brands to patients. Our vision to become a trusted partner of HCPs is the foundation of our modus operandi; demonstrate transparency in our work, operate with integrity and always put the interests of patients first.

In 2020, our team underwent a transformational journey, with the onset of COVID-19 giving rise to new ways of working. The country-wide lockdown meant that all face-to-face interactions with HCPs had to be halted indefinitely. However, continuing to engage HCPs in scientific dialogue while safeguarding the wellbeing of our field force was our utmost priority. Hence, we successfully navigated to a hybrid detailing model, using digital channels to engage HCPs where face-to-face interaction was not possible. During this time, our team also conducted numerous digital presentations and hosted informative webinars in partnership with institutes. These initiatives provided a competitive edge to our team and were instrumental in driving growth in brand recommendations.

Our success in Expert is built upon four key areas within the department:

## Strategy

Having clear objectives and a robust promotional plan are the elements behind our winning strategy. With an evolving competitive landscape, we choose to be innovative in the ways we engage with HCPs while delivering impactful results.

## Execution

Navigating through a large team with multiple brands requires flawless execution to ensure we are able to provide our customers with a memorable engagement experience. Our team successfully engaged HCPs in various activities for all key brands throughout 2020.

## Capability Building

Equipping our team with the right knowledge & skillsets to deliver our brand messages effectively is what helps to distinguish our field force from the rest. Our team is engaged in various capability building sessions all year round.

## Analytics & Governance

With the newly launched Power BI tool, our team is able to track performance in real time, allowing us to turn data into opportunities. We also demonstrate utmost vigilance during all our activities and regularly conduct internal monitoring to ensure compliance with SOPs.

Despite all the odds in 2020, the prescriptions of our key brands continued to grow with double digits, which is a testament to the trust HCPs and patients have in GSK CH. Power brands Panadol & CaC-1000 Plus also maintained their leadership position in the respective categories. The Expert team is committed to demonstrating the same passion & energy in the years to come and in doing so take our brands to even greater heights!

# Information Technology - Your Transformation Partner!



Tech today has become far more than a means of increasing efficiency and reducing costs. Year 2020 was a different and difficult year for all of us where Tech not only supported in adoption of new ways of working but also delivered projects focusing on enhanced communications, business growth and agility.

Few major achievements of last year includes,

## **Project Mobility (Transforming the Way We Communicate)**

With COVID-19, seamless communication has become one of most valued demand and plays a pivotal role in organization's success. In order to simplify communication process in GSK CH, Tech crafted mobility policy to standardized the use of mobile devices(including laptops, iPADS and iOS Devices).

This project offers an immediate ROI by reducing total cost of mobile expenses through one standard network. Cost savings are even further realized through introducing buy back options and standard mobile allowances for employees.

GSK CH now enjoys smooth connectivity for voice and data communications for all employees across office and factory locations.

## **ONE ERP (Transformation for Growth)**

With high speed growth of Consumer Healthcare business, new upcoming challenges and requirement need to be catered pro-actively in order to match up the growth speed with parallel technology implementation and utilizing existing capabilities of system in more effective manner. One-ERP was a strategic project and Pakistan was included in Cluster 1 along with Nigeria and Kenya.

One-ERP project was a huge success for the market, and it was delivered with no business disruptions where Tech partnered with finance in avoiding risks related to super users, budget and supported business with technical decisions at local level. It also included an integrated online solution for customer's order processing.

With One-ERP Go-Live in October, GSK CH is now part of Global ERP system.

## **Digital, Data & Analytics (DDA) (Transformation towards Agility)**

"Just get it done" no longer works in today's complex world - a world with limited resources where business operatives depend upon technological solutions that achieve productivity, efficiency, and customer satisfaction goals. In Year 2020, Tech worked closely with Leadership team to improve digital data and analytics under umbrella of Play-Above.

DDA champions were highlighted from each function across the organization who drove DDA gap analysis exercise for GSK CH Pakistan. As-Is and To-Be was created along with roadmap for next six quarters (Q3,2020-Q4, 2021).

We are now progressing on agreed and aligned roadmap with proper governance model emplaced to track the advancement.



## **And IT Transformation Continues....**

With better business partnering and agile mindset, we are embarking on a new journey to create world first consumer healthcare company where Tech will be connecting business to technology and bridging the gap to redefine the future.

## **IT Governance Policy**

Tech Control Framework (TCF) forms the basis of internal control defining essential governance, compliance and risk management activities that support the day to day Tech activities.

The Enterprise Tech Control Framework aims to achieve the following objectives:

## **Risk Management**

Risk Management and Compliance Boards (RMCBs) are a GSK CH required governing body. RMCBs are responsible to ensure appropriate risk management and implementation of internal controls for risks within their scope of accountability.

## **Controls**

A Governance framework of control documents communicates the ideas, rules and expectations of organizations; to reduce risk, ensure accountability, and enforce compliance in business operations.

## **Monitoring**

Local managers are accountable for the controls in their area. Management

Monitoring is an ongoing process of assessing that the controls are in place and in use. This process may involve in-process checks and approvals, or a workplace inspection, or may be a checklist, or may be a review of data or dashboards, or observation of tasks, or self-assessment.

# Supply Chain



As we reflect on 2020, we strongly realize how much we have to be grateful for and how important it is to be resilient enough to adapt to such unprecedented situations like COVID-19. It was indeed a challenging year but the way GSK CH responded is absolutely incredible.

COVID-19 was not the only challenge that business had to face during 2020, there were several other changes that GSK team had to manage while working remotely, like ERP change from Legacy JDE system to **SAP**, Regulatory transfers of our main portfolio of Panadol, route to market changes, divestments, discontinuations and many more. Despite all these challenges, we made sure that there is a seamless supply of goods for our patient and consumers which

resulted in a growth of 22.5% over last year. Key brands like Panadol and CaC-1000 PLUS really improved the lives of millions of patients and consumer and retained their position as the leading brand in the relevant category.

This incredible performance was an outcome of agility, resilience & untiring efforts from our manufacturing units, E2E Supply Chain & Commercial teams who worked 24/7 to ensure the availability of our products and meet the unprecedented market demand. With a strong 2020 landing, the team is fully energized & focused to take on the challenges of next year and deliver even stronger business performance.

# Quality Management System



The customer focus journey takes years, not months, but there are rewards all along the way, and for those organizations that have gone the distance, the payoff is remarkable. Our ambition is to be an end-to-end consumer and customer obsessed supply chain. This will get us beyond 'good enough' to outperforming and become the best Quality and Supply Chain on the planet. Where 2020 brought the great suffering pandemic, Commercial Quality put its focus on the customer satisfaction. The aim was to reduce customer complaints and bring them the trust on our supply chain. Many courageous decisions were made, all the norms were challenged to eliminate the operational and process blindness to minimize the risk of dissatisfaction. Great collaborative root cause analysis was conducted where required. This ultimately brought up the reduction in number of complaints especially repetitive complaints. Our key objective and focus in 2020 was to

maintain End to End quality standard at all levels of supply chain during product delivery. Through our complaint management system, we are listening to our customers and understand their needs which helps us improve the product quality day by day. We have also reduced number of product complaints by maintaining our standards and improving our investigation of complaints as End to End and implementing the best practices to maintain the product quality.

Going forward for 2021 commercial quality is aiming to embed quality culture in day to day tasks and to provide support in accelerated decision making for the betterment and growth of business.

# Regulatory Affairs



COVID-19 impacted many streams globally and in Regulatory Affairs we feared same for the functional deliverables and planned and executed all activities accordingly. 2020 was contrary though and negated our expectations, we started carefully and ended at good note by delivering all business expectations.

Last year Regulatory Affairs had defended many fronts like products' formulation, pricing and successfully secured all CPI based price increases. This has not only endorsed our subject command but will also established in-market prices of all our products. Considering the legacy of more than 40 years of some of these products, price verification throughout registration life cycle by Drug Regulatory Authority of Pakistan is big news.

We have some key innovations for which approvals by all regulators were secured while to strengthen GSK CH business

exploring couple of additional new opportunities for this year. Being strategic business partner Regulatory Affairs are also exploring other avenues for future that will give confidence to our internal and external stakeholders on future business of GSK CH Pakistan.

# Internal Audit & Compliance



The Internal Audit function ensures Statutory compliance with the Code of Corporate Governance (Covered in detail on Pg. 187 to 188 “Audit Committee Report”) and serves an active role in assisting the management to achieve operational efficiencies while managing the risk appetite of the business. The internal audit operations at GSK CH are outsourced to Ernst & Young Ford Rhodes (Pakistan), that adds an additional layer of transparency and provides independent assurance to the members of Audit Committee.

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

Internal Audit Function, in GSK CH, is led by Mariam Maqsood who was on-boarded virtually in mid of 2020. Mariam Maqsood is an ACCA member and has worked across various industries, over the span of 10 years.



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

The Compliance function ensures that each function (commercial and supporting) is managing its Internal Control Framework and identifies and minimizes risks proactively. Compliance function is responsible to organise Risk Management Compliance Board (RMCB) meetings where risks are discussed and mitigating controls and actions are put in place every quarter. This meeting is attended religiously by all functional heads.

Other than above, Compliance function conducts independent reviews for high risk areas and presents findings in the RMCB, provides trainings to head office and sales staff on Anti-bribery anti-corruption, Third Party Oversight, Code of Promotion etc. Compliance ensures that other functions are also conducting Management Monitoring activities to ensure issues are proactively identified and fixed, rather than being spotted out by auditors.

Speak up or whistle blowing issues, relating to compliance matters are also overseen by Compliance Function and the Head of Compliance is responsible for providing relevant and up to date information to above country independent investigators when required. Where policy permits, some investigations are conducted by the Head of Compliance.

The Ethics and Compliance Function, in GSK CH, comprises of two individuals and is led by Muzna Hussain. Muzna is an FCCA by qualification and has been with GSK since June 2016.

# Legal and Corporate Secretarial

GSK CH Legal and Corporate Secretarial department works across the business to help it deliver better everyday health with humanity. The Legal department is aligned with the purpose of becoming a Trusted Business Partner and delivering high quality legal and corporate secretarial services by proactively engaging with our business partners to achieve the goals with GSK values at the heart of every decision.

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

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

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

coordinates in the implementation of board decisions, among other tasks.

Despite the challenges of the previous year, the Legal and Corporate Secretarial department quickly adapted its ways of working to the 'new normal' in 2020 to play its part in *Running Legal Like a Business*, for the Business in the following manner:

**a) Continued focus on digital initiatives** with the adaption of digital signatures, use of digital document repositories, utilizing of a digital Board Evaluation Form, and creation of a One Stop Legal page containing updated templates, information, documents for the ease internal stakeholders / clients.

**b) Smart risk-taking** to keep up with changing trends and the pace of the business and keeping in view Trusted Business Partner principles and the GSK Red-Grey-Green legal risk assessment, so as to strike a balance between *Business First* and GSK Values.

**c) Stakeholder knowledge management** with comprehensive trainings on competition law, anti-harassment, corporate compliance, GSK document repository, digital brand protection guidelines etc.

**d) Simplification** of all contracts, key documents, and key processes.

## Company Secretary

Ms. Mashal Mohammad joined GSK CH in 2015. She is the Company Secretary and Legal Director of GSK CH. She graduated from Bristol University and City University of London with honours and is a Barrister-at-Law from Lincoln's Inn, United Kingdom. She is also enrolled as an advocate of the Lahore High Court and has over 13 years of diversified work experience as an inhouse and practicing lawyer.

# Human Resources



*GSK CH's Priorities & Performance System: Innovation, Performance & Trust in 2020.* In 2020, we continued to build on our GSK CH Priorities of Innovation, Performance and Trust as part of our commitment to deliver game changing business results. The focus on ensuring that our strategy was advocated through strong leadership, employee development and our continued focus on being a Modern Employer.

Our GSK CH expectations of Courage, Accountability, Development and Teamwork re-iterated through our global #Let's Talk initiatives & HR Connect Sessions 2020 across the Company, coupled with our values of Consumer First, Transparency, Respect and Integrity, all form the basis of 'Our DNA', guiding us to be one of the world's most innovative, best performing and trusted healthcare companies.

## **INNOVATION**

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

## **PERFORMANCE**

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

## **TRUST**

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

## DIVERSITY & INCLUSION

The year 2020, marked further success of GSK's Women Leadership Initiative (WLI). Reawakening self-awareness and Mental Health awareness sessions were conducted virtually.

WLI team led the international women's day celebrations and 'Let's Connect and Learn' sessions, under the Modern Employer Agenda, providing an opportunity for all employees to connect with leaders. These sessions had employee development follow through with a discussion around what WLI means for all employees and not only women.

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

## EMPLOYEE HEALTH & WELL BEING

At GSK CH, our purpose to help people do more, feel better, live longer starts with our employees. Throughout the COVID-19 period in 2020 – HR has taken multiple initiatives such as keeping the workforce updated on Corona Virus updates and how they can adopt to virtual ways of working and leverage our digital capabilities to work, engage with internal and external stakeholders.

Employees health & well-being has been the top priority throughout, time to time updates on COVID-19 precautions and SOPs were shared to keep the employees updated. Communications to engage employees on the

new ways of work includes Return to work guidelines whereby the process for joining back office post COVID-19 recovery was shared and guidelines for reporting COVID-19 confirmed or suspected cases were shared. The new way of claiming medical expenses was introduced in 2020 to facilitate the timely processing of claims.

For the first time, **Ergonomics Allowance** is introduced in 2020 to support the well-being of our employees during work from home for the office-based desk jobs as they require long hours while sittings which require comfortable posture in line with Ergonomics guidelines

HR has promoted the use of Employee Assistance Program and other Health and Wellbeing programmes and services, webinars and GIFs on mindfulness, EAP, sleep well were also organized.

Moreover, 2020 we continue the focus on mental health awareness sessions, part of World Mental Health Day celebrations and under the umbrella of GSK's Modern Employer agenda. These were virtual sessions whereby renowned psychiatrists addressed and discussed any mental health concerns that employees are facing at work / work from home. These sessions were appreciated by employees at all levels of the organization since they provided an opportunity to learn more about mental health and get themselves assessed on psychological distress levels.

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



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

## DEVELOPING OUR PEOPLE

Our continued commitment to developing and sustaining our talent pipeline by attracting and retaining the most talented people is a key success factor in GSK CH's outstanding results. In 2020, as part of our ongoing focus to make our systems and processes easier for our customers, we have improved recruitment process which can be directly facilitated through Workday. This uses innovative technology to deliver a cutting-edge global recruitment platform that not only makes it quicker and easier for recruiters and managers to fill vacancies with the best candidates but also makes it easier and a better experience, for external candidates and employees to find new job opportunities.

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

## FUTURE LEADERS PROGRAM

GSK CH's Future Leaders Program is a key driver of our talent pipeline, designed to

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

Our motto is to select the best talent and facilitate them to hone their technical skills and business acumen and enable them to not only deliver but drive successful business results so that they are prepared to perform at home and abroad.

## MAKING IT EASIER INITIATIVES

In 2020, we promoted the use of HR chatbot by the name of '**HR KAY**' available for 24/7 support to answer common HR queries in less than 20 seconds. This not only promoted self-service but also encouraged employees to acquaint themselves with a variety of GSK CH's online facilities, especially in the times of remote working. HR Kay can help employees with a wide range of different HR queries. Total of 757 users have interacted with HR Kay in 2020, and 6,586 queries were addressed. In 2020, HR announced the launch of a new chatbot as well namely Workday Assistant.

**Workday Assistant** is Workday's purpose-built chatbot that can help you complete common Workday tasks like entering your absence or feedback, finding information and helping you navigate around Workday. The Assistant makes interacting with Workday as simple as starting a conversation and works from the Workday mobile App as well as on desktop. It can display data quickly and easily and even transact some items like '*request time off*'. The Workday Assistant will keep improving over time, try asking it '*How can you help me?*'

Further, adopting to the new ways of working, **Virtual Onboarding program** was launched in 2020, whereby the new joiners gets the invite for a virtual session in the first week of their hiring and they are briefed about the various GSK platforms and any questions they have are addressed by concerned member of HR team.

Another achievement marked in 2020 is the successful transformation to e-letters. Employee letters such as for job changes no more require the manual process of sending the hard copies to the employees, these are now provided in PDFs and are available in their workday as well.

## RESILIENCE AND WORK-LIFE BALANCE

We at GSK CH, under the Modern Employer Agenda 2020, were focused to give our employees a congenial environment that makes them feel at ease - where their work is more valued than adherence to a strict work schedule.

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

Our priority will always be the safety and wellbeing of our people. For now, how we work follow local COVID-19 guidelines, but as restrictions lift it's really important we hold

onto the great ways of working we've seen in 2020, balanced with the power of face to face collaboration, to drive performance and delivery of our IPTC priorities. Employees want more flexibility and options about how and where they work. Hence as part of global initiative, GSK CH has rolled out the **Performance with Choice** guidelines. We're starting with people who do office-based work - and piloting other role types to see where we can introduce more flexibility without impacting performance.

## ENGAGEMENT

At GSK CH, we see employee engagement, to strengthen ties at all levels of the organization and build on our culture. In 2020, HR and the Leadership Team led the engagement agenda. These included driving the Diversity & Inclusion agenda (WLI Pakistan Chapter), supporting Employee Health & Well-being initiatives, virtual engagement activities, effectively promoting modern employer agenda; Be you, feel good and keep growing themes country wide by conducting engagement activities as well as seminars/webinars, organized different engagement activities during COVID-19 period to motivate our employees.

In line with our value of Transparency, the Global GSK Engagement Survey was rolled out company wide, allowing employees' a chance to put forward their views on a variety of areas, including our GSK CH Values and Priorities. The 2020 GSK Engagement Survey results reported Employee Engagement levels of 96%, proves that GSK CH's strength lies in our ability to create a lasting bond with our employees and goes to show that everyone has a role to play in contributing to our culture.



More accountability for  
decision making which  
means we will feel more  
ownership to grow the  
business.



the  
**extra  
mile** in  
**growth  
mindset**

# FINANCIAL PERFORMANCE AT A GLANCE

<b>Rupees in millions</b>	<b>2020</b>	2019	2018	2017	2016
Net Sales	<b>19,846</b>	16,317	14,875	8,298	5,376
Gross Profit	<b>5,328</b>	4,986	4,404	3,101	1,509
Operating Profit	<b>1,832</b>	1,892	1,688	1,179	858
Profit Before Tax	<b>1,774</b>	1,700	1,463	1,171	856
Taxation	<b>(512)</b>	(442)	(388)	(464)	(311)
Profit after taxation	<b>1,262</b>	1,258	1,075	707	545
Earnings per share Rs.	<b>10.78</b>	10.74	9.18	7.39	7.60
Dividend per share Rs.*	<b>5.00</b>	5.00	5.00	5.00	-
Return on equity	<b>24.44%</b>	27.94%	28.02%	30.77%	34.16%
Market capitalisation (Rs. In millions)	<b>31,035</b>	30,015	31,182	30,986	-
Paid-up Capital (in million)	<b>1,170.5</b>	1,170.5	1,170.5	956	956

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

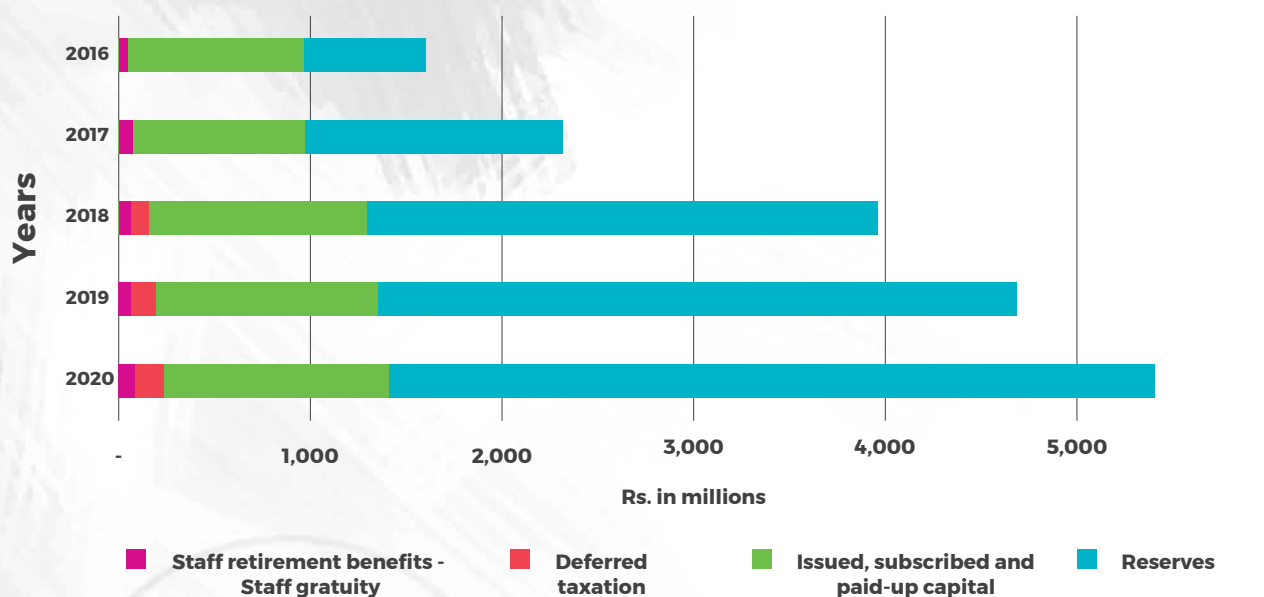
## KEY OPERATING FINANCIAL DATA & RATIOS

<b>Balance Sheet</b> (Rs. in million)	<b>2020</b>	2019	2018	2017	2016
<b>Assets employed</b>					
Fixed Assets - property, plant and equipment	<b>3,493</b>	2,915	2,650	125	132
Intangible asset - Goodwill	<b>128</b>	128	128	-	-
Deferred taxation	<b>-</b>	-	-	8	17
Long-term loans and deposits	<b>17</b>	17	11	1	1
Net current assets	<b>1,765</b>	1,626	1,174	2,183	1,456
	<b>5,404</b>	4,685	3,962	2,316	1,605
<b>Less: Non-Current Liabilities</b>					
Staff retirement benefits - Staff gratuity	<b>88</b>	54	38	20	9
Deferred taxation	<b>152</b>	131	90	-	-
	<b>240</b>	185	127	20	9
<b>Net assets employed</b>	<b>5,164</b>	4,501	3,835	2,297	1,597
<b>Financed by</b>					
Issued, subscribed and paid-up capital	<b>1,171</b>	1,171	1,171	956	956
Reserves	<b>3,993</b>	3,330	2,664	1,341	641
Shareholders' Equity	<b>5,164</b>	4,501	3,835	2,297	1,597

### Statement of financial position - Assets employed



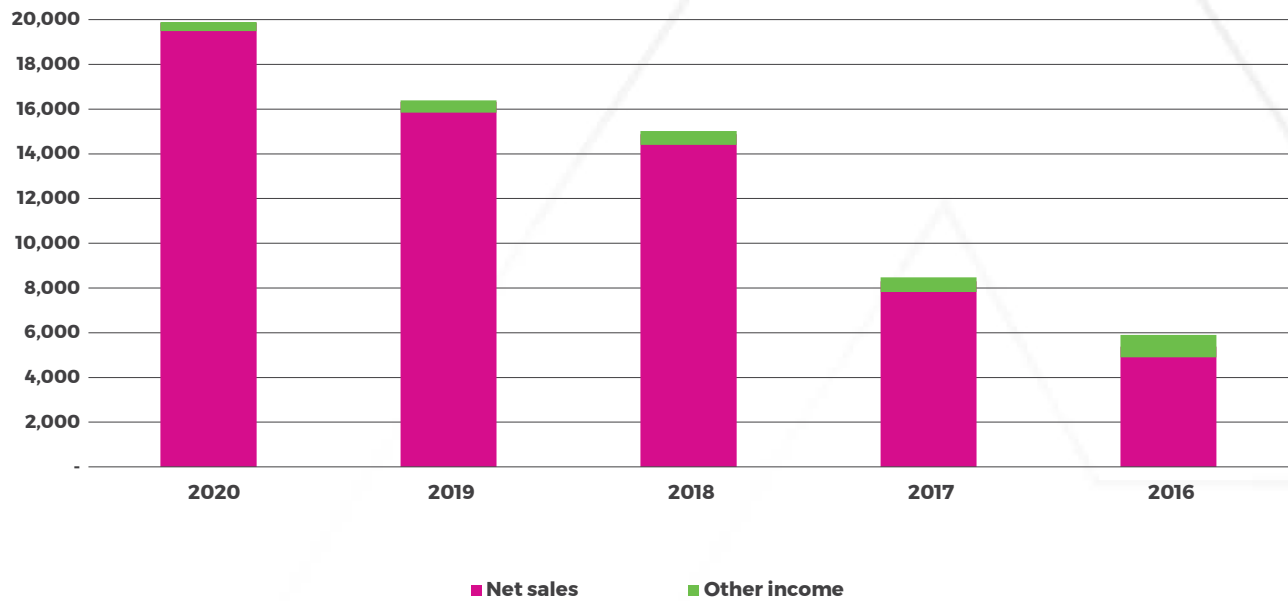
## Statement of financial position - Non Current Liabilities & Shareholder's equity



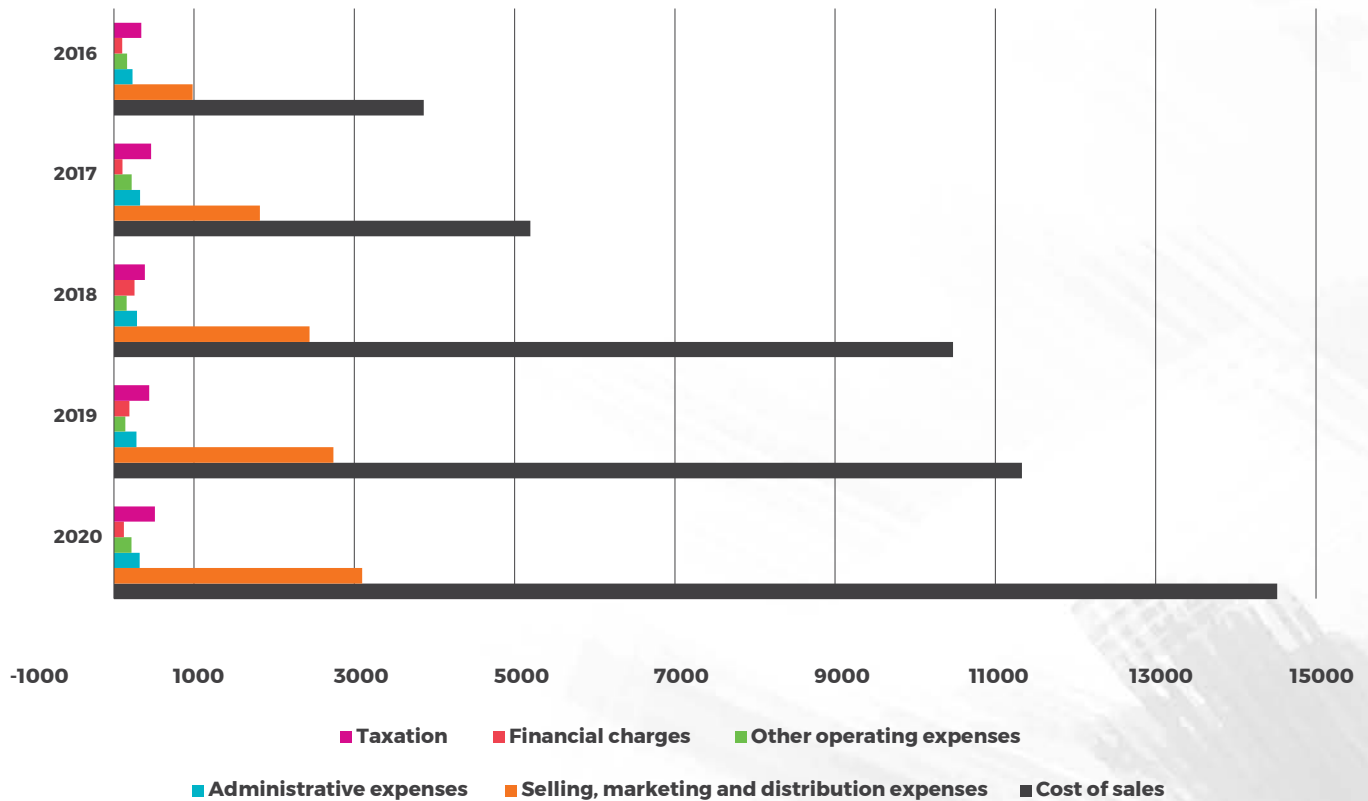
### Turnover and profit (Rs. in million)

	2020	2019	2018	2017	2016
Net sales	<b>19,846</b>	16,317	14,875	8,298	5,376
Gross profit	<b>5,328</b>	4,986	4,404	3,101	1,509
Operating profit	<b>1,832</b>	1,892	1,688	1,179	858
Profit before taxation	<b>1,774</b>	1,700	1,463	1,171	856
Taxation	<b>(512)</b>	(442)	(388)	(464)	(311)
Profit after taxation	<b>1,262</b>	1,258	1,075	707	545
EBTIDA	<b>2,101</b>	2,146	1,899	1,202	866
Cash Dividend including bonus shares	<b>585,273</b>	585,273	585,273	477,751	-
Sales per employee	<b>40,338</b>	32,830	30,990	131,717	97,742

### Statement of Profit or Loss - Net sales & other income (Rs. in millions)



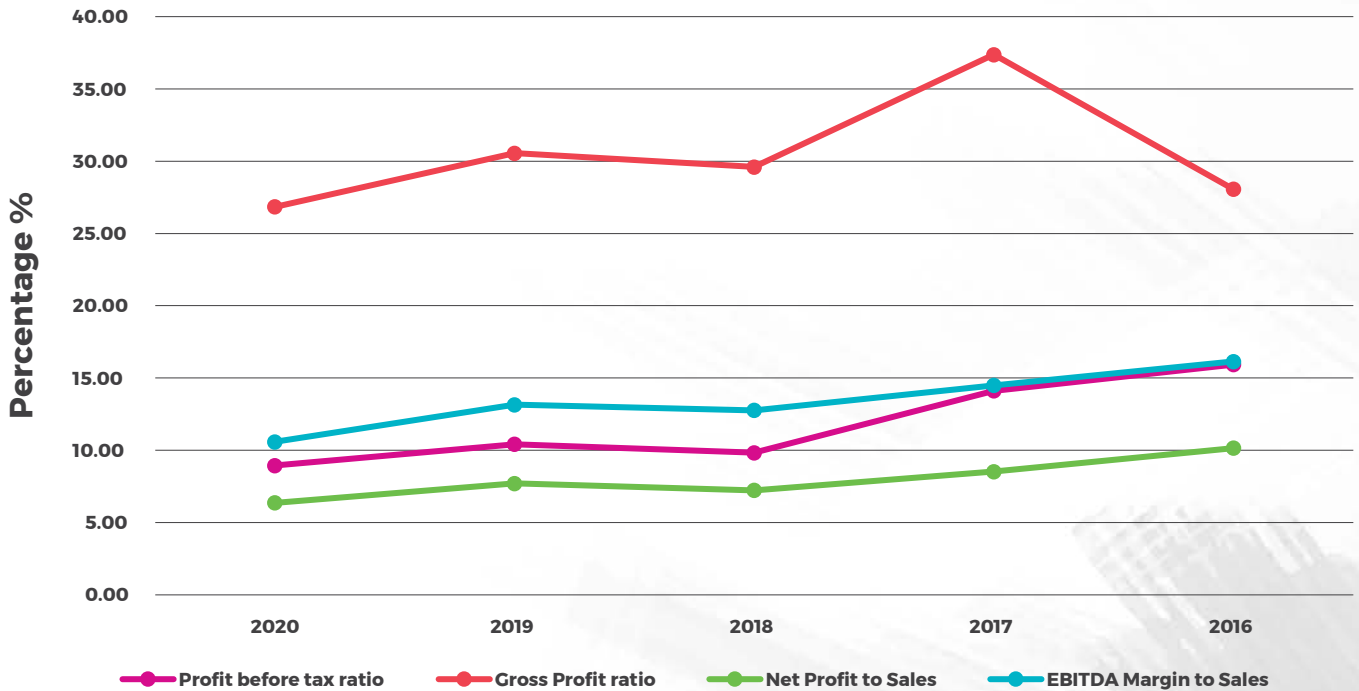
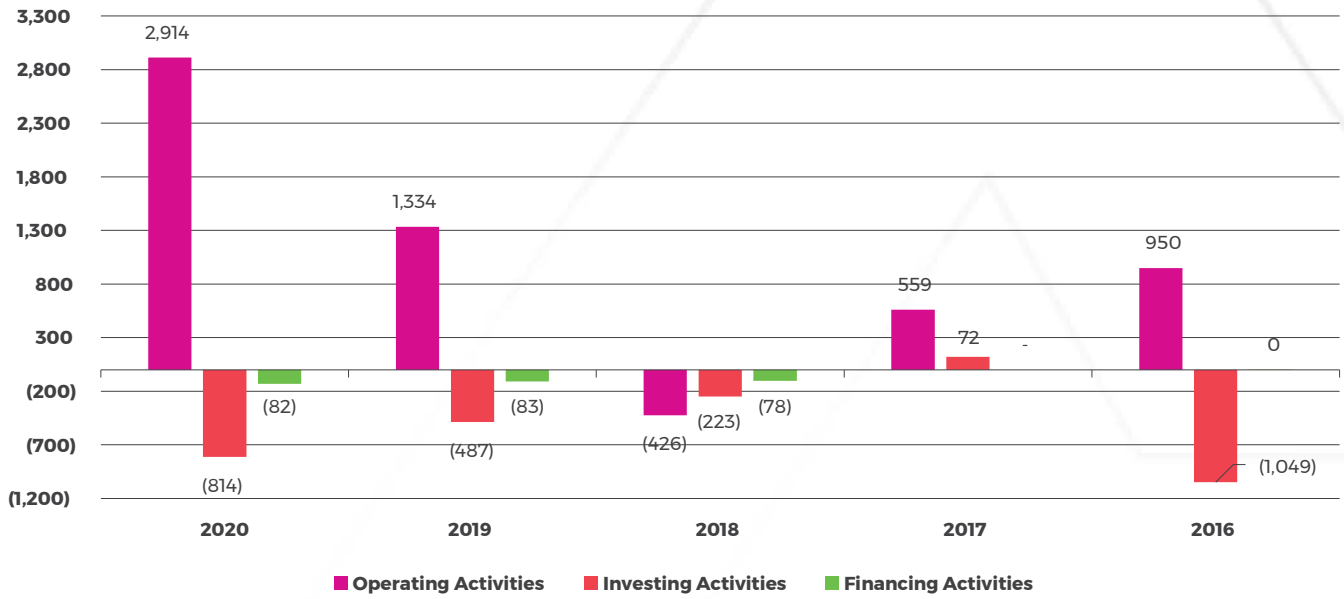
### Statement of Profit or Loss - Expenses (Rs. in million)



<b>Cashflows</b>		<b>2020</b>	2019	2018	2017	2016
<b>Rupees in Millions</b>						
Operating Activities	Rs. in million	<b>2,914</b>	1,334	(426)	559	950
Investing Activities	Rs. in million	<b>(814)</b>	(487)	(223)	72	(1,049)
Financing Activities	Rs. in million	<b>(82)</b>	(83)	(78)	-	-
Changes in Cash equivalents	Rs. in million	<b>2,018</b>	764	(727)	631	(99)
Cash & equivalents - Year end	Rs. in million	<b>1,898</b>	(120)	(884)	1,302	670
<b>Financial Highlights</b>		<b>2020</b>	2019	2018	2017	2016
Cash dividend per share	Rupees	<b>5.0</b>	5.0	5.0	5.0	-
Bonus shares	%	-	-	-	-	-
Market value per share - year end	Rupees	<b>265.13</b>	256.42	266.39	324.29	-
Market value per share - high	Rupees	<b>330.03</b>	353.53	529.00	365.00	-
Market value per share - low	Rupees	<b>199.56</b>	164.10	258.00	100.63	-
Market capitalization	Rs.in million	<b>31,035</b>	30,015	31,182	30,986	-
<b>Profitability Ratios</b>		<b>2020</b>	2019	2018	2017	2016
Profit before tax ratio	%	<b>8.94</b>	10.42	9.83	14.11	15.92
Gross Yield on Earning Assets	%	<b>1.51</b>	2.98	8.76	8.14	3.53
Gross Spread ratio	Times	<b>0.24</b>	0.25	0.24	0.23	0.36
Cost / Income ratio	Times	<b>0.66</b>	0.63	0.63	0.64	0.58
Return on Equity	%	<b>24.44</b>	27.94	28.02	30.77	34.16
Return on Capital employed	%	<b>23.35</b>	26.83	27.12	30.51	33.98
Gross Profit ratio	%	<b>26.85</b>	30.56	29.61	37.37	28.07
Net Profit to Sales	%	<b>6.36</b>	7.71	7.22	8.52	10.15
EBITDA Margin to Sales	%	<b>10.59</b>	13.15	12.77	14.48	16.14
Operating leverage ratio	-	<b>0.0</b>	1.2	0.5	0.7	-
<b>Investment / Market Ratios</b>		<b>2020</b>	2019	2018	2017	2016
Earnings per share (EPS)	Rupees	<b>10.78</b>	10.74	9.18	7.40	7.60
Price Earnings ratio	Times	<b>24.59</b>	23.88	29.02	43.88	2.20
Price to Book ratio	Times	<b>6.16</b>	6.86	8.41	13.49	-
Dividend Yield ratio	%	<b>1.89</b>	1.95	1.88	1.54	-
Dividend Payout ratio	Times	<b>0.46</b>	0.47	0.54	0.68	-
Dividend Cover ratio	Times	<b>2.16</b>	2.15	1.84	1.48	-
Break-up Value per share	Rupees	<b>43.02</b>	37.36	32.76	24.04	16.71



## Statement of cash flows (Rs. in millions)



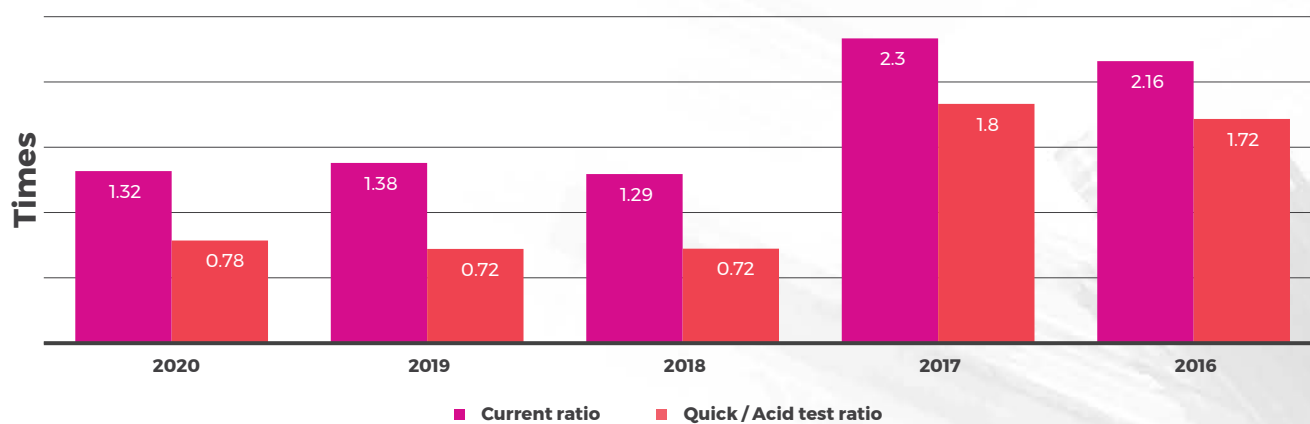
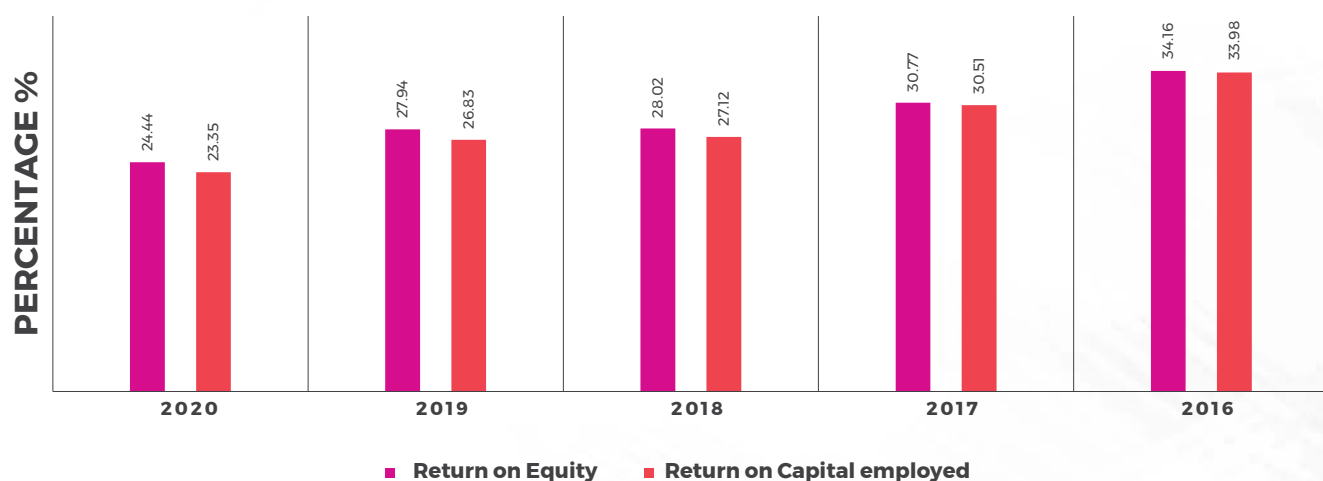
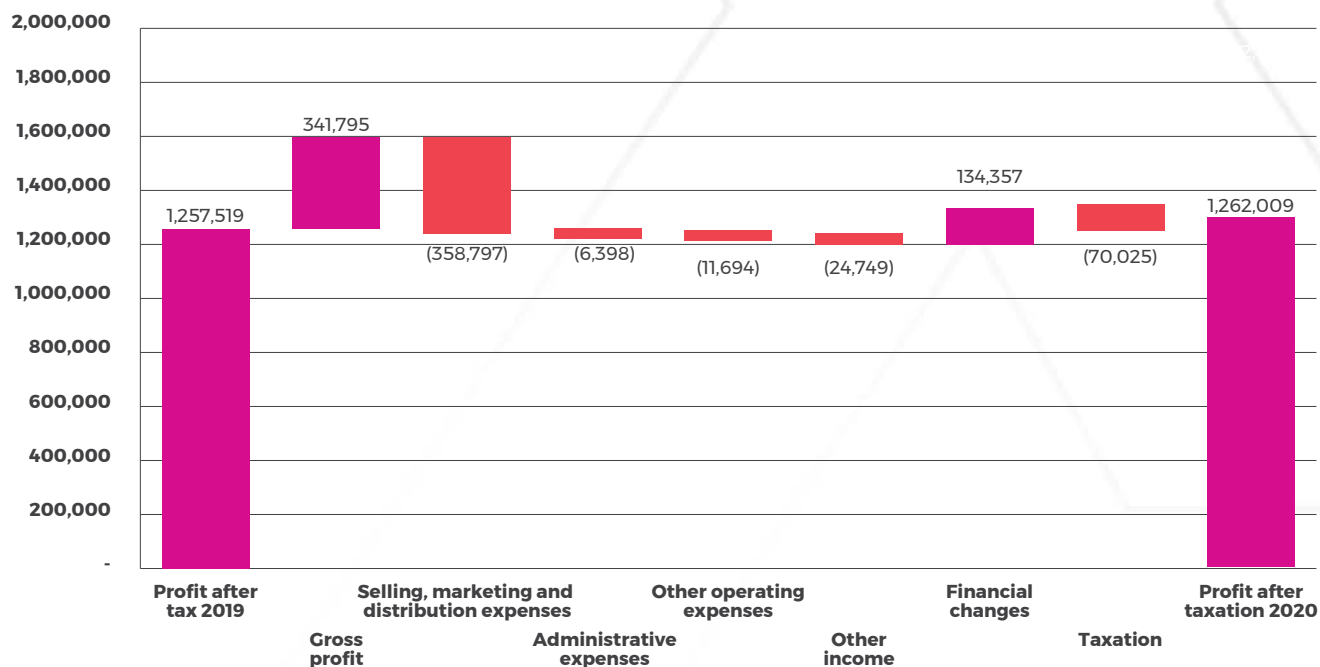
<b>Capital Structure Ratios</b>		<b>2020</b>	2019	2018	2017	2016
Earning assets to total assets ratio	%	<b>19.43</b>	7.16	8.89	32.9	23.4
Net assets per share	Times	<b>44.12</b>	38.45	32.76	24.0	16.7
Debt to Equity ratio	Times	-	0.03	0.24	-	-
Financial leverage ratio	Times	-	0.18	0.43	-	-
Weighted average cost of debt	%	-	11	6	-	-
Interest Cover ratio	Times	<b>66.63</b>	15.65	11.18	281.0	856.1
<b>Liquidity Ratios</b>		<b>2020</b>	2019	2018	2017	2016
Current ratio	Times	<b>1.32</b>	1.38	1.29	2.3	2.16
Quick / Acid test ratio	Times	<b>0.78</b>	0.72	0.72	1.8	1.72
Cash to Current Liabilities	Times	<b>0.38</b>	0.15	0.18	0.8	0.53
Cash flow from Operations to Sales	%	<b>14.68</b>	8.17	(2.86)	6.7	17.67
<b>Activity / Turnover Ratios</b>		<b>2020</b>	2019	2018	2017	2016
Inventory turnover ratio	Times	<b>5.0</b>	4.4	6.8	7.5	7.0
No. of Days in Inventory	Days	<b>73</b>	83	55	49	53
Debtor turnover ratio	Times	<b>25.8</b>	20.1	29.0	28.3	17.0
No. of Days in Receivables	Days	<b>15</b>	19	13	13	22
Creditor turnover ratio	Times	<b>20.0</b>	15.4	17.1	14.3	14.4
No. of Days in Creditors	Days	<b>19</b>	24	22	26	26
Total Assets turnover ratio	Times	<b>1.81</b>	1.82	1.87	2.1	1.9
Fixed Assets turnover ratio	Times	<b>5.7</b>	5.60	5.61	66.5	40.8
Operating Cycle	Days	<b>69</b>	78	46	36	49

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

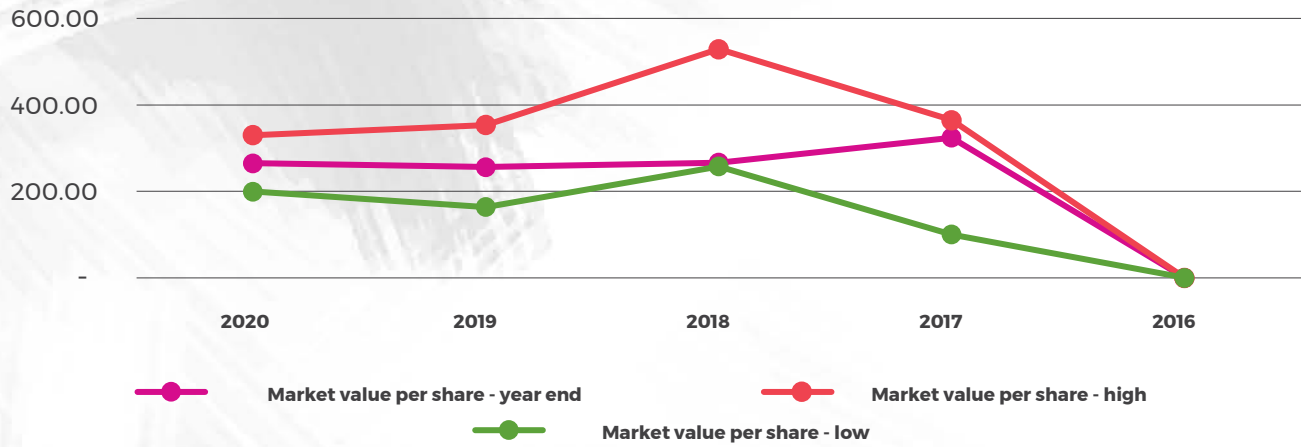
Financial indicators are computed using formulae which are widely used in the industry and are relevant to different stakeholders such as shareholders, bankers and regulators. The data used is generated through our internal management information systems, together with audited financial statements.

# GRAPHICAL PRESENTATION

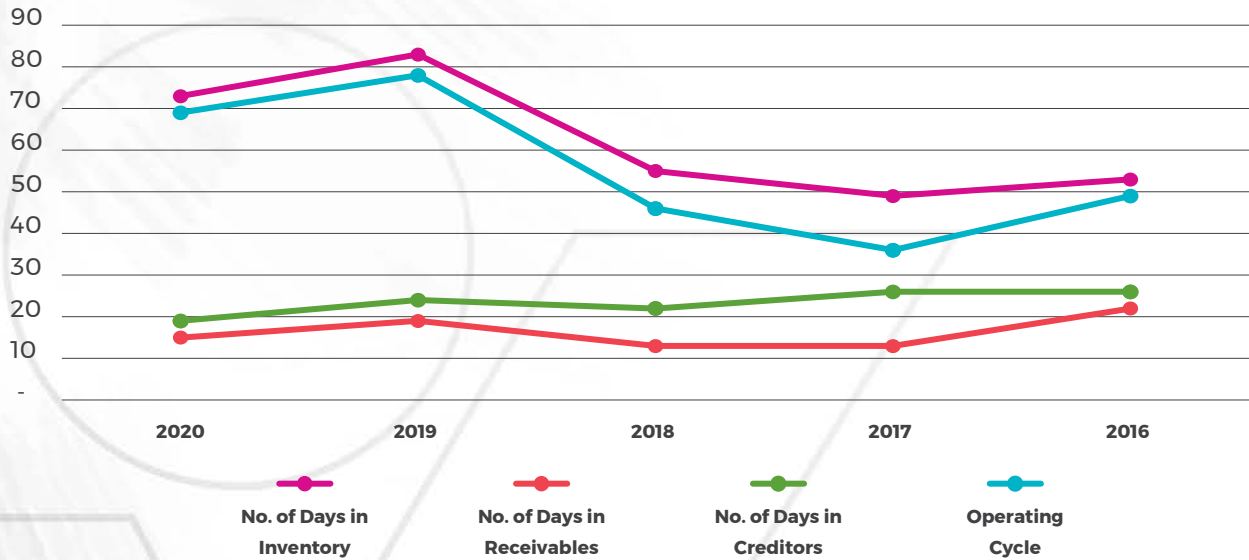
## Variance analysis of profit after tax (2019-2020)



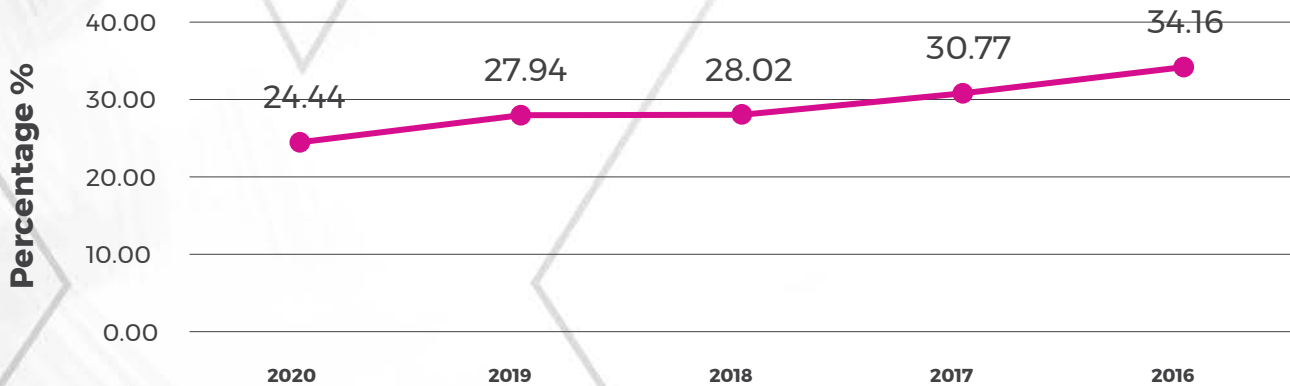
### Share price (Rs.)



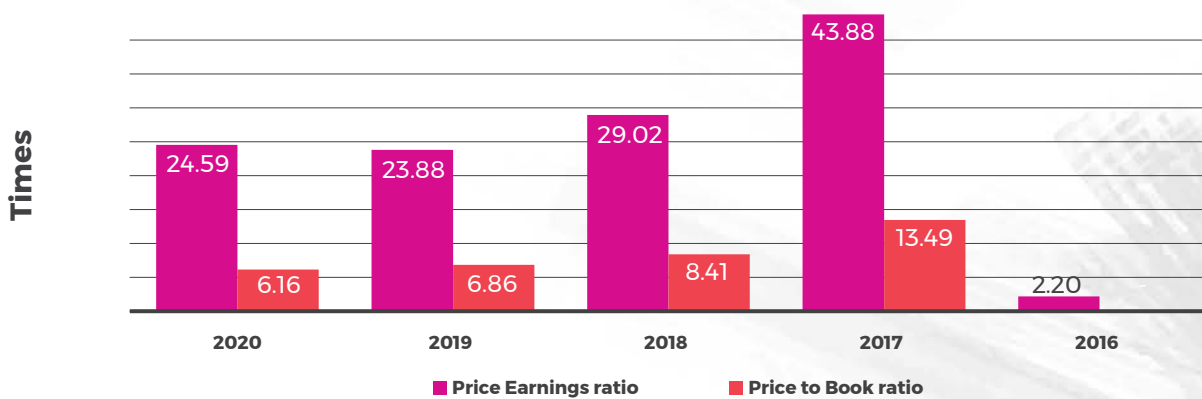
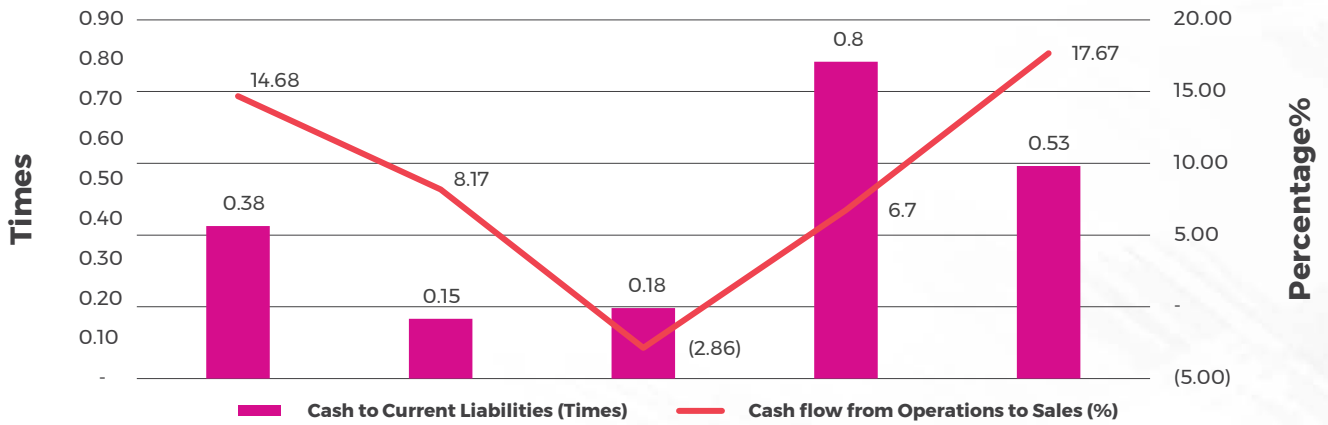
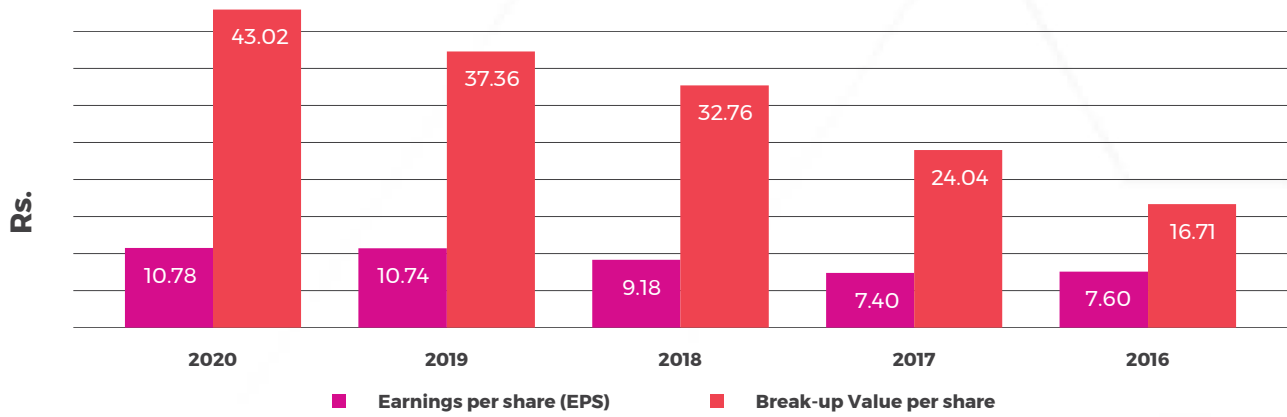
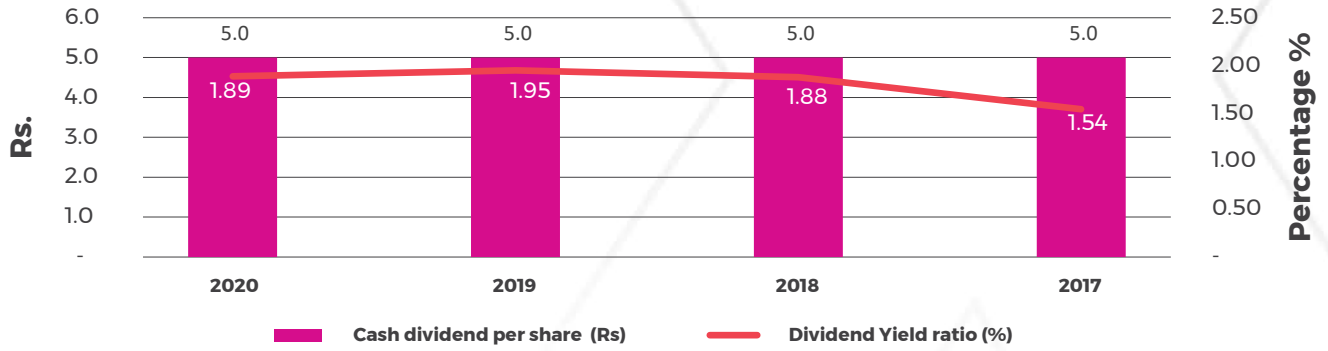
### Working capital and operating cycle (In days)



### Return on Equity



## Dividend



# COMMENTS ON FINANCIAL RATIOS

## PROFITABILITY RATIOS

Profitability ratios of the Company, in general, have decreased versus last year, mainly on account of currency devaluation, change in portfolio mix and inflation.

Profit after tax increased by 0.36% compared to prior year. Gross profit margin declined to 26.85% versus 30.56% last year. Net profit margin dropped to 6.36% versus 7.71% during 2019 which is in line with the reasons mentioned above.

## LIQUIDITY RATIOS

Cash inflows from operating activities has significantly improved versus last year primarily on account of increase in profitability and better working capital management. The Company remains sufficiently liquid and has Rs. 1,898 million of cash and cash equivalents as of 31st December 2020 to meet its investment and operational cash requirements.

Quick / Acid test ratio (2020: 0.78, 2019: 0.72) and cash to current liabilities (2020: 0.38, 2019: 0.15) improved versus last year, whereas, current ratio (2020: 1.32, 2019: 1.38) has declined versus last year mainly on account of higher payable balances.

## ACTIVITY / TURNOVER RATIOS

Operating cycle has decreased to 69 days in 2020 from 78 days in 2019 mainly due to improvement in inventory and debtor days as compared to last year. Total assets turnover ratio (average assets) decreased to 1.81 in 2020 from 1.82 in 2019 mainly due to increase in capital expenditure during the year. Fixed assets turnover ratio (average assets) increased to 5.70 in 2020 from 5.60 in 2019 mainly due to significant increase in sales during the year.

## INVESTMENT / MARKET RATIOS

**Earnings per share** jumped to Rs. 10.78 in 2020 from Rs. 10.74 in 2019 as a result of increase in profit after tax by 0.36% as mentioned above.

**Price Earnings ratio** has increased to 24.59 in 2020 from 23.88 in 2019, mainly due to increase in price per share. Dividend yield ratio remained stagnant at 1.9%

**Dividend pay-out ratio** decreased to 0.46 (times) in 2020 from 0.47 (times) in 2019, on account of increase in profit after tax by 0.36% as mentioned above.

**Break-up value per share** has increased to Rs. 43.02 in 2020 from Rs. 37.36 in 2019 due to increase in total equity by Rs. 663 million as compared to prior year on account of increase in profitability.

**Market capitalisation** has increased to Rs. 31,035 million in 2020 from Rs. 30,015 million in 2019 due to increase in market price per share to Rs. 265.13 in 2020 from Rs. 256.42 in 2019.

## CAPITAL STRUCTURE ADEQUACY ANALYSIS

Total equity increased by 14.74% to Rs. 5,164 million comprising of share capital amounting to Rs. 1,170.55 million which consists of issued share capital of 117,054,508 shares of Rs. 10.00 each. GlaxoSmithKline Consumer Healthcare B.V. and its nominees is the major shareholder of the Company, having 100,423,259 shares being 85.79% of total paid-up capital.

# COMMENTS ON FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS

### SALES

Looking at the overall market conditions, the Company managed to achieve 22% growth as compared to last year, which was supported by the increase in OTC and FMCG portfolio by 28% and 11% (excluding divestments) respectively. This progress was marginally offset by decrease in exports.

### COST OF SALES

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

### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year increased by 13% mainly attributable to advertising, sales promotion and handling & freight expenditure.

### OTHER CHARGES

Increase in other charges during the current year by 8% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.

## STATEMENT OF FINANCIAL POSITION

### NON-CURRENT ASSETS

Property, plant and equipment have witnessed an increase over prior year due to investment in production facilities and infrastructure to support growing scale of business. Major capital expenditure incurred during the year was for expanding manufacturing capacity, enhancement of productivity, and improvement of plant efficiency.

### CURRENT ASSETS

The increase in current assets is mainly due to increase in inventories, loans and advances, advance tax payments and bank balances primarily on account of increase in sales and profitability. This has been partially offset by decrease in trade debts and other receivables.

### CURRENT LIABILITIES

Trade and other payables have increased over prior year mainly on account of increase in accrued liabilities due to delay in invoicing by vendors.

### EQUITY

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

# STATEMENT OF CASH FLOWS

## CASH FLOWS FROM OPERATING ACTIVITIES

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

## CASH FLOWS FROM INVESTING ACTIVITIES

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

## CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflow from financing activities decreased during the current year primarily on account of payment of lease rentals and unpaid dividend.

# FORWARD LOOKING STATEMENT

A detailed insight on the Company's Future Outlook and Challenges by the Board of Directors is present in the Director's Report on pg. 83. Moreover, significant factors affecting external environment and the Company's responses to those factors are disclosed on pg.36.

## Sources of Information and Assumptions Used for Forecasts / Projections

The Company makes a statutory budget every year in line with the objectives and strategies of the Company. These plans are approved by the Board of Directors annually. Periodic reviews of performance are carried out against these plans to ensure adequate monitoring and control. Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capital expenditure plans etc. Further, macro-economic indicators such as inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.

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

The Company successfully deployed Commercial ERP in October, 2020 replacing the system J.D Edwards. This was disclosed as a future plan in last year's Forward-Looking Statement. The deployment has resulted in GSK using one ERP system and one set of global processes and will increase efficiency for processes and operations.

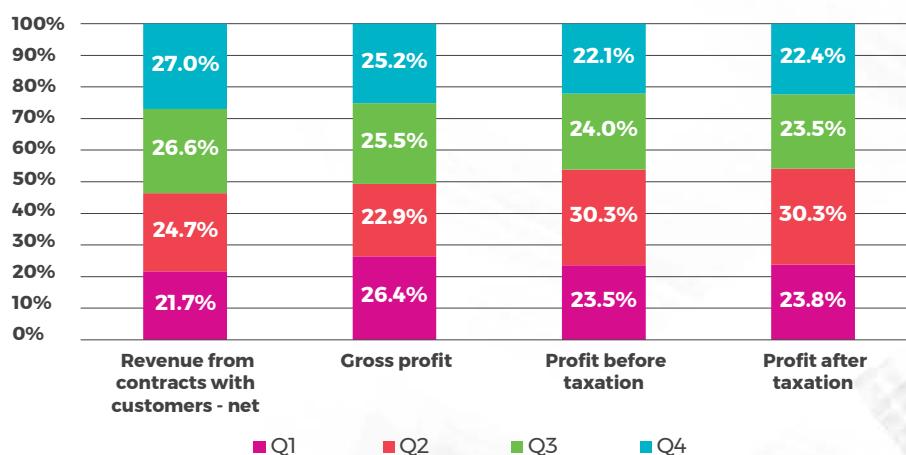


# QUARTERLY ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Q1	Q2	Q3	Q4	Total
Revenue from contracts with customers - net	4,308,054,833	4,900,326,883	5,281,070,998	5,356,653,486	19,846,106,200
Cost of sales	(2,903,678,819)	(3,679,207,625)	(3,921,720,533)	(4,013,636,524)	(14,518,243,501)
<b>Gross profit</b>	<b>1,404,376,014</b>	<b>1,221,119,258</b>	<b>1,359,350,465</b>	<b>1,343,016,962</b>	<b>5,327,862,699</b>
Selling, marketing and distribution expenses	(872,916,471)	(577,134,475)	(814,537,355)	(833,850,776)	(3,098,439,077)
Administrative expenses	(65,210,967)	(55,658,755)	(79,578,523)	(89,311,022)	(289,759,267)
Other operating expenses	(34,942,188)	(48,129,845)	(36,770,392)	(34,443,866)	(154,286,291)
Other income	7,454,355	15,830,363	18,133,428	5,504,325	46,922,471
<b>Operating profit</b>	<b>438,760,743</b>	<b>556,026,546</b>	<b>446,597,623</b>	<b>390,915,623</b>	<b>1,832,300,535</b>
Financial charges	(21,405,568)	(18,338,387)	(20,174,878)	1,910,652	(58,008,181)
<b>Profit before taxation</b>	<b>417,355,175</b>	<b>537,688,159</b>	<b>426,422,745</b>	<b>392,826,275</b>	<b>1,774,292,354</b>
Taxation - net	(116,693,901)	(154,750,776)	(130,463,408)	(110,375,682)	(512,283,767)
<b>Profit after taxation</b>	<b>300,661,274</b>	<b>382,937,383</b>	<b>295,959,337</b>	<b>282,450,593</b>	<b>1,262,008,587</b>

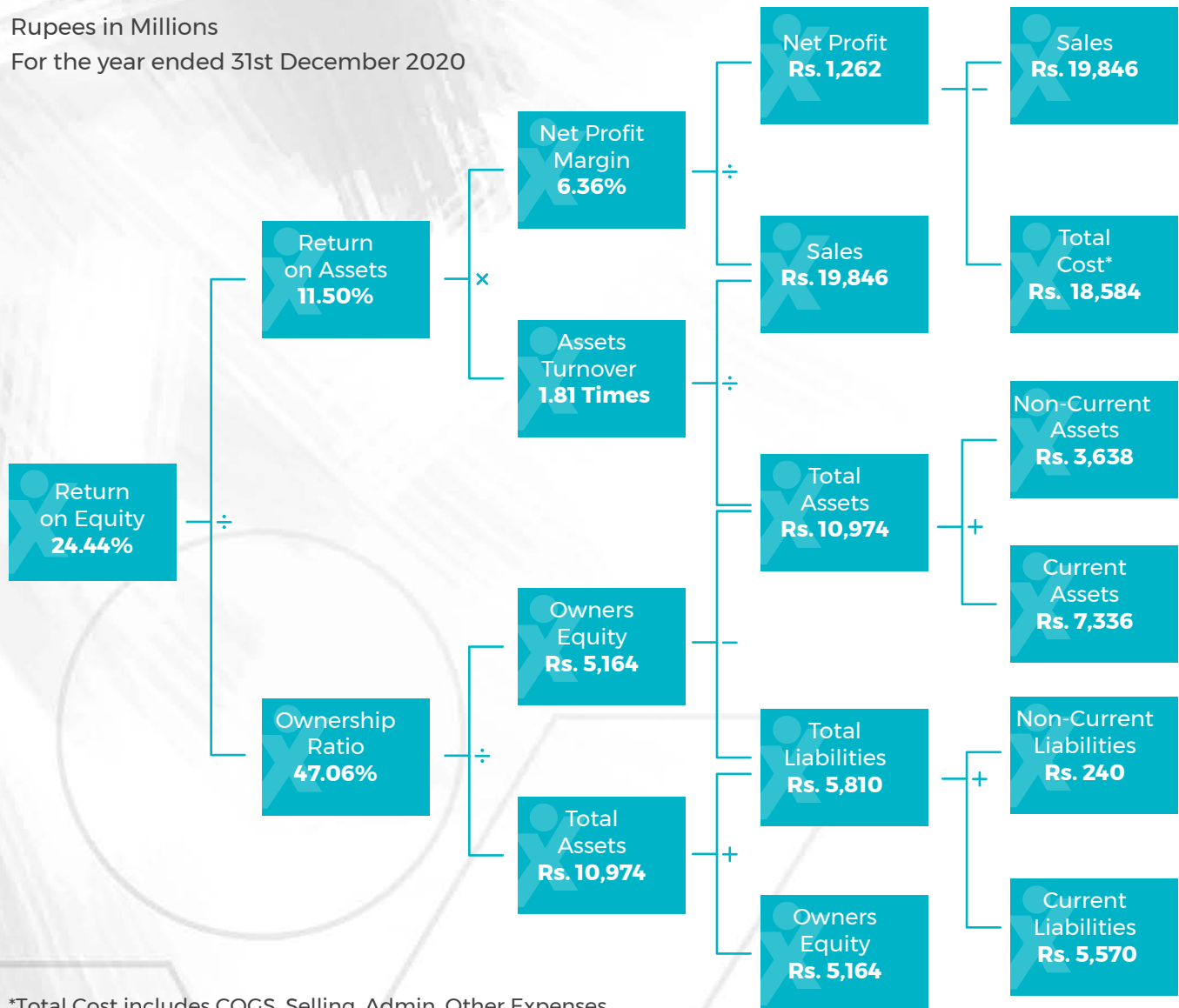
## Quarterly Analysis



Sales during the fourth quarter represented 27% (highest) of total revenue, whereas profit during the same period was only 22% of total profit after tax mainly due to devaluation of the Pakistani Rupee and inflation. Sales during the first quarter was only 21% (lowest) of total revenue, following the challenging economic and regulatory environment. Sales improved during the second quarter and represented 25% of total revenue.

# DUPONT ANALYSIS

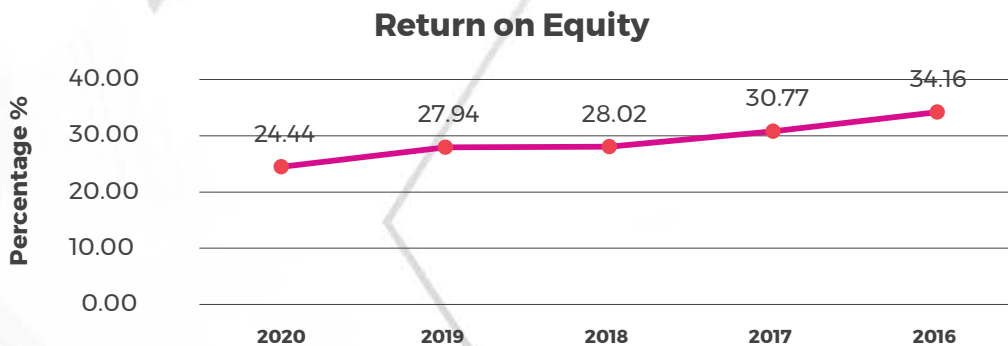
Rupees in Millions  
For the year ended 31st December 2020



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

## Comments on Dupont Analysis

The Company's Return on Equity declined by 3.5% majorly due to devaluation of Pakistani Rupee coupled with inflation.



# FREE CASH FLOWS

## FOR THE YEAR ENDED DECEMBER 31, 2020

	December 31,				
	2020	2019	2018	2017	2016
Profit before taxation	1,774,292,354	1,699,777,968	1,462,692,352	1,170,838,613	856,063,755
<b>Adjustment for non-cash items:</b>					
Depreciation	268,412,236	231,400,913	210,635,453	22,964,631	10,147,985
Operating assets written off	-	-	-	1,641,963	-
Interest expense	37,067,184	123,894,333	143,996,225	-	-
Gain on disposal of operating assets	(1,525,926)	(7,907,067)	(2,413,577)	(2,510,570)	(278,683)
Interest income	(32,091,469)	(19,147,292)	(61,984,940)	(105,970,375)	(23,671,109)
Provision / (reversal) for slow moving, obsolete and damaged stock - net of stock written off	197,658,163	130,630,520	114,024,886	4,340,498	(2,111,796)
Allowance for impairment of trade debts	3,706,175	23,929,083	23,302	158,196	152,035
Provision for impairment of fixed assets	-	22,500,000	-	-	-
Provision for staff retirement benefits	77,060,921	67,944,287	57,046,298	9,106,715	5,202,470
	550,287,284	573,244,777	461,327,647	(70,268,942)	(10,559,098)
Working capital changes	1,334,413,530	(165,329,986)	(1,411,637,059)	(264,856,374)	430,982,829
Staff retirement benefits paid	(60,898,020)	(61,189,122)	(52,738,206)	(7,492,213)	(5,019,828)
Interest paid	(59,863,320)	(140,971,147)	(139,780,490)	-	-
Income taxes paid	(624,481,199)	(565,408,911)	(743,788,903)	(268,655,682)	(321,665,543)
Decrease / (increase) in long-term loans to employees	1,333,606	(3,232,511)	(1,840,854)	(215,575)	56,395
Increase in long-term deposits	(1,573,700)	(3,106,198)	-	-	-
	588,930,897	(939,237,875)	(2,349,785,512)	(541,219,844)	104,353,853
<b>Net cash generated from / (used in) operating activities</b>	<b>2,913,510,535</b>	<b>1,333,784,870</b>	<b>(425,765,513)</b>	<b>559,349,827</b>	<b>949,858,510</b>
Fixed capital expenditure	(851,268,417)	(524,793,174)	(314,785,896)	(28,387,509)	(71,003,854)
<b>Free cash flows</b>	<b>2,062,242,118</b>	<b>808,991,696</b>	<b>(740,551,409)</b>	<b>530,962,318</b>	<b>878,854,656</b>

## Comments on Free Cash Flows

Company's free cash flows increased significantly versus last year mainly on account of increase in cash flows from operating activities contributed primarily by increase in profit before taxation, favourable working capital changes: decrease in trade debts and other receivables and an increase in payables of the Company. Moreover, lower interest payments due to improvement in liquidity position also benefitted the Company. This increase in cash flows from operating activities was offset by an increase in capital expenditure which led to a partial decline in the free cash flows.



# DIRECT CASHFLOW

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	<b>20,194,744,160</b>	16,302,866,159
Cash paid to suppliers / service providers	<b>(15,042,918,535)</b>	(13,040,633,124)
Cash paid to employees	<b>(1,348,965,406)</b>	(1,066,774,516)
Payment of indirect taxes and other statutory duties	<b>(144,107,145)</b>	(94,104,469)
Staff retirement benefits paid	<b>(60,898,020)</b>	(61,189,122)
Interest paid	<b>(59,863,320)</b>	(140,971,147)
Income taxes paid	<b>(624,481,199)</b>	(565,408,911)
<b>Net cash generated from operating activities</b>	<b>2,913,510,535</b>	1,333,784,870
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	<b>(851,268,417)</b>	(524,793,174)
Proceeds from sale of operating assets	<b>5,960,664</b>	19,018,527
Return received	<b>31,628,977</b>	18,969,210
<b>Net cash used in investing activities</b>	<b>(813,678,776)</b>	(486,805,437)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(79,951,144)</b>	(80,744,750)
Lease rental paid	<b>(1,767,593)</b>	(2,236,079)
<b>Net cash used in financing activities</b>	<b>(81,718,737)</b>	(82,980,829)
<b>Net increase in cash and cash equivalents</b>	<b>2,018,113,022</b>	763,998,604
<b>Cash and cash equivalents at beginning of the year</b>	<b>(120,338,720)</b>	(884,337,324)
<b>Cash and cash equivalents at end of the year</b>	<b>1,897,774,302</b>	(120,338,720)

# Horizontal Analysis

<b>Statement of Financial Position Analysis</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
Share Capital and Reserves	14.7	17.4	67.0	43.9	100.0
Non Current Liabilities	28.5	46.6	552.0	128.5	100.0
Current Liabilities	29.7	7.6	143.8	30.3	100.0
<b>Total Equity and Liabilities</b>	<b>22.2</b>	<b>12.9</b>	<b>101.2</b>	<b>38.2</b>	<b>100.0</b>
Non Current Assets	18.9	9.7	1,983.7	(10.6)	100.0
Current Assets	23.9	14.7	35.2	40.9	100.0
<b>Total Assets</b>	<b>22.2</b>	<b>12.9</b>	<b>101.2</b>	<b>38.2</b>	<b>100.0</b>

<b>Profit and Loss Analysis</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
Net sales	21.6	9.7	79.3	54.4	100.0
Cost of sales	28.1	8.2	101.5	34.4	100.0
Gross profit	6.9	13.2	42.0	105.6	100.0
Selling, marketing and distribution expenses	13.1	12.2	34.0	85.1	100.0
Administrative expenses	2.3	(1.9)	49.7	46.2	100.0
Other operating expenses	8.2	12.1	43.8	35.8	100.0
Other operating income	(34.5)	(49.3)	(22.0)	(65.8)	100.0
Operating profit	(3.2)	12.1	43.2	37.5	100.0
Financial charges	(69.8)	(14.8)	2,676.1	423.2	100.0
Profit before taxation	4.4	16.2	24.9	36.8	100.0
Taxation	15.8	13.9	(16.4)	49.4	100.0
Profit after taxation	0.4	17.0	52.0	29.6	100.0

# COMMENTS ON HORIZONTAL ANALYSIS

## Statement of Financial Position Analysis

The increase in non current liabilities pertains to an increase in the staff retirement benefits and additional deferred tax liabilities booked on accelerated tax depreciation and amortisation. Furthermore, the increase in current liabilities is mainly due to accrued liabilities caused by delay in invoicing. Moreover, the increase in non-current assets pertains to investment in production facilities and infrastructure to support growing scale of business. And the increase in current assets is mainly due to increase in inventories, loans and advances, advance tax payments and bank balances primarily on account of increase in sales and profitability.

## PROFIT AND LOSS ANALYSIS

### SALES

Looking at the overall market conditions, the Company managed to achieve 22% growth as compared to last year which was supported by the increase in OTC and FMCG portfolio by 28% and 11% (excluding divestments) respectively. This progress was marginally offset by decrease in exports.

### COST OF SALES

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

### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year increased by 13% mainly attributable to advertising, sales promotion and handling & freight expenditure.

### OTHER CHARGES

Increase in other charges during the current year by 8% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.

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

# VERTICAL ANALYSIS

<b>Statement of Financial Position Analysis (%)</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
Share Capital and Reserves	47.1	50.1	48.2	58.1	55.8
Non Current Liabilities	2.2	2.1	1.6	0.5	0.3
Current Liabilities	50.8	47.8	50.2	41.4	43.9
<b>Total Equity and Liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Non Current Assets	33.2	34.1	35.1	3.4	5.2
Current Assets	66.8	65.9	64.9	96.6	94.8
<b>Total Assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<b>Profit and Loss Analysis (%)</b>	<b>2020</b>	<b>2019</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
Net sales	100.0	100.0	100.0	100.0	100.0
Cost of sales	(73.2)	(69.4)	(70.4)	(62.6)	(71.9)
Gross profit	26.8	30.6	29.6	37.4	28.1
Selling, marketing and distribution expenses	(15.6)	(16.8)	(16.4)	(22.0)	(18.3)
Administrative expenses	(1.5)	(1.7)	(1.9)	(2.3)	(2.5)
Other operating expenses	(0.8)	(0.9)	(0.9)	(1.1)	(1.2)
Other operating income	0.2	0.4	1.0	2.2	9.9
Operating profit	9.2	11.6	11.4	14.2	16.0
Financial charges	(0.3)	(1.2)	(1.5)	(0.1)	(0.0)
Profit before taxation	8.9	10.4	9.8	14.1	15.9
Taxation	(2.6)	(2.7)	(2.6)	(5.6)	(5.8)
Profit after taxation	6.4	7.7	7.2	8.5	10.1



# COMMENTS ON VERTICAL ANALYSIS

## Statement of Financial Position Analysis

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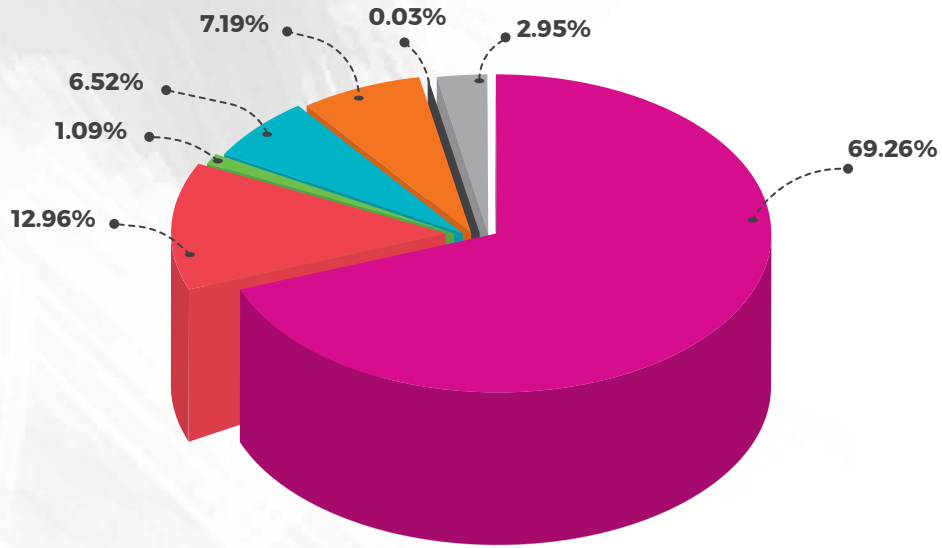
# STATEMENT OF VALUE ADDED

	<b>2020</b>	
	<b>Rupees</b>	<b>%</b>
	<b>Rs. 000</b>	
<b>Revenue generated</b>		
<b>Total revenue</b>	<b>20,519,403</b>	<b>100.0</b>
<b>Revenue distributed</b>		
<b>Bought-in-materials and services</b>	<b>13,743,690</b>	<b>67.0</b>
<b>Selling, marketing and distribution expenses</b>	<b>2,571,842</b>	<b>12.5</b>
<b>Administrative expenses and financial charges</b>	<b>216,166</b>	<b>1.1</b>
<b>Income tax</b>	<b>512,284</b>	<b>2.5</b>
<b>Worker's funds and Central research fund</b>	<b>154,286</b>	<b>0.8</b>
<b>Sales tax</b>	<b>626,374</b>	<b>3.1</b>
<b>To Government</b>	<b>1,292,944</b>	<b>6.3</b>
<b>Salaries, wages and other benefits</b>	<b>1,426,363</b>	<b>7.0</b>
<b>To Employees</b>	<b>1,426,363</b>	<b>7.0</b>
<b>Donations</b>	<b>6,390</b>	<b>0.0</b>
<b>To Society</b>	<b>6,390</b>	<b>0.03</b>
<b>Cash dividend per share</b>	<b>585,273</b>	<b>2.9</b>
<b>To Shareholders*</b>	<b>585,273</b>	<b>2.9</b>
<b>Retained in the Business</b>	<b>676,736</b>	<b>3.3</b>
	<b>20,519,403</b>	<b>100.0</b>

2019 Rs. 000		2018 Rs. 000		2017 Rs. 000		2016 Rs. 000	
Rupees	%	Rupees	%	Rupees	%	Rupees	%
17,013,794	100.0	15,592,219	100.0	8,964,312	100.0	6,240,136	100.0
10,725,828	63.0	9,778,493	62.7	5,191,856	57.9	3,861,819	61.9
2,332,364	13.7	2,168,821	13.9	1,682,861	18.8	882,265	14.1
358,475	2.1	414,601	2.7	109,104	1.2	74,604	1.2
442,259	2.6	388,140	2.5	464,023	5.2	310,598	5.0
142,593	0.8	127,198	0.8	88,464	1.0	65,156	1.0
625,378	3.7	575,589	3.7	484,964	5.4	334,137	5.4
1,210,230	7.1	1,090,927	7.0	1,037,451	11.6	709,891	11.4
-	-	-	-	-	-	-	-
1,129,379	6.6	1,064,825	6.8	236,224	2.6	166,091	2.7
1,129,379	6.6	1,064,825	6.8	236,224	2.6	166,091	2.7
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
585,273	3.4	585,273	3.8	477,751	5.3	-	-
585,273	3.4	585,273	3.8	477,751	5.3	-	-
672,246	4.0	489,279	3.1	229,065	2.6	545,465	8.7
17,013,794	100.0	15,592,219	100.0	8,964,312	100.0	6,240,136	100.0

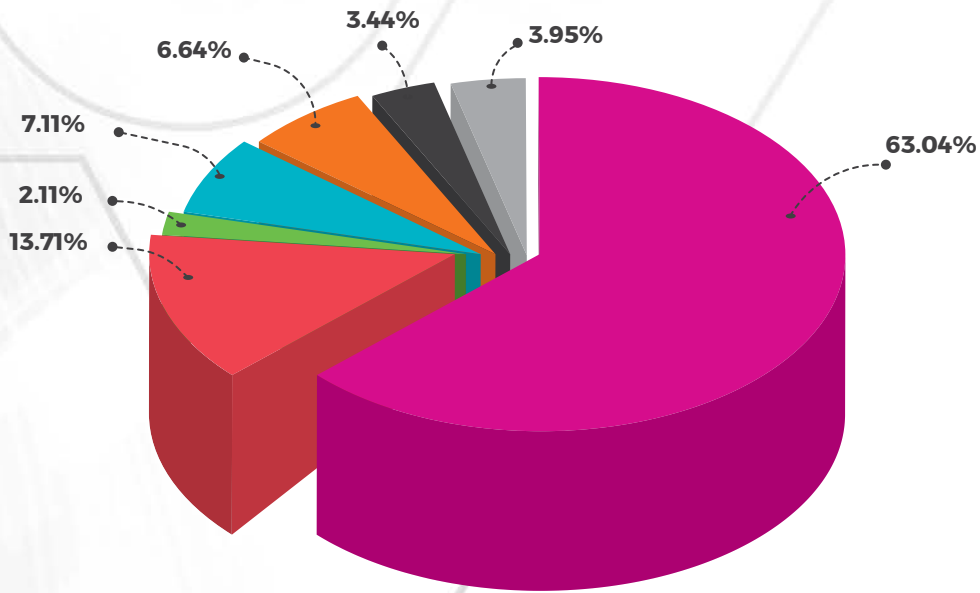
\* Represents final cash dividend @ Rs 5 per share proposed by the Board of Directors subsequent to the year end.

# 2020



- Bought-in -materials and Services
- Selling, Marketing and Distribution Expenses
- To Society
- Administrative Expenses and Financial Charges
- To Government
- To Employees
- To Shareholders

# 2019



- Bought-in -materials and Services
- Selling, Marketing and Distribution Expenses
- To Shareholders
- Administrative Expenses and Financial Charges
- To Government
- To Employees
- Retained in the Business

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

## GlaxoSmithKline Consumer Healthcare Pakistan Limited

Year ended 31 December 2020

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

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

- a) Male: 6
- b) Female: 1\*\*

2. The composition of the Board is as follows:

Category	Name
Independent Directors*	<ul style="list-style-type: none"><li>• Syed Anwar Mahmood</li><li>• Mr. M. Z. Moin Mohajir</li></ul>
Executive Directors	<ul style="list-style-type: none"><li>• Mr. Sohail Ahmed Matin</li><li>• Mr. Dilawar Meghani</li></ul>
Non-Executive Directors	<ul style="list-style-type: none"><li>• Mr. Talal Javed Ahmed**</li><li>• Mr. Oussama Abbas</li><li>• Ms. Erum Shakir Rahim</li></ul>
Female Director**	<ul style="list-style-type: none"><li>• Ms. Erum Shakir Rahim</li></ul>

\*The requirement of the Regulations w.r.t Independent Directors is at least two or one third members of the board, whichever is higher. Two independent directors were appointed on the Company's Board and the fraction of 0.33 was not rounded up as one since the two Independent Directors have robustly protected the interests of the minority shareholders.

\*\*Ms. Ayes Aziz was appointed on 3 March 2021 as a Non-Executive Independent Director to fill the casual vacancy created upon the resignation of Mr. Talal Javed Ahmed, Non-Executive Director. This resulted in a change in the composition of the Board (i.e. Male: 5, Female: 2).

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

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

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

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

7. The meetings of the Board were presided over by the Chairperson and in his absence, by a Director elected by the Board for this purpose. The Board has complied with requirements of the Companies Act, 2017 ('Act') and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

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

9. Majority of the Board members have attained training under Directors' Training Program in prior years and collectively meet the requirements of the Regulations.

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

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

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

**a) Audit Committee**

- |      |                        |   |  |
|------|------------------------|---|--|
| i.   | Syed Anwar Mahmood     | - | Non Executive & Independent Director (Chairperson) |
| ii.  | Mr. M.Z. Moin Mohajir  | - | Non Executive & Independent Director               |
| iii. | Mr. Talal Javed Ahmed* | - | Non Executive Director                             |

**b) Human Resources and Remuneration Committee**

- |      |                        |   |  |
|------|------------------------|---|--|
| i.   | Syed Anwar Mahmood     | - | Non Executive & Independent Director (Chairperson) |
| ii.  | Mr. M.Z. Moin Mohajir  | - | Non Executive & Independent Director               |
| iii. | Mr. Talal Javed Ahmed* | - | Non Executive Director                             |

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

- |      |                        |   |                                      |
|------|------------------------|---|--------------------------------------|
| i.   | Mr. Oussama Abbas      | - | Non Executive Director (Chairperson) |
| ii.  | Mr. Sohail Ahmed Matin | - | Executive Director                   |
| iii. | Mr. Dilawar Meghani    | - | Executive Director                   |
| iv.  | Mr. Talal Javed Ahmed* | - | Non Executive Director               |

\*Ms. Ayesha Aziz was appointed on 3 March 2021 as a Non-Executive Independent Director to fill the casual vacancy created upon the resignation of Mr. Talal Javed Ahmed, Non-Executive Director.

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

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

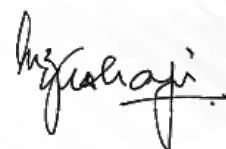
<b>a)</b> Audit Committee	Quarterly
<b>b)</b> HR and Remuneration Committee	1st & 4th Quarter
<b>c)</b> Integration & SNO Committee	4th Quarter

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

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

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

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



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

Karachi  
5 March 2021

# INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of GlaxoSmithKline Consumer Healthcare Pakistan Limited**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company) for the year ended December 31, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2020.

**Chartered Accountants**

**Place:** Karachi

**Date:** March 20, 2021



# INDEPENDENT AUDITORS' REPORT

**To the members of GlaxoSmithKline Consumer HealthCare Pakistan Limited**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the annexed financial statements of GlaxoSmithKline Consumer HealthCare Pakistan Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2020 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Following are the Key audit matters;

S. No	Key audit matters	How the matter was addressed in our audit
1	<p><b>Impairment assessment of intangible asset - goodwill</b></p> <p>As disclosed in note 5 to the financial statements, the Company has an intangible asset in the form of goodwill having carrying value of Rs. 127.67 million (2019: Rs. 127.67 million) at year end.</p> <p>The goodwill was recorded as a result of an acquisition of business from Novartis Pakistan (Private) Limited (NPPL) by then GSK OTC (Private) Limited which was merged into the Company in the year ended December 31, 2018, and hence on merger, this goodwill became asset of the Company.</p> <p>As per the accounting and reporting standards as applicable in Pakistan, the Company is required to, at-least annually, perform impairment assessment of goodwill.</p> <p>For performing impairment, management has allocated goodwill to appropriate cash generating units ("CGUs"). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. Management concluded that goodwill was not impaired as of December 31, 2020.</p> <p>We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and terminal growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied, therefore, impairment assessment has been considered as key audit matter</p>	<p>In response to this matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of management's process over the impairment assessment of goodwill.</li> <li>• Obtained management's future cash flow forecasts and tested arithmetical accuracy of underlying value-in-use calculations.</li> <li>• Assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, terminal growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to economic growth forecasts from available external sources. We also engaged our internal experts to assist us in assessing the reasonableness of the key assumptions used by management.</li> <li>- Performed sensitivity analysis around some assumptions to ascertain that selected adverse changes to discount rate and terminal growth rate would not cause the carrying amount of goodwill to exceed the recoverable amount.</li> </ul>

	<b>Valuation of inventories</b>	
<b>2</b>	<p><b>Impairment assessment of intangible asset - goodwill</b></p> <p>Refer to note 3.4 and 7 to the financial statements relating to valuation of inventories.</p> <p>Inventory forms a significant part of the Company's assets. As at December 31, 2020, the gross carrying amount of Company's inventories amounts to Rs. 3,039.66 million against which adjustment for provision for slow moving, obsolete and damaged stock of Rs. 137.44 million has been recorded.</p> <p>We identified valuation of inventories as a key audit matter as it involves significant management judgement with respect to standard costs, determination of net realizable value and determination of obsolescence of stock.</p>	<p>In this respect, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of procedures followed by the Company with respect to valuation of inventories;</li> <li>• Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;</li> <li>• On a sample basis, verified supporting documents for purchases of inventories and the production costs;</li> <li>• Obtained working of variances recorded by management and tested the amounts, which were incurred and retained to actualize the standard cost of inventories at year end;</li> <li>• Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis;</li> <li>• Compared the NRV, on a sample basis, to the carrying value of inventories to assess whether any adjustments were required to carrying value of inventories in accordance with the policy;</li> <li>• For valuation of goods in transit we have verified the supporting documents on sample basis; and</li> <li>• Tested provision recorded for obsolete stock to ensure that whether it was as per the policy of the Company.</li> </ul>

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

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended December 31, 2020, but does not include the financial statements, our auditor's report thereon, and review report issued on statement of compliance with Code of Corporate Governance

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

In connection with our audit of the financial statements, our responsibility is to read the other

information and, in doing so when available, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Naresh Kumar.



### **Chartered Accountants**

**Place:** Karachi

**Date:** March 20, 2021

# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS	Note	2020	2019
		Rupees	
<b>Non-current assets</b>			
Property, plant and equipment	4	3,493,313,411	2,914,891,968
Intangible	5	127,674,000	127,674,000
Long-term loans to employees	6	9,259,701	10,593,307
Long-term deposits		8,069,898	6,496,198
		<b>3,638,317,010</b>	<b>3,059,655,473</b>
<b>Current assets</b>			
Stores and spares		61,955,626	52,489,669
Inventories	7	2,902,221,833	2,769,124,471
Trade debts	8	669,584,857	866,168,074
Loans and advances	9	491,187,380	307,289,523
Trade deposits and prepayments	10	42,947,491	60,034,056
Interest accrued		640,574	178,082
Refunds due from Government	11	32,391,291	17,172,528
Other receivables	12	333,738,818	676,633,822
Taxation - payments less provision		668,936,184	530,637,270
Bank balances	13	2,132,049,617	643,240,843
		<b>7,335,653,671</b>	<b>5,922,968,338</b>
<b>Total assets</b>		<b>10,973,970,681</b>	<b>8,982,623,811</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	14	1,170,545,080	1,170,545,080
Reserves	15	3,993,383,399	3,330,058,855
		<b>5,163,928,479</b>	<b>4,500,603,935</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Staff retirement benefits	16	88,029,023	53,665,103
Deferred taxation	17	151,724,857	130,975,506
Lease liability		-	1,989,219
		<b>239,753,880</b>	<b>186,629,828</b>
<b>Current liabilities</b>			
Trade and other payables	18	4,155,521,907	2,599,790,956
Running finance	19	-	763,579,563
Accrued mark-up		2,768,521	25,874,258
Unpaid dividend	20	1,409,697,057	904,375,661
Current portion of lease liability		2,300,837	1,769,610
		<b>5,570,288,322</b>	<b>4,295,390,048</b>
<b>Total liabilities</b>		<b>5,810,042,202</b>	<b>4,482,019,876</b>
<b>Total equity and liabilities</b>		<b>10,973,970,681</b>	<b>8,982,623,811</b>
<b>Contingencies and commitments</b>	21		

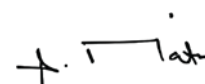
The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

**GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 Rupees	2019
Revenue from contracts with customers - net	22	<b>19,846,106,200</b>	16,316,744,549
Cost of sales	23	<b>(14,518,243,501)</b>	(11,330,677,070)
Gross profit		<b>5,327,862,699</b>	4,986,067,479
Selling, marketing and distribution expenses	24	<b>(3,098,439,077)</b>	(2,739,642,160)
Administrative expenses	25	<b>(289,759,267)</b>	(283,361,186)
Other operating expenses	26	<b>(154,286,291)</b>	(142,592,667)
Other income	27	<b>46,922,471</b>	71,671,539
Operating profit		<b>1,832,300,535</b>	1,892,143,005
Financial charges	28	<b>(58,008,181)</b>	(192,365,037)
Profit before taxation		<b>1,774,292,354</b>	1,699,777,968
Taxation - net	29	<b>(512,283,767)</b>	(442,259,158)
Profit after taxation		<b>1,262,008,587</b>	1,257,518,810
Other comprehensive loss			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of staff retirement benefits	16.1.8	<b>(18,763,634)</b>	(9,274,488)
Impact of taxation	17.1	<b>5,352,131</b>	2,647,016
		<b>(13,411,503)</b>	(6,627,472)
Total comprehensive income		<b>1,248,597,084</b>	1,250,891,338
Earnings per share	30	<b>10.78</b>	10.74

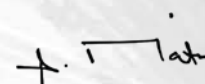
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**Chief Financial Officer**



**Director**



**Chief Executive Officer**

# GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

		Capital reserves		Revenue reserve	
	Share capital	Reserve arising under the Scheme of Arrangement - note 1.1	Reserve arising on amalgamation under the Scheme of Merger - note 1.4 Rupees	Unappropriated profit	Total
Balance as at January 01, 2019	1,170,545,080	101,913,533	728,725,969	1,833,800,555	3,834,985,137
<b>Transactions with owners recorded directly in equity - distribution</b>					
Final dividend for the year ended December 31, 2018 @ Rs. 5 per share	-	-	-	(585,272,540)	(585,272,540)
<b>Total comprehensive income for the year ended December 31, 2019</b>					
Profit after taxation for the year ended December 31, 2019	-	-	-	1,257,518,810	1,257,518,810
Other comprehensive loss for the year ended December 31, 2019	-	-	-	(6,627,472)	(6,627,472)
	-	-	-	1,250,891,338	1,250,891,338
<b>Balance as at December 31, 2019</b>	<b>1,170,545,080</b>	<b>101,913,533</b>	<b>728,725,969</b>	<b>2,499,419,353</b>	<b>4,500,603,935</b>
<b>Transactions with owners recorded directly in equity - distribution</b>					
Final dividend for the year ended December 31, 2019 @ Rs. 5 per share	-	-	-	(585,272,540)	(585,272,540)
<b>Total comprehensive income for the year ended December 31, 2020</b>					
Profit after taxation for the year ended December 31, 2020	-	-	-	1,262,008,587	1,262,008,587
Other comprehensive loss for the year ended December 31, 2020	-	-	-	(13,411,503)	(13,411,503)
	-	-	-	1,248,597,084	1,248,597,084
Balance as at December 31, 2020	<b>1,170,545,080</b>	<b>101,913,533</b>	<b>728,725,969</b>	<b>3,162,743,897</b>	<b>5,163,928,479</b>

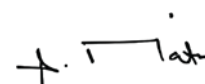
The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020	2019
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	31	<b>3,658,993,168</b>	2,107,692,759
Staff retirement benefits paid		<b>(60,898,020)</b>	(61,189,122)
Interest paid		<b>(59,863,320)</b>	(140,971,147)
Income taxes paid		<b>(624,481,199)</b>	(565,408,911)
Decrease / (increase) in long-term loans to employees		<b>1,333,606</b>	(3,232,511)
Increase in long-term deposits		<b>(1,573,700)</b>	(3,106,198)
<b>Net cash generated from operating activities</b>		<b>2,913,510,535</b>	1,333,784,870
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		<b>(851,268,417)</b>	(524,793,174)
Proceeds from disposal of operating assets		<b>5,960,664</b>	19,018,527
Return received		<b>31,628,977</b>	18,969,210
<b>Net cash used in investing activities</b>		<b>(813,678,776)</b>	(486,805,437)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	33	<b>(79,951,144)</b>	(80,744,750)
Lease rental paid		<b>(1,767,593)</b>	(2,236,079)
<b>Net cash used in financing activities</b>		<b>(81,718,737)</b>	(82,980,829)
<b>Net increase in cash and cash equivalents</b>		<b>2,018,113,022</b>	763,998,604
<b>Cash and cash equivalents at beginning of the year</b>		<b>(120,338,720)</b>	(884,337,324)
<b>Cash and cash equivalents at end of the year</b>	32	<b>1,897,774,302</b>	(120,338,720)

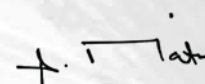
The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2020

### 1. THE COMPANY AND ITS OPERATIONS

**1.1** GlaxoSmithKline Consumer Healthcare Pakistan Limited (the Company) was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on March 31, 2015 principally to effect the demerger of consumer healthcare business of GlaxoSmithKline Pakistan Limited (GSK Pakistan) under a Scheme of Arrangement (the Scheme) which was approved by the Honourable High Court of Sindh (SHC) and its order was submitted to the Registrar of Companies on April 01, 2016. The Company is a subsidiary of GlaxoSmithKline Consumer Healthcare B.V. The ultimate parent of the Company is GlaxoSmithKline plc, UK. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 35-Dockyard Road, West Wharf, Karachi.

**1.2** Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GSK Pakistan, for and on behalf of the Company was engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GSK Pakistan. During the year, the marketing authorisations and permissions for certain OTC products have been transferred to the Company, therefore, the Company has been involved in procurement, manufacturing and management of such products since the approval date.

**1.3** The coronavirus outbreak situation, during the year, was evolving in the country. Up to the date of these financial statements, the outbreak has not had a material adverse impact on the financial results of the Company. Presently, healthcare businesses have been allowed to continue their operations by both provincial and federal governments in order to ensure availability of our products in the market.

#### **1.4 Merger of GlaxoSmithKline OTC (Private) Limited with and into the Company**

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

### 2. BASIS OF PREPARATION

#### **2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

## **2.4 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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

- i) Intangibles (note 3.2 and note 5)
- ii) Provision for retirement benefits (note 3.7 and note 16)
- iii) Depreciation and impairment of non-current assets (note 3.1 and note 3.14)
- iv) Provision for obsolete and slow moving stock (note 3.4 and note 7)
- v) Allowance for impairment of trade debts (note 3.12.4 and note 8)
- vi) Taxation (note 3.18 and note 29)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

### **2.5.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2020**

The following standards, amendments and interpretations are effective for the year ended December 31, 2020. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from accounting period beginning on or after**

- IFRS 14 - Regulatory Deferral Accounts July 01, 2019
- Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS January 01, 2020
- Amendments to IFRS 3 'Business Combinations' - Definition of a business January 01, 2020
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material January 01, 2020
- Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform January 01, 2020

**2.5.2 New accounting standards and IFRS interpretations that are not yet effective**

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

**Effective from accounting periods beginning on or after**

- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions June 01, 2020
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 01, 2022

**Effective from accounting periods beginning on or after**

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – cost of fulfilling a contract January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2023

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

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **3.1 Property, plant and equipment**

##### **3.1.1 Operating assets**

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which they are incurred.

Gains or losses on disposal of operating assets are recognised in statement of profit or loss during the year in which the asset is disposed off.

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

##### **3.1.2 Capital work-in-progress**

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

#### **3.2 Intangibles**

In a business combination, goodwill is recognised at the acquisition date and measured at the fair value of consideration paid less the fair value of net assets acquired. After initial recognition, it is carried at cost less accumulated impairment, if any. Goodwill is assessed annually for impairment.

#### **3.3 Stores and spares**

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

#### **3.4 Inventories**

These are 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, if any. Cost of work-in-process and finished goods include cost of raw and packing materials, direct labour and related production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred to make the sale. Provision is made for slow moving and expired inventory where considered necessary. Stock in transit is carried at accumulated cost incurred upto reporting date.

### **3.5 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, short-term borrowings under running finance and book overdraft.

### **3.6 Share capital**

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

### **3.7 Staff retirement benefits**

#### **3.7.1 Defined benefit plan**

The Company operates an approved funded gratuity plan (the Plan) for its permanent employees.

Gratuity is based on employees' last drawn salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in 'Other Comprehensive Income' as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to profit or loss.

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

### **3.8 Defined contribution plan**

3.8.1 The Company also operates approved contributory provident fund for all its permanent employees. Equal monthly contributions are made both by the Company and the employee at the rate of 10% per annum of the basic salary.

### **3.9 Compensated absences**

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

### **3.10 Provisions**

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

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

### **3.11 Share based payments**

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

## 3.12 Financial assets and liabilities

### 3.12.1 Initial recognition

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

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

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

### 3.12.2 Classification

#### (i) Financial assets

The Company classifies its financial assets in the following categories:

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

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

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

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

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

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

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

#### (ii) Financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

### 3.12.3 Subsequent measurement

#### (i) Financial assets at FVTOCI

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

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

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

Gains or losses are recognised in the statement of profit or loss when financial instrument are derecognised or impaired or through the amortisation process.

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

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive (loss) income.

### 3.12.4 Impairment of financial assets

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

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

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

For other financial assets, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

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



### 3.12.5 Derecognition

#### (i) Financial assets

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

#### (ii) Financial liabilities

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

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

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

### 3.14 Impairment of non-financial assets

Carrying values of non financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, assets or cash-generating units are tested for impairment. Cash-generating units to which goodwill is allocated are tested for impairment annually. Where the carrying values of assets or cash-generating units exceed the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to statement of profit or loss.

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

### 3.15 Business combination

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

### 3.16 Revenue recognition

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

- Revenue from sale of goods, scrap sales or service fee is recognised when or as control of goods or services have been transferred to a customer either over time or at a point in time, when the performance obligations are met.

- Returns on saving accounts, deposit accounts and investments at amortised cost are recognised using effective interest rate method.
- Insurance commission is recognised when performance obligations is met.
- Promotional allowance is recognised when the right to receive the allowance is established.

### **3.17 Ijarah**

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'Ujrah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss on a straight line basis over the ijarah term.

### **3.18 Taxation**

#### **3.18.1 Current**

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

#### **3.18.2 Deferred**

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

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

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

### **3.19 Foreign currency transactions and translation**

Foreign currency transactions are recorded into Pakistani Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into Pakistani Rupee at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are taken to statement of profit or loss.

### **3.20 Dividend**

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

### **3.21 Earnings per share**

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

weighted average number of ordinary shares outstanding during the year.

### 3.22 Segment reporting

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

### 3.23 Leases

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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

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

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

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

	Note	2020 Rupees	2019
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	4.1	<b>2,655,046,783</b>	2,484,606,742
Capital work-in-progress	4.4	<b>836,283,266</b>	426,729,845
Right-of-use assets - building		<b>1,983,362</b>	3,555,381
		<b>3,493,313,411</b>	2,914,891,968

## 4.1 Operating assets

	Leasehold land (note 4.3)	Building and improvements on Leasehold land	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Total
Net carrying value basis Year ended December 31, 2020	Rupees						
<b>Opening net book value</b>	6,438,294	693,696,708	1,460,660,062	28,046,666	154,219,814	141,545,198	2,484,606,742
Additions (at cost)	-	12,432,303	258,523,452	81,598,855	37,490,725	51,669,661	441,714,996
Disposals							
- Cost	-	-	(11,093,000)	(559,279)	(50,000)	(688,127)	(12,390,406)
- Accumulated depreciation	-	-	7,103,406	21,186	16,667	4,03,067	7,544,326
	-	-	(3,989,594)	(538,093)	(33,333)	(285,060)	(4,846,080)
Depreciation / amortisation charge	(300,621)	(23,944,138)	(153,861,423)	(17,882,265)	(47,408,573)	(23,031,855)	(266,428,875)
<b>Closing net book value</b>	6,137,673	682,184,873	1,561,332,497	91,225,163	144,268,633	169,897,944	2,655,046,783
<b>Gross carrying value basis At December 31, 2020</b>							
Cost	7,646,000	784,311,044	2,138,040,952	133,655,385	294,114,367	276,054,704	3,633,822,452
Accumulated depreciation / amortisation	(1,508,327)	(102,126,171)	(576,708,455)	(42,430,222)	(149,845,734)	(106,156,760)	(978,775,669)
Net book value	6,137,673	682,184,873	1,561,332,497	91,225,163	144,268,633	169,897,944	2,655,046,783
<b>Depreciation rate % per annum</b>	4	2.5 and 10	6.67 and 25	10	25	10 to 33.33	
<b>Net carrying value basis Year ended December 31, 2019</b>							
<b>Opening net book value</b>	6,738,915	642,577,225	1,231,412,790	31,008,611	134,079,559	52,400,011	2,098,217,111
Additions (at cost)	-	73,987,713	370,076,655	2,687,621	72,126,500	108,245,823	627,124,312
Disposals							
- Cost	-	-	-	-	(20,432,268)	(892,546)	(21,324,814)
- Accumulated depreciation	-	-	-	-	9,320,808	892,546	10,213,354
	-	-	-	-	(11,111,460)	-	(11,111,460)
Depreciation / amortisation charge	(300,621)	(22,868,230)	(140,829,383)	(5,649,566)	(40,874,785)	(19,100,636)	(229,623,221)
<b>Closing net book value</b>	6,438,294	693,696,708	1,460,660,062	28,046,666	154,219,814	141,545,198	2,484,606,742
<b>Gross carrying value basis At December 31, 2019</b>							
Cost	7,646,000	771,878,741	1,890,610,500	52,615,809	256,673,642	225,073,170	3,204,497,862
Accumulated depreciation / amortisation	(1,207,706)	(78,182,033)	(429,950,438)	(24,569,143)	(102,453,828)	(83,527,972)	(719,891,120)
Net book value	6,438,294	693,696,708	1,460,660,062	28,046,666	154,219,814	141,545,198	2,484,606,742
<b>Depreciation rate % per annum</b>	4	2.5 and 10	6.67 and 25	10	25	10 to 33.33	

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

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

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

	Note	2020 Rupees	2019
Opening balance		<b>426,729,845</b>	551,560,983
Additions during the year		<b>851,268,417</b>	524,793,174
Transfers during the year		<b>(441,714,996)</b>	(627,124,312)
Less: Provision for impairment	4.4.1	-	(22,500,000)
Closing balance	4.5	<b>836,283,266</b>	426,729,845

4.4.1 Last year the company has recorded impairment on office equipments which is reversed in the current year as these were identified by the management subsequently.

4.5 As at December 31, capital work-in-progress represents:

• Civil works		<b>39,076,603</b>	16,330,559
• Plant and machinery		<b>614,557,538</b>	263,822,738
• Furniture and fixtures		<b>34,512,426</b>	36,517,815
• Office equipments		<b>81,123,009</b>	94,416,269
• Advances to suppliers	4.5.1	<b>67,013,690</b>	15,642,464
		<b>836,283,266</b>	426,729,845

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

## 5. INTANGIBLE

This represents intangible acquired by the Company under the Scheme of Merger (note 1.4) which comprise of goodwill arised on the business acquisition of Novartis Pharma (Pakistan) Limited (NPPL) by GSK OTC which is the difference between the purchase consideration and the fair value of assets acquired.

The recoverable amount of goodwill is the higher of value-in-use and fair value less cost to sell. Value-in-use is calculated as the net present value of the projected cash flows of the Cash Generating Unit (CGU) to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used in the impairment test are as follows:

Valuation basis	Value-in-use
Key assumptions	Sales growth rates
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information and past performance.

Cost reflects past experience, adjusted for inflation and expected changes.

Discount rate is primarily based on weighted average cost of capital.

Terminal growth rate	4.0%
Period of specific projected cash flows	5 years
Discount rate	15.27%

The valuation indicates sufficient headroom such that a 1% change in the terminal growth and discount rate has not resulted in an impairment of the intangible.

	Note	2020 Rupees	2019
<b>6. LONG-TERM LOANS TO EMPLOYEES</b>			
Secured - considered good Recoverable within one year	6.1 9	<b>14,272,132</b> <b>(5,012,431)</b>	14,369,440 (3,776,133)
		<b>9,259,701</b>	10,593,307

**6.1** These loans have been given in accordance with the terms of employment for purchase of motor car, motor cycle and for the purpose of house relocation and are repayable in 18 to 60 equal monthly installments. These loans are interest free. All loans are secured against the retirement fund balances.

	Note	2020 Rupees	2019
<b>7. INVENTORIES</b>			
Raw and packing materials [including in transit Rs. 104.39 million (2019: Rs. 465.08 million)]		<b>1,582,789,812</b>	1,490,083,243
Work-in-process		<b>14,374,923</b>	35,441,780
Finished goods [including in transit Rs. 130.31 million (2019: Rs. 145.9 million)]	7.1	<b>1,442,493,038</b>	1,392,293,893
	7.2	<b>3,039,657,773</b>	2,917,818,916
Less: Provision for slow moving, obsolete and damaged stock		<b>(137,435,940)</b>	(148,694,445)
		<b>2,902,221,833</b>	2,769,124,471

**7.1** Detail of inventories held with third parties is as follows:

**For use in third party manufacturing**

• Roomi Enterprises (Private) Limited	<b>557,063,663</b>	208,890,747
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**Stock held at third party warehouse**

• Emirates Supply Chain Services (Private) Limited	<b>393,053,813</b>	331,131,601
• Connect Logistics (Private) Limited	<b>684,779,946</b>	414,371,785
• Glaciers (Private) Limited	<b>147,710,696</b>	144,465,577

**7.2** During the year, inventories of Rs. 159.87 million (2019: Rs. 6.69 million) have been written off against provision.

**7.3** Inventories include items costing Rs. 1,312.18 million (2019: Rs. 41.00 million) valued at net realisable value of Rs. 1,312.18 million (2019: Rs. 36.10 million).

	Note	2020 Rupees	2019
<b>8. TRADE DEBTS</b>			
Trade debts	8.1	<b>700,436,852</b>	893,313,894
Less: Allowance for impairment of trade debts		<b>(30,851,995)</b>	(27,145,820)
		<b>669,584,857</b>	866,168,074

**8.1** These include Rs. 452.46 million (2019: 467.01 million) receivable from NPPL against toll manufacturing and sale of goods.

**8.2** The ageing analysis of trade debts past due but not impaired is as follows:

	Note	2020 Rupees	2019
• Up to 3 months		<b>7,288,436</b>	37,114,960
• 3 to 6 months		<b>34,799,470</b>	8,725,031
• 6 to 12 months		<b>2,151,885</b>	5,103,525
• Over 1 year		<b>146,833</b>	26,993,747
		<b>44,386,624</b>	77,937,263

## 9. LOANS AND ADVANCES - CONSIDERED GOOD

Current portion of long-term loans to employees

Advances to:

- employees
- suppliers
- against letter of credit

	Note	2020 Rupees	2019
Current portion of long-term loans to employees	6	<b>5,012,431</b>	3,776,133
Advances to:			
- employees	9.1	<b>7,139,173</b>	7,378,287
- suppliers		<b>303,314,885</b>	91,284,699
- against letter of credit		<b>175,720,891</b>	204,850,404
		<b>491,187,380</b>	307,289,523

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

## 10. TRADE DEPOSITS AND PREPAYMENTS

Deposits - considered good  
Prepayments

	Note	2020 Rupees	2019
Deposits - considered good		<b>4,838,488</b>	9,633,060
Prepayments		<b>38,109,003</b>	50,400,996
		<b>42,947,491</b>	60,034,056

## 11. REFUNDS DUE FROM GOVERNMENT

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

	Note	2020	2019
		Rupees	
<b>12. OTHER RECEIVABLES</b>			
Due from associated companies	12.1	-	387,937,558
Workers' Profits Participation Fund	12.4	<b>25,765,570</b>	-
Others	12.5	<b>307,973,248</b>	288,696,264
		<b>333,738,818</b>	676,633,822
<b>12.1 Due from associated companies - considered good</b>			
GlaxoSmithKline Pakistan Limited		-	387,356,336
GlaxoSmithKline Services Unlimited		-	581,222
		-	387,937,558

**12.2** The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 567.74 million (2019: Rs. 748.33 million).

**12.3** As at December 31, 2020, the age analysis of these related parties receivables are:

	Note	2020	2019
		Rupees	
Upto 3 months		-	387,937,558
<b>12.4 Workers' Profits Participation Fund</b>			
Opening balance (liability) / asset	18	<b>(3,488,937)</b>	10,501,694
Allocation for the year	26	<b>(96,428,932)</b>	(92,118,533)
Payment to the fund		<b>125,683,439</b>	78,127,902
Closing balance asset / (liability)		<b>25,765,570</b>	(3,488,937)

**12.5** This includes receivables against annual volume bonus.

	Note	2020	2019
		Rupees	
<b>13. BANK BALANCES</b>			
With banks:			
· in deposit accounts (other financial asset at amortised cost)	13.1	<b>1,300,000,000</b>	500,000,000
· in PLS savings account	13.1	<b>561,897,202</b>	1,911,363
· in current accounts [including foreign currency account Rs. 1.99 million (2019: Rs. 8.61 million)]		<b>270,152,415</b>	141,329,480
		<b>2,132,049,617</b>	643,240,843



**13.1** At December 31, 2020 the rates of mark-up on term deposit accounts and on PLS savings account were 5.5% to 6.5% (2019: 13%) per annum and 6.25% to 6.3% (2019: 8% to 11.25%) per annum respectively. The TDRs has a maturity date of January 04, 2021 and January 07, 2021.

#### 14. SHARE CAPITAL

2020	2019		2020	2019
Number of shares			Rupees	
<b>Authorised share capital</b>				
<b>200,000,000</b>	200,000,000	Ordinary shares of Rs. 10 each	<b>2,000,000,000</b>	2,000,000,000
<b>Issued, subscribed and paid-up capital</b>				
2020	2019		2020	2019
Number of shares			Rupees	
			<b>Note</b>	
<b>10,000</b>	<b>10,000</b>	Ordinary shares of Rs. 10 each fully paid in cash		100,000
<b>95,540,183</b>	<b>95,540,183</b>	For consideration other than cash under the Scheme	1.1	955,401,830
<b>21,504,325</b>	<b>21,504,325</b>	For consideration other than cash under the Scheme of Merger	1.4	215,043,250
<b>117,054,508</b>	<b>117,054,508</b>			1,170,545,080

**14.1** As at December 31, 2020, GlaxoSmithKline Consumer Healthcare B.V. and its nominees held 100,423,259 shares (2019: 100,423,259 shares).

**14.2** The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

	2020	2019
Note	Rupees	
<b>15. RESERVES</b>		
Capital reserves:		
• Reserve arising under the Scheme of Arrangement	1.1 <b>101,913,533</b>	101,913,533
• Reserve arising on amalgamation under the Scheme of Merger	15.1 <b>728,725,969</b>	728,725,969
Revenue reserve - unappropriated profit	<b>3,162,743,897</b>	2,499,419,353
	<b>3,993,383,399</b>	3,330,058,855

**15.1** This represents reserve arising from merger of GSK OTC with and into the Company effective from January 01, 2018 (refer note 1.4).

## 16. STAFF RETIREMENT BENEFITS

### 16.1 Funded gratuity scheme

**16.1.1** The Company operates an approved funded gratuity scheme for all its eligible employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2020 using the Projected Unit Credit Method.

**16.1.2** Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

**16.1.3** Details of the Plan as per the actuarial valuation are as follows:

	Note	2020	2019
		Rupees	
<b>16.1.4 Statement of financial position reconciliation</b>			
Present value of defined benefit obligation	16.1.5	<b>194,808,835</b>	156,520,711
Fair value of plan assets	16.1.6	<b>(106,779,812)</b>	(102,855,608)
Deficit		<b>88,029,023</b>	53,665,103
<b>16.1.5 Movement in the present value of defined benefit obligation</b>			
Balance at January 1		<b>156,520,711</b>	108,057,269
Benefits paid during the year		<b>(21,309,199)</b>	(5,506,844)
Current service cost		<b>34,623,446</b>	26,802,681
Interest cost		<b>20,355,681</b>	16,115,007
Remeasurement loss on obligation		<b>12,673,135</b>	10,307,717
Balance transferred (from) / to GSK Pakistan	16.1.15	<b>(8,054,939)</b>	744,881
<b>Balance at December 31</b>		<b>194,808,835</b>	156,520,711
<b>16.1.6 Movement in the fair value of plan assets</b>			
Balance at January 1		<b>102,855,608</b>	70,421,819
Contributions made during the year		<b>25,926,250</b>	28,723,735
Benefits paid during the year		<b>(21,309,199)</b>	(5,506,844)
Interest income		<b>13,452,591</b>	7,438,788
Remeasurement (loss) / gain on plan assets	16.1.15	<b>(6,090,499)</b>	1,033,229
		<b>(8,054,939)</b>	744,881
<b>Balance at December 31</b>		<b>106,779,812</b>	102,855,608
<b>16.1.7 Expense recognised in statement of profit or loss</b>			
Current service cost		<b>34,623,446</b>	26,802,681
Net interest cost		<b>6,903,090</b>	8,676,219
		<b>41,526,536</b>	35,478,900
<b>16.1.8 Remeasurements recognised in other comprehensive income</b>			
Remeasurement loss on obligation arising due to change in:			
Experience adjustment		<b>2,541,444</b>	11,092,541
Financial assumptions		<b>10,131,691</b>	(784,824)
Remeasurement loss / (gain) on plan assets		<b>6,090,499</b>	(1,033,229)
		<b>18,763,634</b>	9,274,488
<b>16.1.9 Net recognised liability</b>			
Net liability at beginning of the year		<b>53,665,103</b>	37,635,450
Expense recognised in statement of profit or loss		<b>41,526,536</b>	35,478,900
Contribution made to the Plan during the year		<b>(25,926,250)</b>	(28,723,735)
Remeasurements recognised in other comprehensive income		<b>18,763,634</b>	9,274,488
<b>Recognised liability as at December 31</b>		<b>88,029,023</b>	53,665,103

### 16.1.10 Detail of plan assets

Plan assets of the Company comprise of the following:

	Note	2019		2018	
		Rupees	%	Rupees	%
• Pakistan Investment Bonds		42,123,967	39%	44,317,046	43%
• Regular Income Certificates		25,613,282	24%	24,266,800	24%
• Defence Saving Certificates		21,652,715	20%	21,652,715	21%
• Term Finance Certificates		7,388,164	7%	-	0%
• Bank balances		6,202,164	6%	11,874,166	11%
• Others	16.1.10.1	3,799,520	4%	744,881	1%
		<b>106,779,812</b>	<b>100%</b>	<b>102,855,608</b>	<b>100%</b>

**16.1.10.1** This includes investments in equity instruments.

### 16.1.11 Significant actuarial assumptions

Discount rate  
Future salary increases

2020  
%

2019  
%

10.25  
10.25

11.75  
11.75

**16.1.12** Mortality was assumed to be based on SLIC (2001-05) Ultimate mortality tables rated down one year.

**16.1.13** In case of the funded plans, investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

**16.1.14** The Company's gratuity expense for the year ending December 31, 2021 is expected to be Rs. 48.85 million.

**16.1.15** During the current year, certain employees were transferred to GlaxoSmithKline Pakistan Limited from the Company. Accordingly, their defined benefit obligations and related assets are transferred to GlaxoSmithKline Pakistan gratuity fund.

### 16.2 Sensitivity analysis of the Company for actuarial assumptions

The Gratuity scheme exposes the entity to the following risks:

- Mortality risks:**

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

- Investment risks:**

The risk of the investment underperforming and not being sufficient to meet the liabilities.

- Final salary risks:**

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

• **Withdrawal risks:**

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Rupees			
Discount rate	1%	(18,936,221)	22,295,999
Future salary increases	1%	14,359,989	(12,693,537)

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

**16.3 Experience adjustments**

	2020	2019
Loss / (gain) on obligation (as percentage of plan obligation)	<b>1.30%</b>	-0.50%
Loss / (gain) on plan assets (as percentage of plan assets)	<b>5.70%</b>	-1.00%

**16.4** The weighted average duration of approved funded gratuity scheme for its permanent employees is 10.52 years. (2019: 9.51 years).

**16.5** Expected maturity analysis of undiscounted retirement benefit plan of the Company:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
Rupees					
<b>At December 31, 2020</b>	<b>12,868,110</b>	<b>16,046,579</b>	<b>70,019,206</b>	<b>230,617,760</b>	<b>329,551,655</b>
At December 31, 2019	14,753,339	14,429,132	60,107,805	234,217,317	323,507,593

## 17. DEFERRED TAXATION

	December 31, 2020			December 31, 2019		
	Opening liability/ (asset)	Charge/ (reversal)	Closing liability/ (asset)	Opening liability/ (asset)	Charge/ (reversal)	Closing liability/ (asset)
Deferred tax liability on taxable temporary differences						
· Accelerated tax depreciation and amortisation	<b>197,214,484</b>	<b>28,366,920</b>	<b>225,581,404</b>	122,848,358	74,366,126	197,214,484
· Right-of-use assets - building	<b>1,014,508</b>	<b>(448,775)</b>	<b>565,733</b>	-	1,014,508	1,014,508
	<b>198,228,992</b>	<b>27,918,145</b>	<b>226,147,137</b>	122,848,358	75,380,634	198,228,992
Deferred tax asset on deductible temporary differences						
· Allowance for impairment of trade debts	<b>(7,745,907)</b>	<b>(1,054,302)</b>	<b>(8,800,209)</b>	(824,753)	(6,921,154)	(7,745,907)
· Lease liability	<b>(1,072,561)</b>	<b>416,272</b>	<b>(656,289)</b>	-	(1,072,561)	(1,072,561)
· Provision for slow moving, obsolete and damaged stock	<b>(43,121,390)</b>	<b>3,264,967</b>	<b>(39,856,423)</b>	(21,926,669)	(21,194,721)	(43,121,390)
· Staff retirement benefits	<b>(15,313,628)</b>	<b>(9,795,731)</b>	<b>(25,109,359)</b>	(10,391,680)	(4,921,948)	(15,313,628)
	<b>(67,253,486)</b>	<b>(7,168,794)</b>	<b>(74,422,280)</b>	(33,143,102)	(34,110,384)	(67,253,486)
	<b>130,975,506</b>	<b>20,749,351</b>	<b>151,724,857</b>	89,705,256	41,270,250	130,975,506

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

	Note	2020	2019
		Rupees	
· taken to profit or loss for the year	29	<b>26,101,482</b>	43,917,266
· taken to other comprehensive income being tax impact of remeasurement loss on staff retirement benefits		<b>(5,352,131)</b>	(2,647,016)
		<b>20,749,351</b>	41,270,250

	Note	2020 Rupees	2019
<b>18. TRADE AND OTHER PAYABLES</b>			
Creditors:			
· Associated companies	18.1	<b>48,031,611</b>	369,265,291
· Others		<b>250,629,186</b>	238,470,833
Bills payable:			
· Associated companies	18.2	<b>263,885,239</b>	19,081,716
· Others		<b>189,878,837</b>	71,216,664
Accrued liabilities	18.3	<b>2,502,990,755</b>	1,390,080,621
Contract liabilities	18.4	<b>442,748,225</b>	290,693,482
Taxes deducted at source and payable to statutory authorities		<b>68,474,821</b>	44,953,487
Workers' Welfare Fund		<b>73,339,705</b>	108,419,978
Workers' Profits Participation Fund	12.4	-	3,488,937
Sindh Services Sales tax		<b>1,814,621</b>	2,605,971
Central Research Fund		<b>19,208,940</b>	18,346,860
Payable to provident fund		<b>562,615</b>	-
Book overdraft	18.5	<b>234,275,315</b>	-
Others		<b>59,682,037</b>	43,167,116
		<b>4,155,521,907</b>	2,599,790,956

2020	Rupees	2019
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**18.1** Creditors include payable to the following associated companies:

GlaxoSmithKline Consumer Trading Services Limited	-	51,170,271
GlaxoSmithKline Pakistan Limited	<b>48,031,611</b>	-
GlaxoSmithKline Consumer Health S.A.	-	318,095,020
	<b>48,031,611</b>	<b>369,265,291</b>

**18.2** Bills payable include payable to the following associated companies:

GlaxoSmithKline Consumer Trading Services Limited	<b>164,018,739</b>	-
GlaxoSmithKline Consumer Health S.A.	<b>99,078,115</b>	-
GlaxoSmithKline Consumer Health Care Trading Limited	-	18,313,673
GlaxoSmithKline Biologicals S.A.	<b>788,385</b>	768,043
	<b>263,885,239</b>	<b>19,081,716</b>

**18.3** This includes liability for share based compensation amounting to Rs. 57.31 million (2019: Rs. 46.45 million).

**18.4** This includes advance from customers amounting to Rs. 262.29 million (2019: Rs. 165.88 million).

**18.5** This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments to these cheques will be made by transferring balance from the savings account as and when presented.

## 19 RUNNING FINANCE

As at December 31, 2020, the facility for running finance available from a bank amounted to Rs. 1.86 billion (2019: Rs. 1.84 billion). Rate of mark-up is one/three month KIBOR plus 0.3% to 1% (2019: one month KIBOR plus 0.3% to 1%) per annum. The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

## 20 UNPAID DIVIDEND

This includes part of final dividend for the year ended December 31, 2017, December 31, 2018 and December 31, 2019 which remained unpaid to the Company's shareholders. Out of total amount of unpaid dividend Rs. 1,398.83 million pertains to the Company's foreign shareholder GlaxoSmithKline Consumer Healthcare B.V. The dividend repatriation requires approval from the State Bank of Pakistan which is in process.

## 21. CONTINGENCIES AND COMMITMENTS

### 21.1 Contingencies

#### 21.1.1 Income tax

**21.1.1.1** GlaxoSmithKline OTC (Private) Limited (now GlaxoSmithKline Consumer Healthcare Pakistan Limited) received a notice issued under section 161(1A) / 205 of the Income tax Ordinance, 2001 (Ordinance) for tax year 2017 whereby the authorities alleged that the Company did not deduct / withhold / collect tax on certain expenses and intended to recover Rs. 19.35 million along with default surcharge of Rs. 2.32 million. Subsequent to the show cause notice, the authorities passed the order dated January 30, 2019, raising demand of Rs. 4.43 million (inclusive of default surcharge Rs. 436,215 and penalty Rs. 363,512). Against the order, the Company has filed appeal before Commissioner Inland Revenue (Appeals) (CIRA) which is pending adjudication.

**21.1.1.2** As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer (AO) has issued order and raised the demand of Rs.15.04 million (inclusive of default surcharge Rs. 2,694,502 and penalty Rs. 1,122,709) on account of non-withholding of tax on certain expenses including meeting and symposia under section 156 of the Ordinance. The CIRA, through his order dated October 31, 2019, has confirmed demand related to Travelling and Legal & Professional expenses whereas the demand related to publication & subscription, advertisement, vehicle running expenses and fixed asset has been set-aside or deleted by CIRA. The company filed an appeal before Appellate Tribunal Inland Revenue which is pending adjudication.

**21.1.1.3** During the year ended December 31, 2020, the AO amended the assessment of the Company and passed an order under section 122(5A) of the Ordinance raising demand of Rs. 80.45 million. Such demand is on account of Apportionment of various expenditures, Non declaration of FTR receipts of imports, Intercompany loan of Rs.1,000 million added back, stock written off and provision for obsolete stock. The Company has filed an appeal against the said order before Commissioner Inland Revenue Appeals which is due for hearing and has also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

#### 21.2 Sales tax

**21.2.1** The Deputy Commissioner Inland Revenue (DCIR), LTU-II, Karachi, passed the Order-in-Original, dated November 28, 2018, to establish sales tax demand aggregating to Rs. 27.53 million on various issues mainly on the admissibility of input tax covering the tax periods from July 2016 to June 2018. The Company made under protest payment of the principal amount of sales tax at Rs. 21.89 million which included default surcharge amounting Rs. 4.24 million. Further, the Company filed the appeal before the CIRA, challenging the input tax claims as treated inadmissible and levies of the default surcharge and penalty.



**21.2.2** The Assistant Commissioner Inland Revenue passed the order dated July 04, 2019 demanding sales tax of Rs. 5.76 million (inclusive of default surcharge Rs. 634,570 and penalty Rs. 244,066) relating to inadmissibility of input tax in tax periods from July 2018 to December 2018. The Company has filed an appeal against the said order before the CIRA which is pending adjudication.

**21.2.3** During the year ended December 31, 2020, Assistant Commissioner - Sindh Revenue Board raised a demand of Rs. 190.56 million (including default surcharge Rs. 92,955,448 and penalty Rs. 4,647,772) in respect of the year ended December 31, 2016. Such demand is on account of non-withholding of Sindh Sales Tax on certain transactions under various heads of expenses such as transport, advertisement and third-party manufacturing services. The Company has filed an appeal against the said order before CIRA which is due for hearing and has also obtained stay order from Honourable Sindh High Court against any recovery proceedings.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

### 21.3 Commitments

**21.3.1** The facilities for opening letters of credit and guarantees as at December 31, 2020, amounted to Rs. 1,061 million (2019: Rs. 1,068 million) and Rs. 110 million (2019: Rs. 110 million) respectively of which the amount remaining unutilised at year end was Rs. 136 million (2019: Rs. 879 million) and Rs. 70 million (2019: Rs. 82 million) respectively.

**21.3.2** Commitments for capital expenditure outstanding as at December 31, 2020, amounted to Rs. 400.07 million (2019: Rs. 238.78 million).

**21.3.3** As at December 31, 2020, commitments for rentals under ijarah arrangements amounted to Rs. Nil (2019: Rs. 7.47 million) as it is fully settled in the current year.

	Note	2020 Rupees	2019
Not later than 1 year		-	5,882,324
Later than 1 year but not later than 5 years		-	1,584,832
		-	7,467,156
<b>22. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>			
Gross sales			
· Local	22.1/22.2	<b>20,703,883,426</b>	17,065,525,084
· Export		<b>248,676,217</b>	332,139,336
Less:			
Commissions, returns and discounts		<b>(480,079,217)</b>	(455,542,191)
Sales tax		<b>(626,374,226)</b>	(625,377,680)
		<b>(1,106,453,443)</b>	(1,080,919,871)
		<b>19,846,106,200</b>	16,316,744,549

**22.1** This includes sales amounting to Rs. 1.66 billion (2019: Rs. 7.06 billion) made by GSK Pakistan on behalf of the Company (refer note 1.2).

**22.2** This includes sales amounting to Rs. 2.25 billion and 6.5 billion (2019: 1.86 billion and 5.9 billion) to NPPL and Premier Agencies respectively.

	Note	2020	2019
		Rupees	
<b>23. COST OF SALES</b>			
Raw and packing materials consumed		<b>8,793,734,946</b>	3,977,320,378
Manufacturing costs charged by third parties		<b>1,763,848,417</b>	304,187,722
Stores and spares consumed		<b>80,492,604</b>	70,896,707
Salaries, wages and other benefits	23.1	<b>774,553,915</b>	604,849,265
Fuel and power		<b>182,494,627</b>	158,559,169
Rent, rates and taxes		<b>28,190,783</b>	68,438,417
Insurance		<b>33,402,517</b>	33,135,219
Repairs and maintenance		<b>268,094,656</b>	165,039,332
Travelling and entertainment		<b>10,239,153</b>	19,790,003
Vehicle running		<b>6,665,346</b>	5,474,624
Ujrah payments		<b>4,022,052</b>	5,685,597
Canteen expenses		<b>68,212,530</b>	56,205,889
Security expenses		<b>15,073,374</b>	17,770,627
Printing and stationery		<b>7,459,094</b>	6,454,939
Communication and entertainment		<b>4,953,220</b>	6,600,496
Depreciation		<b>213,218,347</b>	190,199,666
Handling, freight and transportation		<b>51,322,123</b>	19,977,697
Stock written-off		<b>49,044,017</b>	28,125,665
Provision for slow moving, obsolete and damaged stock		<b>148,614,146</b>	102,504,855
Provision for impairment of capital work-in-progress	4.4	-	22,500,000
Others		<b>86,553,049</b>	76,064,939
		<b>12,590,188,916</b>	5,939,781,206
Add: Opening stock of work-in-process		<b>35,441,780</b>	18,643,062
Less: Closing stock of work-in-process		<b>(14,374,923)</b>	(35,441,780)
Cost of goods manufactured		<b>12,611,255,773</b>	5,922,982,488
Add: Opening stock of finished goods		<b>1,392,293,893</b>	1,366,678,049
Add: Purchase of finished goods		<b>1,957,186,873</b>	5,433,310,426
		<b>15,960,736,539</b>	12,722,970,963
Less: Closing stock of finished goods		<b>(1,442,493,038)</b>	(1,392,293,893)
		<b>14,518,243,501</b>	11,330,677,070

**23.1** Salaries, wages and other benefits include Rs. 23.13 million (2019: Rs. 17.28 million) and Rs. 20.08 (2019: Rs. 17.69 million) in respect of defined benefit plans and contributory provident fund respectively.

	Note	2020	2019
		Rupees	
<b>24. SELLING, MARKETING AND DISTRIBUTION EXPENSES</b>			
Salaries, wages and other benefits	24.1	<b>526,597,460</b>	407,278,374
Sales promotion		<b>671,314,132</b>	838,704,762
Advertising		<b>1,380,441,609</b>	979,969,106
Handling, freight and transportation		<b>348,825,107</b>	292,335,731
Travelling and entertainment		<b>27,706,323</b>	72,950,188
Depreciation		<b>31,700,910</b>	31,933,521
Vehicle running		<b>17,247,320</b>	17,564,879
Allowance for impairment of trade debts		<b>3,706,175</b>	23,929,083
Repairs and maintenance		<b>9,118,770</b>	7,785,001
Insurance		<b>1,777,578</b>	1,402,093
Printing and stationery		<b>1,470,525</b>	2,743,599
Security expenses		<b>2,177,703</b>	4,185,624
Shared services cost	24.2	<b>61,551,993</b>	52,419,096
Other expenses		<b>14,803,472</b>	6,441,103
		<b>3,098,439,077</b>	2,739,642,160

**24.1** Salaries, wages and other benefits include Rs. 15.34 million (2019: Rs. 14.63 million) and Rs. 14.78 million (2019: Rs. 12.55 million) in respect of defined benefit plan and contributory provident fund respectively.

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

	Note	2020	2019
		Rupees	
<b>25. Administrative expenses</b>			
Salaries, wages and other benefits	25.1	<b>125,211,374</b>	117,251,540
Depreciation		<b>23,492,979</b>	9,267,726
Legal and professional charges		<b>19,639,313</b>	35,922,858
Travelling and entertainment		<b>2,662,228</b>	16,891,449
Repairs and maintenance		<b>6,935,687</b>	4,960,326
Auditors' remuneration	25.2	<b>6,128,853</b>	5,930,500
Vehicle running		<b>1,815,550</b>	4,823,814
Publication and subscriptions		<b>6,300,106</b>	1,931,006
Insurance		<b>8,028,169</b>	3,475,328
Printing and stationery		<b>1,629,727</b>	4,772,739
Service fees	1.2	<b>12,000,000</b>	12,000,000
Ujrah payments		<b>2,362,157</b>	3,357,676
Shared services cost	24.2	<b>44,546,915</b>	48,897,192
Donations	25.3	<b>6,390,000</b>	-
Others		<b>22,616,209</b>	13,879,032
		<b>289,759,267</b>	283,361,186

**25.1** Salaries, wages and other benefits include Rs. 3.16 million (2019: Rs. 3.15 million) and Rs. 0.58 million (2019: Rs. 2.72 million) in respect of defined benefit plan and contributory provident fund respectively.

## 25.2 Auditors' remuneration

Audit fee  
 Fee for limited review of half yearly financial statements  
 and other certifications  
 Out-of-pocket expenses

	2020	2019
	Rupees	
	<b>3,392,900</b>	3,392,900
	<b>2,335,000</b>	2,185,000
	<b>400,953</b>	352,600
	<b>6,128,853</b>	5,930,500

25.3 Donations to a single party exceeding 10% of total donations i.e. Rs. 6.39 million are as follows:

	Note	2020	2019
		Rupees	
Al-Khidmat Foundation Pakistan		<b>1,500,000</b>	-
Green Crescent Trust		<b>4,140,000</b>	-
Pakistan Association of the Deaf		<b>750,000</b>	-
		<b>6,390,000</b>	-

## 26. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund  
 Workers' Welfare Fund  
 Central Research Fund

	Note	2020	2019
	12.4	<b>96,428,932</b>	92,118,533
		<b>38,571,573</b>	32,050,428
		<b>19,285,786</b>	18,423,706
		<b>154,286,291</b>	142,592,667

## 27. OTHER INCOME

Income from financial assets  
 Return on deposit accounts  
 Income on savings accounts  
 Income from non-financial asset  
 Gain on disposal of operating assets - net

**2,033,623**  
**30,057,846**

16,650,140  
 2,497,152

### Others

Insurance claim recovery  
 Insurance commission  
 Scrap sales  
 Other

**13,305,076**

-  
 -  
 10,562,260  
 24,698,057

**46,922,471**

71,671,539

## 28. FINANCIAL CHARGES

Interest on running finance	27,034,313	116,019,713
Exchange loss - net	20,940,997	68,470,704
Bank charges	9,723,270	7,212,785
Interest on lease liability	309,601	661,835

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	<b>58,008,181</b>	192,365,037
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## 29. TAXATION - NET

Current		
- for the year	469,425,076	441,401,792
- for prior year	16,757,209	(43,059,900)
Deferred	26,101,482	43,917,266

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	<b>512,283,767</b>	442,259,158
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## 29.1 Relationship between tax expense and accounting profit

Profit before taxation	1,774,292,354	1,699,777,968
Applicable tax rate	29%	29%
Tax calculated at applicable tax rate	514,544,783	492,935,611
Impact of taxability at Final Tax Regime	31,067,188	28,419,419
Effect of prior year tax	16,757,209	(43,059,900)
Effect of tax credits	(51,930,368)	(57,645,438)
Tax effect of other than temporary differences	1,844,955	21,609,466

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	<b>512,283,767</b>	442,259,158
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2020

2019

## 30. EARNINGS PER SHARE

Profit after taxation (Rupees)	1,262,008,587	1,257,518,810
Weighted average number of outstanding shares (Numbers)	117,054,508	117,054,508
Earnings per share (Rupees)	10.78	10.74

**30.1** A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2020 and 2019 which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2020	2019
		Rupees	
<b>31. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		<b>1,774,292,354</b>	1,699,777,968
<b>Add / (less): Adjustments for non-cash charges and other items</b>			
Depreciation and amortization		<b>268,412,236</b>	231,400,913
Interest expense		<b>37,067,184</b>	123,894,333
Gain on disposal of operating assets		<b>(1,525,926)</b>	(7,907,067)
Interest income		<b>(32,091,469)</b>	(19,147,292)
Provision for slow moving, obsolete and damaged stock - net of stock written off		<b>197,658,163</b>	130,630,520
Allowance for impairment of trade debts		<b>3,706,175</b>	23,929,083
Provision for impairment of capital work-in-progress		-	22,500,000
Provision for staff retirement benefits		<b>77,060,921</b>	67,944,287
		<b>550,287,284</b>	573,244,777
Profit before working capital changes		<b>2,324,579,638</b>	2,273,022,745
<b>Effect on cash flow due to working capital changes</b>			
(Increase) / decrease in current assets			
Stores and spares		<b>(9,465,957)</b>	(4,489,669)
Inventories		<b>(330,755,525)</b>	(668,393,915)
Trade debts		<b>192,877,042</b>	(135,234,181)
Loans and advances		<b>(183,897,857)</b>	(45,456,777)
Trade deposits and prepayments		<b>17,086,565</b>	17,451,484
Refunds due from Government		<b>(15,218,763)</b>	90,167,445
Other receivables		<b>342,895,004</b>	(62,475,109)
		<b>13,520,509</b>	(808,430,722)
Increase / (decrease) in current liabilities			
Trade and other payables		<b>1,320,893,021</b>	643,100,736
		<b>1,334,413,530</b>	(165,329,986)
		<b>3,658,993,168</b>	2,107,692,759
<b>32. CASH AND CASH EQUIVALENTS</b>			
Bank balances	13	<b>2,132,049,617</b>	643,240,843
Running finance	19	-	(763,579,563)
Book overdraft	18.5	<b>(234,275,315)</b>	-
		<b>1,897,774,302</b>	(120,338,720)

### Unpaid dividend

2020	2019
Rupees	

### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Balance as at January 01	<b>904,375,661</b>	399,847,871
Non cash changes - dividend declared	<b>585,272,540</b>	585,272,540
Financing cash outflows	<b>(79,951,144)</b>	(80,744,750)
Balance as on December 31	<b>1,409,697,057</b>	904,375,661

### 34. SEGMENT INFORMATION

**34.1** For management purposes, the activities of the Company are organised into one operating segment i.e. consumer healthcare segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

### 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive, Director and Executives are as follows:

	Chief Executive		Director		Executives	
	2020	2019	2020	2019	2020	2019
	Rupees					
Managerial remuneration	<b>28,395,798</b>	26,160,711	<b>7,405,054</b>	6,875,298	<b>182,116,169</b>	158,778,754
Bonus - note 35.2	<b>10,687,353</b>	10,763,331	<b>7,169,841</b>	7,862,542	<b>56,413,254</b>	85,617,114
Retirement benefits*	-	-	<b>1,497,302</b>	1,394,998	<b>34,769,611</b>	30,586,254
House rent	-	-	<b>3,332,274</b>	3,093,885	<b>76,504,583</b>	67,622,361
Utilities	-	-	<b>740,506</b>	687,528	<b>17,001,047</b>	15,074,534
Medical expenses	-	76,164	<b>26,667</b>	53,043	<b>4,257,291</b>	3,600,965
Others	<b>911,387</b>	1,529,620	<b>1,723,636</b>	1,787,370	<b>52,847,127</b>	38,231,363
	<b>39,994,538</b>	38,529,826	<b>21,895,280</b>	21,754,664	<b>423,909,082</b>	399,511,345
Number of person	<b>1</b>	1	<b>2**</b>	1	<b>74</b>	60

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

\*\* During the year, Mr. Talal Ahmed resigned on October 15, 2020 and Mr. Dilawar Meghani was appointed as Finance Director on October 15, 2020.

**35.1** In addition to the above, fee paid to 4 (2019: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 1.98 million (2019: Rs. 1.20 million).

**35.2** Bonus includes share based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Director and Executives amounting to Rs. 45.07 million (2019: Rs. 61.05 million). These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, GlaxoSmithKline plc, UK.

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

### 36. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2020	2019
		Rupees	
Associated companies:	a. Purchase of goods	<b>2,730,156,967</b>	6,414,715,779
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	<b>12,000,000</b>	12,000,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	<b>106,098,908</b>	101,316,288
Staff retirement funds:	a. Payments to retirement benefit plans	<b>60,898,020</b>	61,189,122
Key management personnel:	a. Salaries and other employee benefits	<b>144,140,640</b>	155,151,698
	b. Post employment benefits	<b>8,400,745</b>	14,658,388

**36.1** Balances of related parties as at December 31, 2020, are included in the respective notes to the financial statements. The receivables and payables are mainly unsecured in nature and bear no interest.

### 36.2 Details of related parties

S. No	Company Name	Country of incorporation	Registered address	Basis of association	Aggregate % of shareholding
1	GlaxoSmithKline Consumer Healthcare B.V.	Netherlands	Huis ter Heideweg 62, 3705 LZ, Zeist	Holding Company	85.79%
2	GlaxoSmithKline Consumer Healthcare (UK) Trading Limited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
3	GlaxoSmithKline Biologicals SA	Belgium	Rue de l'Institut 89, B-1330 Rixensart, Belgium	Associated company	N/A
4	GlaxoSmithKline Consumer Trading Services Limited	England	980 Great West Road, Brentford, Middlesex, TW8 9GS	Associated company	N/A
5	GlaxoSmithKline Consumer Healthcare S.A	Switzerland	Route de l'Etraz, Case Postale 1279, 1260 Nyon 1	Associated company	N/A
6	Archroma Pakistan Limited	Pakistan	Plot # 1-A/1, Sector 20, Korangi Industrial Area, Karachi, Pakistan	Associated company	N/A
7	GlaxoSmithKline Pakistan Limited	Pakistan	35 - Dockyard Road, West Wharf, Karachi	Associated company	N/A

### 37. PLANT CAPACITY AND ACTUAL PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.



## 38. FINANCIAL INSTRUMENTS BY CATEGORY

### 38.1 Financial assets as per statement of financial position

#### Financial assets measured at amortised cost

- Loans to employees
- Advances and deposits
- Trade debts
- Interest accrued
- Other receivables
- Bank balances

	2020	2019
	Rupees	
	<b>14,272,132</b>	14,369,440
	<b>203,838,348</b>	234,854,147
	<b>669,584,857</b>	866,168,074
	<b>640,574</b>	178,082
	<b>307,973,248</b>	676,633,822
	<b>2,132,049,617</b>	643,240,843
	<b>3,328,358,776</b>	2,435,444,408

Note	2020	2019
	Rupees	

### 38.2 Financial liabilities as per statement of financial position

#### Financial liabilities measured at amortised cost

- Trade and other payables
- Running finance
- Accrued mark-up
- Unpaid dividend
- Lease liability

	19	<b>3,291,016,369</b>	1,946,083,364
		-	763,579,563
		<b>2,768,521</b>	25,874,258
		<b>1,409,697,057</b>	904,375,661
		<b>2,300,837</b>	3,758,829
		<b>4,705,782,784</b>	3,643,671,675

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

### 38.3 Fair values of financial assets and liabilities

**(a)** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

#### **(b) Fair value estimation**

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2020, the Company does not have any financial instruments carried at fair values which are measured using methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

## **39. FINANCIAL RISK MANAGEMENT**

### **39.1 Financial risk factors**

#### **Introduction and overview**

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

#### **Financial risk factors and risk management framework**

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance and treasury department oversees the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities, and provide assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

#### **(a) Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

#### **(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as at December 31, 2020, amount to Rs. 263.89 million (2019: Rs. 387.77 million).

At December 31, 2020, 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. 13.19 million (2019: Rs. 19.39 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from balances held in savings account with banks and running finance. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2020	2019
	Rupees	
<b>Fixed rate instruments</b>		
Financial assets		
· bank balance on deposit accounts	1,300,000,000	500,000,000
<b>Variable rate instruments</b>		
Financial assets		
· bank balance on PLS savings account	561,897,202	1,911,363
Financial liabilities		
· running finance	19	763,579,563

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs. 5.62 million (2019: Rs. 7.62 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2019.

### (iii) Equity price risk

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

As at December 31, 2020, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual

obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from balances with banks, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

	2020	2019
	Rupees	
Loans to employees, interest accrued and other receivables	<b>322,885,954</b>	691,181,344
Trade debts	<b>669,584,857</b>	866,168,074
Advances and deposits	<b>203,838,348</b>	228,357,949
Bank balances	<b>2,132,049,617</b>	643,240,843
	<b>3,328,358,776</b>	2,428,948,210

As at December 31, 2020, the Company's greatest concentration of credit risk was in trade debts; amounted to Rs. 598.31 million and Rs. 117.73 million with NPPL and Premier Agencies respectively.

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade debts of Rs. 75.24 million (2019: Rs. 105.09 million) are past due of which Rs. 30.85 million (2019: Rs. 27.15 million) have been provided for. Past due but not provided for balances include Rs. 37.10 million (2019: Rs. 40.82 million) outstanding for more than three months. Trade debts are written off when the company do not have realistic prospect of recovery.

Loans to employees are secured against their retirement benefits.

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

Bank	Date of rating	Rating agency	Rating	
			Short term	Long term
Citibank N.A.	March, 2019	Moody's	P-1	AA3
Standard Chartered Bank (Pakistan) Limited	December, 2019	PACRA	A1+	AAA

Trade receivables are grouped into customer segments that have similar loss patterns to assess credit risk while other financial assets are assessed individually. Historical and forward - looking information is considered to determine the appropriate expected credit loss allowance, the Company believes that there is no further credit risk provision required in excess of the allowance for expected credit losses already recognised.

### Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash or other assets as contractually agreed on sale. The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

### (c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic

nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the monitoring of liquidity ratios and maintaining debt financing plans. As at year end, all the financial liabilities are due within one year.

#### 40. PROVIDENT FUND RELATED DISCLOSURE

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

41. NUMBER OF EMPLOYEES	2020	2019
Number of employees including contractual employees at the end of year	<u>492</u>	<u>497</u>
Average number of employees including contractual employees during the year	<u>489</u>	<u>476</u>

#### 42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain appropriate mix between various sources of finance to minimise risk. The Company calculates debt to capital ratio by dividing borrowings with equity as at year end.

The debt to capital ratio as at December 31, 2020 is Nil (2019: 0.03).

#### 43. BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Business units	Addresses
Factory	Petaro Road, Jamshoro, Pakistan
Distribution / Sales offices	<ul style="list-style-type: none"> <li>• North Sales Office - Aleem House, Plot no. 409, Sector I-9, Industrial Area, Islamabad - 54000</li> <li>• Central Sales Office - 880-B, Faisal Town, Lahore - 54700</li> </ul>
Warehouses and storage facilities	<ul style="list-style-type: none"> <li>• Connect Logistics (Private) Limited - Plot no. 73 B,C,D, Main Mauripur Road, Hawks bay Phase 2, Karachi, Pakistan</li> <li>• Emirates Supply Chain Services (Private) Limited - 46 KM, Multan Road, Nathy Khalsa, Manga Mandi, Lahore Pakistan</li> <li>• Emirates Supply Chain Services (Private) Limited - Plot no. 409, Sector I-9, Industrial Area, Islamabad, Pakistan</li> <li>• Glaciers (Private) Limited - Bahawalpur Bypass, Gopal Purrah, Multan, Pakistan</li> <li>• Jamshoro - Petaro Road, Jamshoro, Pakistan</li> <li>• Plot B-3, SITE, Kotri</li> </ul>

#### 44. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on March 05, 2021 proposed a cash dividend of Rs. 5 per share (2019: Rs. 5 per share) amounting to Rs. 585.27 million (2019: Rs. 585.27 million) subject to the approval of the members in the forthcoming annual general meeting of the Company.

#### 45. CORRESPONDING FIGURES

Corresponding figures have been reclassified in these financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the financial statements.

#### 46. DATE OF AUTHORISATION FOR ISSUE

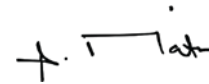
These financial statements were approved and authorised for issue by the Board of Directors of the Company on March 05, 2021.



**Chief Financial Officer**



**Director**



**Chief Executive Officer**

# SENSITIVITY ANALYSIS

## Share Price Sensitivity

Share price of GSK CH is affected by a combination of internal and external factors. The various factors that impact the share price are Company's performance, economic events and circumstances, political environment, interest rates and the product demand and supply, etc. In 2020, the highest share price was recorded at Rs. 330.03 whereas the lowest price was recorded at Rs. 199.56. The closing price recorded at 31st December 2020 was Rs. 265.13.

## Market Capitalization Sensitivity

AAs at December 31, 2020, GSK CH's market capitalization stood at Rs. 31,035 million. A consequent change of 5% in the market price of the Company's share would result in a change of Rs. 1,552 million in the market capitalization.

## Foreign Currency Sensitivity

At December 31, 2020, 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. 13.19 million (2019: Rs. 19.39 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.

# BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURE AND PROJECTS

GSK CH prioritizes projects that adhere to and ensure structural integrity. The Company operates in a dynamic environment which requires technological and manufacturing enhancements and therefore requires allocation of the funds. With Board of directors' continuous oversight, the Company of Directors continued to invest in the pivotal projects to ensure optimum utilisation of cash flow in efficient manner.

The capital expenditure during the year included investment in the enhancement of the Manufacturing Capacity for one of leading product worth Rs. 374 million. Further, to ensure the optimum quality of our products, the Company spent Rs.126 million on quality related equipment.

The Company ensures a healthy, stable and secure working environment for all the employees of the Company and for this reason, investments in the EHS equipment and tools were made of Rs. 68 million. Other investments for Electrical switchgear replacement were made at Jamshoro site to replace High & Low Voltage Switchgear, Transformer along with related equipment of worth Rs. 36 million.

A very significant project of the Company during the year was the implementation of SAP within the commercial division which required capital investments to bring all of the GSK under single ERP and aligned set of standards. This has led to an integrated system that enhanced efficiency, diminished costs, increased sales and profitability but most importantly, enabled the Company to make accurate, informed and strategic decisions.



## SEGMENTAL REVIEW

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



# AUDIT COMMITTEE REPORT

We are pleased to present the Annual Audit Committee's report for the year ended 31 December 2020.

## COMPOSITION OF THE COMMITTEE

The Audit Committee comprises of three members, all of whom are Non-Executive Directors and two of whom are Independent Directors. Syed Anwar Mahmood, the Chairman of the Committee, graduated with honors in Economics and later obtained a master's degree in the same discipline.

Mr. M. Z. Moin Mohajir and Mr. Talal Ahmed Javed\* are the other two members of the Audit Committee and they are considered as "financially literate" as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. A detailed profile of the directors is mentioned on page 54.

The Audit Committee members have extensive experience in the fields of Financial Management, Accounting, Consumer Business operations, Economics and Business Management.

\* Ms. Ayesha Aziz was appointed on 3 March 2021 as a Non-Executive Independent Director to fill the casual vacancy created upon the resignation of Mr. Talal Javed Ahmed, Non-Executive Director

## EVALUATION OF THE COMMITTEE

Evaluation of the committees of the Company is mentioned in detail on page 67.

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

The Company has complied with the mandatory requirements specified under the Regulations. The Committee would like to state that:

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

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of the audit committee are mentioned in detail on pages 65.

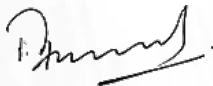
## INTERNAL AUDIT AND RISK MANAGEMENT

Internal audit has a crucial part to play given its role of providing independent, objective assurance related to the operating effectiveness of risk management, governance, and internal control processes of the Company. During 2020, the Audit Committee took account of the impact of disruptions caused by the pandemic, that indicated towards an event-driven reassessment of the audit risks. Hence, in consultation with the Audit Committee the management revisited the Annual Internal Audit plan and adjusted various audit activities given on-ground COVID-19 restrictions and new emerging audit risks.

## EXTERNAL AUDIT

- Given the shift in dynamics post COVID-19, the Audit Committee met the external auditors without the presence of the management and discussed how their audit procedures were affected or adjusted according to the new Control environment. Additionally, they also focused on the external auditor's perspective regarding potential changes in audit risk, management's process for developing significant estimates related to the impact of COVID-19 and the resulting impact on internal controls over financial reporting. Furthermore, the audit committee reviewed the audit work that was performed over significant transactions or accounting judgments during the interim and annual reporting period.
- All internal audit reports were made available for review to the external auditors during the year
- The external auditors Yousuf Adil Chartered Accountants have been engaged as the external auditors of the Company and have completed their audit assignment and review of the Statement of Compliance in line with the Listed Regulations. They shall retire as the auditors on the conclusion of 6th Annual General Meeting
- Being eligible for reappointment as auditors of the Company, the Audit Committee has recommended the appointment of Yousuf Adil Chartered Accountants as external auditors of the Company for the year ending 31 December 2021
- The Company does not obtain any non-audit services from Deloitte Yousuf Adil, Chartered Accountants.

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board and as stipulated under the Regulations.



Syed Anwar Mehmood  
Chairman Audit Committee

# INTEGRATED REPORTING FRAMEWORK

An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term. It is to be prepared in accordance with the Integrated Reporting Framework (the framework) issued by the International Integrated Reporting Council (IIRC). The integrated reporting framework follows a principles based approach, including the following guiding principles:



- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

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



- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation.

At present, the requirement to publish an integrated report is not mandatory in Pakistan.

The Company is reviewing the reporting requirements of an integrated report mandated by the local authorities, so that compliance can be ensured timely, when required.

## UNRESERVED STATEMENT OF COMPLIANCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as adopted by SECP necessary for fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan.

IFRS adoption status is in detail is explained in note 2.6 of the annexed financial statements.



We challenge one another to ensure our decisions are based on **data, insights and analytics.**

A hand holding a tablet displaying a data chart with a line graph and a table. The background is a blurred office setting. The image is framed by large, overlapping pink arrow shapes pointing towards the center.

the  
**extra  
mile** with

**digital, data  
& analytics  
@ the core**

# STAKEHOLDERS' INFORMATION

On 31 December 2020 there were 4,931 members on the record of the Company's ordinary shares.

## DIVIDEND PAYMENT

The Board of Directors of the Company has recommended 50% final dividend for the year ended 2020. The proposal shall be placed before the shareholders of the company in the Annual General Meeting for their consideration and approval on 21 April 2021. The dividend, if approved by the shareholders, shall be directly credited to their designated bank accounts to the shareholders listed in the company's share register at the close of business on 14 April 2021 and shall be subject to the zakat and tax deductions as per law.

<b>FINANCIAL CALENDAR</b>		
<b>RESULTS</b>		
Q1-2020	Approved and Announced on	20 May 2020
Q2-2020	Approved and Announced on	26 August 2020
Q3-2020	Approved and Announced on	27 October 2020
YE 2020	Approved and Announced on	5 March 2021
<b>DIVIDEND</b>		
Final Cash (2019)	Approved on	21 May 2020
	Entitlement date	14 May 2020
	Statutory Limit up to which available	17 June 2020
	Paid on	12 June 2020
<b>6TH ANNUAL GENERAL MEETING TO BE HELD ON</b>		21 April 2021

# GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

## PATTERN OF SHAREHOLDINGS

AS AT 31 DECEMBER 2020

No. of Shareholders	Having shares			Total Shares Held
1,663	1	to	100	61,934
1,604	101	to	500	415,914
543	501	to	1000	422,200
775	1001	to	5000	1,760,814
166	5001	to	10000	1,205,768
63	10001	to	15000	786,378
27	15001	to	20000	467,057
20	20001	to	25000	448,067
13	25001	to	30000	354,413
9	30001	to	35000	292,699
7	35001	to	40000	259,801
3	40001	to	45000	129,286
4	45001	to	50000	195,500
4	50001	to	55000	210,037
6	55001	to	60000	353,661
1	60001	to	65000	65,000
4	65001	to	70000	271,500
1	70001	to	75000	73,359
1	75001	to	80000	77,065
2	80001	to	85000	165,900
1	90001	to	95000	90,774
1	95001	to	100000	96,327
1	110001	to	115000	112,500
1	145001	to	150000	148,200
1	165001	to	170000	169,390
1	250001	to	255000	254,043
1	255001	to	260000	257,700
1	360001	to	365000	364,656
1	385001	to	390000	389,040
1	420001	to	425000	421,200
1	1255001	to	1260000	1,258,657
1	2295001	to	2300000	2,299,405
1	2750001	to	2755000	2,753,004
1	21500001	to	21505000	21,504,325
1	78915001	to	78920000	78,918,934
<b>4,931</b>				<b>117,054,508</b>

# KEY SHAREHOLDING

## AS AT 31 DECEMBER 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
SOHAIL AHMED MATIN	1	1	0.00
SYED ANWAR MAHMOOD	1	1	0.00
MUHAMMAD ZINDAH MOIN MOHAJIR	1	330	0.00
SAMBREEN AHMED	1	1,300	0.00
<b>Associated Companies, undertakings and related parties</b>			
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.	2	100,423,259	85.79
<b>NIT and ICP</b>			
	3	15,549	0.01
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>			
	11	846,154	0.72
<b>Insurance Companies</b>			
	5	3,167,210	2.71
<b>Modarabas and Mutual Funds</b>			
	15	3,135,581	2.68
<b>General Public</b>			
a. Local	4,747	6,556,942	5.60
b. Foreign	9	65,613	0.06
Foreign Companies	3	1,337,457	1.14
Others	132	1,505,111	1.29
	<b>4,931</b>	<b>117,054,508</b>	<b>100.00</b>
<b>Shareholders holding 10% or more</b>		<b>Shares Held</b>	<b>Percentage</b>
GLAXOSMITHKLINE CONSUMER HEALTHCARE B.V.		100,423,259	85.79

## Members Having 5% or More of Voting Rights

Name of Shareholder(s)	No. of Shares Held	Percentage
GlaxoSmithKline Consumer Healthcare B.V.	100,423,259	85.79%

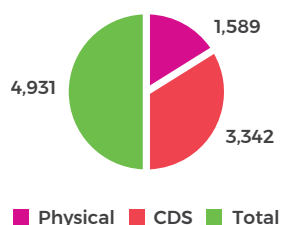
## TRADING IN SHARES BY DIRECTORS AND EXECUTIVES

No trading of shares has been conducted by any of the Directors and/or Executives of the Company during the year 2020. All relevant disclosures and updates with regards to the same have been made on a regular basis with accordance to the rules and law.

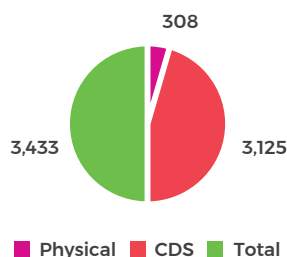
## SHAREHOLDING POSITION / IBAN

Current Total Number of Shareholders as on 31 December 2020			Current Number of IBAN updated as on 31 December 2020			Ratio/Percentage of IBAN updated
Name	CDS	Total	Physical	CDS	Total	%
85.79%	3,342	4,931	308	3,125	3,433	69.62

Current Total Number of Shareholders as on 31 December 2020



Current Number of IBAN updated as on 31 December 2020



## FREE FLOAT OF SHARES

Free Float Shares of the Company are 15,529,300 i.e. (13.26%) out of the total 117,054,508 Shares of the Company as at 31 December 2020.



# GlaxoSmithKline Consumer Healthcare Pakistan Limited Notice of Annual General Meeting 2020

Notice is hereby given to shareholders that the 6th Annual General Meeting ('AGM') of GlaxoSmithKline Consumer Healthcare Pakistan Limited ('Company') will be held on Wednesday, 21 April 2021 at 01:30 pm through/ via WEBEX video link to transact the following business:

## • ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2020.
- (2) To consider, approve and declare the dividend on the ordinary shares of the Company. The Directors have recommended a final cash dividend of 50% (Rs.5.00 per ordinary share of Rs. 10 each), for the year ended 31 December 2020.
- (3) To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s Yousuf Adil, Chartered Accountants as external auditors, for the year ending 31 December 2021.

## • SPECIAL BUSINESS

- (4) To approve the donation to one or more charitable trust(s) / welfare association(s) or any other institution / organization engaged in the welfare of human beings, by passing the following ordinary resolution:  
"RESOLVED THAT the donation of the net sale proceeds of 4,913 fractional shares held by Mr. Farhan Muhammad Haroon, trustee to the fraction (demerger) to one or more charitable trust(s) / Welfare Association(s) or any other institution / organization engaged in the welfare of human beings, name(s) of which will be approved by the CEO of the Company, be and is hereby approved."

## • ANY OTHER BUSINESS

- (5) To transact any other business with the permission of the Chair.  
A statement of material facts under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred above is annexed to this Notice below.

Karachi  
31 March 2021

### Notes:

1. Pursuant to the SECP Circular No. 6 of 2021 dated 3 March 2021, the proceedings of the AGM shall be held virtually. In view of the surge of COVID-19 cases, travel restrictions in place for foreign directors and the safety of all esteemed shareholders, Directors and management, the 6th AGM is being held virtually. All shareholders / investors attending the AGM through WebEx are requested to post/send their respective questions/comments/suggestions along with their Name and Folio Number on the following link/QR Code OR email address according to their convenience. The Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/database of the Share Registrar. The Annual Report has also been uploaded at the Company's website and is readily accessible to all shareholders at [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)

Please scan the QR code or access the link below to post any questions for the AGM as the telecon will automatically mute all microphones:

Join at: **vevox.app**  
ID: **177-154-790**



<https://vevox.app/m#/177154790>  
Session ID: 177-154-790

Email Address: [chc.shareinfo@gsk.com](mailto:chc.shareinfo@gsk.com)

By Order of the Board



**MASHAL MOHAMMAD**  
Company Secretary

Those shareholders who do not wish to attend the AGM in person may attend live proceedings of the AGM by logging on to the following link:

**WebEx Link for meeting:**

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=e893a69a334f0821cb4aecb4512a38e90>

Please note that those shareholders attending virtually will be able to view the Directors and hear the live proceedings of the AGM but will remain on mute so as to avoid any connectivity disruptions. The shareholders attending AGM through WebEx, may post/send their respective questions/comments/suggestions along with their name and folio number on the link/QR Code/email address, provided above in this notice ahead of or during the AGM.

The Company continues to monitor the impact of COVID-19 and any relevant updates regarding the AGM will be announced on the Company's website ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)) and through PUCARS.

- 2.** The share transfer books of the Company will be closed for determining the entitlement for the payment of final dividend from 17 April 2021 to 21 April 2021 (both days inclusive). Transfer requests received at the office of the share registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi ('Share Registrar') at the close of business on 14 April 2021 (Wednesday) will be treated in time for the purposes of entitlement to the transferees.
- 3.** A shareholder entitled to attend and vote at the AGM may appoint another shareholder as his/her proxy to attend, speak and vote at the AGM on his/her behalf. The instrument appointing proxy must be deposited duly signed and stamped at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi not later than forty eight (48) hours before the time of the AGM . An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the proxy form. Please refer to section 137 of the Companies Act, 2017 for further information. The proxy form is available on the Company's website ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)).
- 4.** Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
- 5.** CDC Account Holders will further have to follow the below guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

**a) Attending the AGM**

- i)** In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account, and their registration details are uploaded as per the applicable regulations, and shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- 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) 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 CDC 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 AGM.
- v)** In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- vi)** The proxy form is available on the Company's website: [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)

**6.** Shareholders holding physical shares are also required to bring their original CNIC and/or copy of CNIC of shareholder(s) of whom he/she/they hold proxy(ies). Such shareholder(s) shall not be allowed to attend and/or sign the Register of Shareholders/Members at the AGM without such CNIC(s).

**7. Submission of CNIC/NTN Copy - Electronic Dividend (MANDATORY):**

- a)** According to the Securities and Exchange Commission of Pakistan's (SECP) SRO 831(1)/2012 dated July 05, 2012 read with SRO 19(1) 2014 dated 10 January 2014 and other relevant rules, the electronic dividend should also bear the CNIC number of the registered shareholder or the authorized person, except in the case of minor(s) and Corporate Shareholders.
- b)** Further, as per Regulation Nos. 4 and 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company shall be constrained to withhold the payment of dividend to the shareholders. In case of non-availability of identification number (CNIC or National Tax Number) of the Shareholder or authorized person.
- c)** Accordingly, those shareholders who have not yet submitted a copy of their valid CNIC or NTN certificate, are once again

requested to immediately submit the same to the Company's Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

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

- a) In accordance with SECP Circular No. 18 of 2017 dated 1 August 2017 and instructions related to distribution of dividend indicated in Companies (Distribution of Dividend) Regulations, 2017 and Section 242 of Companies Act, 2017, all listed companies are required to ensure that with effect from 1 November 2017, cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) IBAN number (iv) bank name and (v) branch name, code & address and (vi) Mobile number to the Company's Share Registrar. Those Shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant/CDC.
- b) Please note that as per Section 243(3) of the Companies Act, 2017, the Company is entitled to withhold payment of dividend if the requisite information is not provided by the Shareholders.
- c) For the convenience of shareholders, the Company's e-Dividend Mandate Form is available on the Company's website i.e. [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)

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

- a) SECP through its SRO 470(1)/2016, dated 31 May 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. to its shareholders through CD/DVD/USB at their registered addresses. In view of the above, the Company has obtained shareholders' approval in its Extra-Ordinary General Meeting held on 20 November 2017 in this regard, the Company has sent its Annual Report 2018 to its shareholders in CD format.
- b) Pursuant to SRO 787(1)/2014 dated 8 September 2014, and under Section 223(6) of the Companies Act 2017, circulation of audited financial statements and notice of annual general meeting has been allowed in electronic format through email. Accordingly, the audited financial statements of the Company for the year ended December 31, 2020, are available on the Company's website [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com). Any Shareholder may view complete Annual Report on Company's website or requiring printed copy or electronic format through email of Annual Report may send a request using a Standard Request Form as annexed herewith and placed on Company's website as well: [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com). Shareholders can request a hard copy of the same, which shall be provided free of cost within seven (7) days from receipt of such request.

**10. Deduction of Withholding Tax on Dividend:**

- a) Shareholders whose names are not appearing in the Active Tax-payers List (ATL) are advised to immediately make necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per law.
- b) Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on Active/Non-Active Status of Principal Shareholder as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.
- c) 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:**

- i. The required information must reach our Share Registrar by 14 April 2021. Otherwise, it will be assumed that the shares are equally held by the principal and joint holder(s) and tax will be deducted accordingly
- ii. Shareholders are therefore requested to ensure that their CNIC/Passport number has been recorded by the

Participant/Investor Account Services or by the Company's Share Registrar (in case of physical shareholding).

- iii. Those corporate shareholders having CDC accounts are requested to have their National Tax Number (NTN) updated with their respective participants. Corporate physical shareholders should send a copy of their NTN Certificate to the Company's Share Registrar. All shareholders must specify their company name and their respective folio numbers while sending NTN or NTN certificates, as the case may be.
- iv. Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by 13 May 2020.

#### 11. Postal Ballot/E-Voting

Further to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, Shareholders holding in aggregate 10% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in the said Regulations.

#### 12. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., 30 May 2017. Those shareholders having physical shareholding(s) are encouraged to open a CDC sub - account with any broker or Investor Account directly with CDC to place their physical shares into scrip less form. This is beneficial in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

#### 13. Consent for Video Conference Facility

- a) In accordance with Section 132(2) of the Companies Act, 2017, shareholders are entitled to avail video conference facility.
- b) If the Company receives consent from shareholders holding in aggregate 10% or more shareholding residing at a geographical location **other** than the city of the AGM, to participate in the AGM through video conference at least seven (7) days prior to the date of the AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company seven (7) days before holding of the AGM.
- c) The Company will intimate to shareholders regarding the venue of video conference facility at least five (5) days before the date of the AGM 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 Shareholder

#### 14. Statutory Code of Conduct at AGM

Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of Shareholders, as follows: Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

## STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement is annexed to the notice of the 6th Annual General Meeting of the Company to be held on 21 April 2021 at which the special business specified in agenda item no. 4 of this Notice, will be transacted. The purpose of this statement is to set out the material facts concerning such special business.

### Item No. 4:

**DONATION OF THE NET SALE PROCEEDS OF 4,913 FRACTIONAL SHARES HELD BY MR. FARHAN HAROON, TRUSTEE TO THE FRACTION (DEMERGER) TO ONE OR MORE CHARITABLE TRUST(S) / WELFARE ASSOCIATION(S) OR ANY OTHER INSTITUTION / ORGANIZATION ENGAGED IN THE WELFARE OF HUMAN BEINGS, NAME(S) OF WHICH WILL BE APPROVED BY THE CEO OF THE COMPANY, BE AND IS HEREBY APPROVED.**

The global GSK and NVS transaction in 2015 resulted in the demerger of the consumer healthcare business of GSK Pakistan Limited ('**GSK Pakistan**') into GSK Consumer Healthcare Pakistan Limited ('**GSK CH Pakistan**'). The Scheme of Arrangement (which specified that in the event the allotment of shares resulted in fractional entitlement of shares in GSK CH Pakistan, GSK CH Pakistan would not issue fractional shares to such shareholders of GSK Pakistan), along with the valuation and swap ratio 3:10 shares calculated by Deloitte Yousaf Adil-Chartered Accountants, was approved by the Board of Directors on 25 August 2015.

Accordingly, Mr. Farhan Muhammad Haroon, the then CFO of the Company, held 4,913 fractional shares as trustee to the fraction (demerger) which have remained undisposed till date.

The shareholders of GSK Pakistan approved the Scheme of Arrangement at the Extra Ordinary General Meeting of GSK Pakistan held on 30 November 2015.

The Honorable High Court of Sindh sanctioned the Scheme of Arrangement filed for and on behalf of GSK Pakistan pertaining to the demerger of the consumer healthcare business of GSK Pakistan vide its order dated 29 February 2016. The demerger of GSK CH Pakistan from GSK Pakistan was effective on 1 April 2016.

In this connection, the Board of the Company in its meeting held on 5 March 2021 recommended that with the approval of the shareholders, the net sale proceeds of the 4,913 fractional shares be donated to one or more charitable trust(s) / welfare association(s) or any other institution / organization engaged in the welfare of human beings.

Therefore, approval of the Company's shareholders is sought for donating the net sale proceeds of 4,913 fractional shares held by Mr. Farhan Haroon, trustee to the fraction (demerger) to one or more charitable trust(s) / welfare association(s) or any other institution / organization engaged in the welfare of human beings, name(s) of which will be approved by the CEO of the company, be and is hereby approved.

The Directors of the Company, directly or indirectly, are not personally interested in this business except to the extent of their shareholding in the Company.

# GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

## PROXY FORM

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 virtually on Wednesday, 21 April 2021 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Rs. 5/-  
Revenue  
Stamps

\_\_\_\_\_

(Signature of Witness 1)

Name of Witness:

CNIC No.:

					-					-		
--	--	--	--	--	---	--	--	--	--	---	--	--

Passport No. (Non-Pakistani):

\_\_\_\_\_

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

-----  
(Name in Block letters)  
Folio No.

\_\_\_\_\_

(Signature of Witness 2)

Name of Witness:

CNIC No.:

					-					-		
--	--	--	--	--	---	--	--	--	--	---	--	--

Passport No. (Non-Pakistani):

\_\_\_\_\_

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

-----  
Signature of the Shareholder

**Notes:**

1. The Member is requested:
  - (a) to affix revenue stamp of Rs. 5/- at the place indicated above;
  - (b) to sign in the same style of signature as is registered with the Company;
  - (c) to write down his/her folio number.
  
2. For the appointment of the above proxy to be valid, this instrument of proxy must be received at the office of the GlaxoSmithKline Consumer Healthcare Pakistan Limited, 35 Dockyard Road, West Wharf, Karachi-74000, at least 48 hours before the time fixed for the meeting.
  
3. Any alteration made in this instrument of proxy should be initialled by the person who signs it.
  
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

**For CDC Account Holders / Corporate Entities**

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

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

# گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کئیر پاکستان لمیٹڈ

## فارم برائے نمائندگی (پراکسی)

میں / ہم - از - بحیثیت رکن گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کئیر پاکستان لمیٹڈ، مالک -  
 عمومی شیئرز بذریعہ ہذا - از - کو کمپنی کے دوسرے رکن کے طور پر مقرر کرتے ہیں اور ان کی غیر موجودگی میں  
 - از - کو اپنی غیر حاضری کی صورت میں موقع پر موجود ہونے اور ووٹ دینے اور میری/ہماری نمائندگی کرنے اور  
 میری/ہماری جانب سے کمپنی کے سالانہ اجلاس عام بذریعہ ورچوئیلی / Webex ویڈیو لنک بروز بدھ، مؤرخہ 21 اپریل 2021 یا التواء کی صورت میں کسی اور  
 وقت منعقد ہونے والے اجلاس عام میں شرکت کے لیے مقرر کرتا / کرتے ہیں۔

پانچ روپے مالیت  
 کی ریونیو  
 اسٹیمپ

(مہینے کا) دن - مہینہ - 2021 کو میری/ہماری تحریر اور دستخط/دستخطوں کے ساتھ۔

درج ذیل کی موجودگی میں دستخط کیے گئے۔

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

- 1۔ ممبر سے درخواست ہے کہ۔
  - ا۔ پانچ 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 گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کئیر پاکستان لمیٹڈ، 35 ڈاک یارڈ روڈ، ویسٹ وارف، کراچی 74000 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 مختصر دستخط 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 ازخود موجود ہو یا پراکسی کے ذریعے، اس مقصد کے لیے سینئر کا تعین ارکان کے رجسٹر میں ناموں کی ترتیب سے کیا جائے گا۔

### سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے:

درج بالا کے علاوہ، درج ذیل شرائط کا پورا ہونا ضروری ہیں:

- ا۔ پراکسی فارم پر لازمی طور پر دو افراد بطور گواہ درج ہونے چاہئیں، جن کے نام، پتے اور قومی شناختی کارڈ نمبرز بھی درج ہوں۔
- ب۔ بینفیشنل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ لازماً فراہم کی جائیں۔
- ج۔ اجلاس کے موقع پر پراکسی لازمی طور پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ فراہم کریں۔
- د۔ کارپوریٹ ادارے کی صورت میں شیئر رجسٹرار کو پراکسی فارم، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور نمونے کے دستخط لازمی جمع کروائیں۔ (سوائے اس کے کہ پہلے سے فراہم کیے جا چکے ہوں)

# E-Dividend Mandate Form

To: \_\_\_\_\_

Date: \_\_\_\_\_

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

Dear Sir,

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

Name of the Shareholder	
Folio No./CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number(s) (Telephone and Mobile Nos.)	
Shareholder's Postal Address	
Shareholder's Bank account details	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

\_\_\_\_\_  
Signature of Shareholder

(Please affix company stamp in case of corporate entity)

**Notes:**

1. Those shareholders who hold shares in book-entry form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where the shareholder's CDC account is being dealt.
2. Those shareholders who hold shares in physical form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to the Company's Share Registrar address; i.e.; CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Tel: 0800-23275 (CDCSRSL).
3. In case of non-receipt of IBAN with bank details as requested above, future cash dividend, if any, could be withheld according to the directives of the Securities and Exchange Commission of Pakistan.
4. GlaxoSmithKline Consumer Healthcare Pakistan Limited and CDCSRSL shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, or failure in performance of any of its obligations whatsoever, caused due to incorrect payment instructions provided by the shareholder and/or due to any event beyond the control of the bank.



# ای-ڈیوڈنڈ مینڈیٹ فارم

بنام: \_\_\_\_\_

بتاریخ: \_\_\_\_\_

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

جنابِ اعلیٰ

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

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

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

دستخط شیئر ہولڈر

برائے مہربانی کارپوریٹ ادارے کی صورت میں کمپنی کی اسٹیمپ لگائیں۔

نوٹس

برائے مہربانی نوٹ فرمائیے

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

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

CDC Registrar Services Limited  
CDC House,  
Main Shahra-e-Faisal, 99-B, Block 'B', S.M.C.H.S,  
Karachi - 74400

Sub: **Request for transmission of Annual Reports and Notice of AGM through Email or in Hard copy**

I/we hereby request to receive the Annual Report and Notice of AGM through email or in hard copy instead of receiving the same through CD/DVD/USB as mentioned below:

Name of the Shareholder(s)	
Folio No. / CDC Participants ID A/C No.	
CNIC No.	
Telephone Number	
Mobile Number	
Passport No. (in case of foreign shareholder)	
Valid Email Address	
Valid Postal Address	

MODE OF RECEIVING ALL FUTURE ANNUAL REPORTS ALONG WITH NOTICE OF AGM THROUGH EMAIL OR IN HARD COPY UNDER SECTION 223 (6) OF THE COMPANIES ACT, 2017, INSTEAD OF RECEIVING THEM THROUGH CD/DVD/USB

**(Please select any one option)**

**OPTION 1:** Through email on the valid email address provided above

**OPTION 2:** Hard copies on my registered postal address

It is stated that the above-mentioned information is correct and that I/We will intimate the changes in the abovementioned information to the Company and / or the concerned Share Registrar as soon as these occur.

I/we hereby further authorize the Company to update my/our particulars mentioned above in the member register of the Company along with email address mentioned.

I/we undertake that by sending the Audited Financial Statements and Notices through e-mail by the Company, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

\_\_\_\_\_  
Signature of the Shareholder(s)

**Notes:**

- Please attach attested photocopy of the valid CNIC / valid Passport
- This Request Form is optional and not compulsory

# درخواست فارم برائے ترسیل سالانہ رپورٹ/اجلاس عام کا نوٹس

شیئر رجسٹرار سروسز  
گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ  
سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ  
99B، بلاک B، ایس ایم سی ایچ ایس  
سی ڈی سی ہاؤس، مین شاہراہ فیصل  
کراچی 74400

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

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

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

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

براہ مہربانی کسی ایک کا انتخاب کریں:


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

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

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

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

دستخط شیئر ہولڈر

نوٹس

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

## کمپنیز ایکٹ 2017 کے سیکشن 134 (3) کے تحت بیانہ

یہ بیان 21 اپریل 2021 کو منعقد ہونے والے کمپنی کے چھٹے سالانہ اجلاس عام کے نوٹس کے ساتھ منسلک ہے جس میں اس نوٹس کے ایجنڈے نمبر 4 میں متعین خصوصی کاروبار سے متعلق تبادلہ کیا جائے گا۔ اس بیان کا مقصد ایسے خاص کاروبار سے متعلق مادی حقائق کا تعین کرنا ہے۔

آئٹم نمبر 4

جناب فرحان محمد ہارون جو کہ فریکشن (demerger) کے ٹرسٹی بھی ہیں، اُن کی ملکیت میں موجود 4,913 جزوی حصص کی فروخت سے حاصل ہونے والی آمدنی کو ایک یا ایک سے زائد خیراتی اداروں / فلاحی اداروں یا کسی بھی دوسرے ادارے کو دی جائیں گی جو کہ انسانی فلاح و بہبود کے کاموں میں سرگرم عمل ہیں، ایسے کسی بھی ادارے کے نام کی منظوری کمپنی کے چیف ایگزیکٹو آفیسر کی جانب سے اسی وقت دی جائے گی۔

گلوبل GSK اور NVS کے سال 2015 میں انضمام کے ساتھ پاکستان لمیٹڈ (GSK PAKISTAN) کے کنزیومر بزنس ہیلتھ کیئر بزنس کو GSK کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ (GSK CH Pakistan) کر دیا گیا ہے۔ اسکیم آف ارینجمنٹ (جس میں یہ بات واضح کی گئی تھی کہ اگر حصص کے الاٹمنٹ کے نتیجے میں GSK CH Pakistan میں حصص کا جزوی استحقاق پیدا ہو جائے تو، GSK، GSK CH Pakistan پاکستان کے ایسے شیئر ہولڈرز کو فریکشنل شیئرز کا اجراء نہیں کرے گا)، ڈیلوٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کے حساب سے تشخیص اور تبادلہ تناسب 3:10 حصص کے ساتھ، بورڈ آف ڈائریکٹرز نے 25 اگست 2015 کو منظور کیا تھا۔

اسی مناسبت سے، کمپنی کے اس وقت کے CFO جناب فرحان محمد ہارون نے 4,913 جزوی حصص کو بطور فریکشن (demerger) کے طور پر رکھا تھا جو کہ آج تک غیر متنازعہ ہیں۔

GSK پاکستان کے شیئر ہولڈرز نے اسکیم آف ارینجمنٹ کی منظوری 30 نومبر 2015 کو منعقدہ غیر معمولی اجلاس عام میں دی تھی۔

معزز ہائی کورٹ سندھ نے GSK پاکستان کے کنزیومر ہیلتھ کیئر بزنس کے demerger سے متعلق GSK پاکستان کے لیے اور اُس کی جانب سے دائر اسکیم آف ارینجمنٹ کی منظوری 29 فروری 2016 کو اپنے آرڈر کے تحت دی تھی۔ GSK پاکستان سے GSK CH پاکستان کا demerger یکم اپریل 2016 سے موثر تھا۔

اسی لیے کمپنی کو جناب فرحان ہارون، فریکشن (demerger) کے ٹرسٹی، کے پاس موجود 4,913 شیئرز کی فروخت سے حاصل آمدنی کو عطیہ کرنے کے لیے کمپنی کے شیئر ہولڈرز کی اجازت مطلوب ہے جو کہ ایک یا ایک سے زائد خیراتی اداروں / فلاحی اداروں یا کسی بھی دوسرے ادارے کو دی جائیں گی جو کہ انسانی فلاح و بہبود کے کاموں میں سرگرم عمل ہیں، ایسے کسی بھی ادارے کے نام کی منظوری کمپنی کے چیف ایگزیکٹو آفیسر کی جانب سے اسی وقت دی جائے گی۔

کمپنی کے ڈائریکٹرز کمپنی میں اپنی شیئر ہولڈنگ کے سوائے اس کاروبار میں کوئی دلچسپی نہیں رکھتے ہیں۔

## 11- پوسٹل بیلٹ / ای - ووٹنگ

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

## 12- فزیکل شیئرز کو CDC اکاؤنٹ میں جمع کروانا

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام موجودہ لسٹڈ کمپنیز کے لیے لازمی ہے کہ وہ اپنے فزیکل شیئرز کو بک اینٹری فارم سے تبدیل کریں جیسا کہ واضح کیا جا چکا ہے اور SECP میں اُس کی تاریخ کی وضاحت بھی کی گئی ہے جو کہ ایکٹ کے نفاذ کی تاریخ مورخہ 30 مئی 2017 سے لے کر چار سالہ مدت سے زیادہ نہیں ہونی چاہئے۔ ایسے شیئر ہولڈرز جو فزیکل شیئرز رکھتے ہیں اُن سے درخواست کی جاتی ہے کہ کسی بھی بروکر یا براہ راست CDC میں ذیلی اکاؤنٹ کھلوائیں اور اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھیں۔ یہ بہت طریقوں سے شیئر ہولڈر کے لیے فائدہ مند ہو سکتا ہے جس میں شیئرز کی محفوظ تحویل اور کسی بھی وقت فروخت شامل ہے کیونکہ اب پاکستان اسٹاک ایکسچینج کے موجودہ قوانین کے مطابق فزیکل شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔

## 13- ویڈیو کانفرنس کی سہولت کے لیے رضامندی

(a) کمپنیز ایکٹ 2017 کے سیکشن (2) 132 کے مطابق، ممبران ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں۔  
(b) اگر کمپنی اجلاس کے شہر کے علاوہ کسی دوسرے جغرافیائی مقام پر مقیم مجموعی 10 فیصد یا اس سے زائد شیئر ہولڈنگ کے حامل ممبر سے اجلاس سے سات (7) دن قبل ویڈیو کانفرنس کے ذریعے شرکت کی رضامندی حاصل کرتی ہے تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کی صورت میں ویڈیو کانفرنس کی سہولت فراہم کرے گی۔ اس سلسلے میں مندرجہ ذیل فارم پُر کریں اور کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام سے سات (7) روز قبل جمع کروائیں۔  
(c) کمپنی تمام تر ضروری معلومات کے ساتھ مہربانی درج ذیل فارم پر ممبرز کو سالانہ اجلاس عام سے کم از کم 5 روز قبل ویڈیو کانفرنس کی سہولت کے مقام سے آگاہ کرے گی تاکہ اس سہولت تک رسائی حاصل کر سکیں۔

میں / ہم / ..... کے ..... گلیکسو اسمتھ کلانن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کے ممبر اور رجسٹرڈ فولیو / سی ڈی سی اکاؤنٹ نمبر ..... کے مطابق ..... عمومی شیئرز کے حامل ہونے کے ناطے ..... پر ویڈیو کانفرنس کا انتخاب کرتے ہیں۔  
..... دستخط شیئر ہولڈر۔

## 14- سالانہ اجلاس عام کے لیے درکار قانونی ضابطہ اخلاق

کمپنیز ایکٹ 2017 کے سیکشن 215 اور کمپنیز (عام دفعات اور فارمز) ریگولیشنز 2018 کی ریگولیشن نمبر 28 کے مطابق حصص یافتگان کے ضابطہ اخلاق کو مندرجہ ذیل طور پر بیان کیا جاتا ہے؛ حصص یافتگان کو کسی فیصلے کے لیے براہ راست انتظامیہ سے اثر رسوخ قائم کرنے یا اُس سے رجوع کرنے کی اجازت نہیں ہے کیونکہ ایسا کرنے سے انتظامیہ کے لیے ہموار انداز میں امور کی انجام دہی کے لیے رکاوٹیں پیدا ہو سکتی ہیں۔ قانون میں کہا گیا ہے کہ حصص یافتگان ایسا کوئی بھی مواد نہیں لائیں گے جس سے شرکاء یا احاطے کو خطرہ لاحق ہو جہاں سالانہ اجلاس عام منعقد کیا جا رہا ہو۔ وہ اپنے آپ کو سالانہ اجلاس عام کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رکھیں گے اور کسی بھی سیاسی وابستگی کے انکشاف کے انداز میں کچھ انجام نہیں دیں گے۔ مزید برآں، کمپنیز ایکٹ 2017 کے سیکشن 185 کے تحت کمپنی کو اس بات کی اجازت حاصل نہیں ہے کہ وہ اپنے حصص یافتگان کو کسی بھی شکل میں تحائف اپنے اجلاسوں میں تقسیم کرے۔

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

**(a)** ایس ای سی پی (SECP) نے اپنے 2016 / (I) SRO 470 بتاریخ 31 مئی 2016 کے ذریعے کمپنیز کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ، منافع اور نقصان کا اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) اپنے اراکین کو سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ان کے رجسٹرڈ پتوں پر ارسال کریں۔ مذکورہ بالا کی روشنی میں، کمپنی نے 20 نومبر 2017 کو منعقدہ غیر معمولی اجلاس عام میں اس حوالے سے شیئر ہولڈرز سے منظوری حاصل کر لی ہے، کمپنی نے اپنی سالانہ رپورٹ 2018 اپنے شیئر ہولڈرز کو سی ڈی کی شکل میں ارسال کر دی ہے۔

**(b)** SRO 787(I)/2014 بتاریخ 8 ستمبر 2014 اور کمپنیز ایکٹ 2017 کے سیکشن 223 (6) کے تحت آڈٹ شدہ مالیاتی گوشوارے اور سالانہ اجلاس عام کے نوٹس کی الیکٹرونک فارمیٹ میں بذریعہ ای میل ارسال کرنے کی اجازت دی گئی ہے۔ اسی طرح 31 دسمبر 2020 کو ختم ہونے والے مالیاتی سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی ویب سائٹ [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com) پر دستیاب ہیں۔ کوئی بھی شیئر ہولڈر کمپنی کی ویب سائٹ پر مکمل سالانہ رپورٹ دیکھ سکتا ہے یا کوئی بھی ممبر جو سالانہ رپورٹ پرنٹ شدہ یا الیکٹرونک فارمیٹ پر بذریعہ ای میل حاصل کرنے کا خواہش مند ہو، اپنی درخواست کمپنی کی ویب سائٹ [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com) پر منسلک ”اسٹینڈرڈ درخواست فارم“ کو استعمال کرتے ہوئے ارسال کر سکتا ہے۔ ممبرز اس کی ہارڈ کاپی کے لیے درخواست دے سکتے ہیں جو بلا معاوضہ درخواست کی وصولی کے سات (7) یوم کے اندر فراہم کی جائے گی۔

## 10- ڈیویڈنڈ پر ودہولڈنگ ٹیکس کی کٹوتی

**(a)** ایسے تمام شیئر ہولڈرز جن کے نام موجودہ ٹیکس دہندگان (ATL) میں موجود نہیں ہیں، ان سے درخواست کی جاتی ہے کہ اپنا نام اُس لسٹ میں درج کروانے کے لیے مناسب اقدامات بروئے کار لائیں۔ بصورت دیگر ان لے ڈیویڈنڈ پر ٹیکس کی کٹوتیاں قانون کے مطابق ہوں گی۔

**(b)** مزید یہ کہ فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول ہونے والی وضاحت کے مطابق مشترکہ اکاؤنٹ کی صورت میں ودہولڈنگ ٹیکس کا حساب فائلر / نان فائلر کے لیے اصل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز کے لیے ان کی شیئر ہولڈنگ کے تناسب کی بنیاد پر علیحدہ علیحدہ کیا جائے گا۔

**(c)** اس حوالے سے تمام شیئر ہولڈرز جو جوائنٹ شیئر ہولڈرز کے ساتھ شیئرز کے حامل ہیں، ان سے درخواست کی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار کو اپنے شیئرز کے سلسلے میں اصل شیئر ہولڈرز اور مشترکہ شیئر ہولڈرز کی شیئر ہولڈنگ کا تناسب تحریری طور پر فراہم کریں:

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

## نوٹس:

- i.** درکار معلومات ہمارے کمپنی کے شیئر رجسٹرار کو 14 اپریل 2021 تک موصول ہوجانی چاہیے، بصورت دیگر یہ تصور کیا جائے گا کہ شیئرز اصل شیئر ہولڈر اور مشترکہ شیئر ہولڈر کے درمیان مساوی طور پر موجود ہیں، اور اسی لحاظ سے ٹیکس منہا کیا جائے گا۔
- ii.** لہذا شیئر ہولڈرز سے درخواست کی جاتی ہے کہ یقینی بنائیں کہ ان کا کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ نمبر، پارٹسپنٹ / انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار (فزیکل شیئر ہولڈنگ کی صورت میں) کے ذریعے ریکارڈ کیا گیا ہے۔
- iii.** ایسے کارپوریٹ شیئر ہولڈرز جو CDC میں اکاؤنٹ رکھتے ہیں ان سے درخواست کی جاتی ہے کہ اپنے متعلقہ پارٹسپنٹس کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) آپ ڈیٹ کریں۔ کارپوریٹ فزیکل شیئر ہولڈرز کو چاہئے کہ اپنے NTN سرٹیفکیٹ کی نقل کمپنی کے شیئر رجسٹرار کو ارسال کریں۔ تمام شیئر ہولڈرز NTN یا NTN سرٹیفکیٹس ارسال کرتے ہوئے یقینی بنائیں کہ انہوں نے اپنی کمپنی کا نام اور فولیو نمبر واضح کر دیے ہیں۔
- iv.** ڈیویڈنڈ کی آمدنی پر ودہولڈنگ ٹیکس سے استثنیٰ صرف اسی صورت میں دیا جائے گا جب موثر ٹیکس ایگریمنٹ سرٹیفکیٹ کمپنی کے شیئر رجسٹرار کو 13 مئی 2021 تک مہیا کر دیا جائے۔

## A- سالانہ اجلاس عام میں شرکت کے لیے

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

## B- نمائندے کی نامزدگی کے لیے

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈ کی گئی ہیں، درج بالا تقاضوں کے تحت پراکسی فارم جمع کروائیں گے۔
- ii. پراکسی فارم پر دو افراد کی گواہی موجود ہونی چاہیے، جن کے نام، پتے شناختی کارڈ، ہبز فارم میں موجود ہوں۔
- iii. بینیفشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ منسلک ہونی چاہیے۔
- iv. پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- v. کارپوریٹ ادارے کی صورت میں کمپنی کو، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کے دستخط کے نمونے کے ساتھ (اگر پہلے جمع نہ کروایا گیا ہو)، پراکسی فارم کے ساتھ جمع کروانا ہوگا۔
- vi. پراکسی فارم کمپنی کی ویب سائٹ پر دستیاب ہے [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)

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

7- الیکٹرونک ڈیویڈنڈ کے لیے CNIC/NTN کی نقل جمع کروانا لازمی ہے:

- a) سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان 2012 / SRO 831 (I) بتاریخ 05 جولائی 2012 جسے 2014 (I) SRO 19 بتاریخ 10 جنوری 2014 اور دیگر متعلقہ قواعد کے ساتھ پڑھا جائے گا، اس کے مطابق الیکٹرونک ڈیویڈنڈ پر رجسٹرڈ شیئر ہولڈر یا مجاز شخص کا CNIC نمبر موجود ہونا چاہئے ماسوائے نابالغان اور کارپوریٹ شیئر ہولڈرز کے۔
- b) مزید یہ کہ کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز 2017 کے ریگولیشنز نمبر 4 اور 6 کے تحت، کمپنی شیئر ہولڈر یا مجاز شخص کے شناختی نمبر (CNIC) یا نیشنل ٹیکس نمبر کی عدم دستیابی پر ڈیویڈنڈ کو روکنے پر پابند ہو گی۔
- c) اسی طرح ایسے اراکین جنہوں نے اب تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کمپنی شیئر رجسٹرار کے پاس جمع نہیں کروائی ہے ان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل جلد از جلد براہ راست کمپنی شیئر رجسٹرار کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر بھجوا دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ نیشنل ٹیکس نمبر (NTN) اور فولیو نمبر اور مجاز نمائندے کی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی فراہم کریں۔

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

- a) SECP کے سرکلر نمبر 18 برائے سال 2017 بتاریخ 1 اگست 2017 کے تحت اور کمپنیز ایکٹ 2017 کے سیکشن 242 اور کمپنیز ریگولیشنز 2017 (ڈیویڈنڈ کی تقسیم) میں موجود ڈیویڈنڈ کی تقسیم سے متعلق معاملات کے مطابق لسٹڈ کمپنی کے لیے ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو صرف الیکٹرونک طریقے سے کیش ڈیویڈنڈ کی ادائیگی براہ راست شیئر ہولڈر کی طرف سے تجویز کردہ بینک اکاؤنٹ میں کرے۔ اسی لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی بینک سے متعلق تفصیلات کمپنی کے شیئر رجسٹرار کو مہیا کریں۔ جس میں (i) اکاؤنٹ ٹائٹل (ii) اکاؤنٹ نمبر (iii) IBAN نمبر (iv) بینک کا نام اور (v) برانچ کا نام، کوڈ اور ایڈریس اور (vi) موبائل نمبر شامل ہوں۔ ایسے شیئر ہولڈرز جو اپنے شیئرز پارٹسپینٹس / سینٹرل ڈپازٹری کمپنی آف پاکستان (CDC) میں رکھتے ہیں، ان سے درخواست ہے کہ وہ مذکورہ بالا معلومات اپنے متعلقہ پارٹسپینٹ / CDC کو مہیا کریں۔
- b) براہ مہربانی نوٹ فرمائیں کہ کمپنیز ایکٹ 2017 کے سیکشن 243(3) کے مطابق کمپنی کو اختیار حاصل ہے کہ وہ مذکورہ بالا معلومات کی عدم فراہمی کی صورت میں شیئر ہولڈرز کی ڈیویڈنڈ ادائیگیوں کو روک دے۔
- c) شیئر ہولڈرز کی آسانی کے لیے کمپنی کا ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com) پر دستیاب ہے۔

## نوٹس:

**1- SECP** کے سرکلر نمبر 6 برائے سال 2021 بتاریخ 3 مارچ 2021 کے مطابق سالانہ اجلاس عام کی کارروائی آن لائن انجام دی جائے گی۔ COVID-19 کے بڑھتے ہوئے کیسز اور سفر سے متعلق پابندیوں کے تحت غیر ملکی ڈائریکٹرز اور شیئر ہولڈرز، ڈائریکٹرز اور انتظامیہ کی حفاظت کے پیش نظر چھٹا سالانہ اجلاس عام ورچوئل منعقد کیا جا رہا ہے۔ WEBEX کے ذریعے سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز سے درخواست ہے کہ وہ اپنی سہولت کے مطابق مندرجہ ذیل لنک / QR کوڈ یا ای میل ایڈریس پر اپنے نام اور فولیو نمبر کے ساتھ متعلقہ سوالات / تبصرے / تجاویز پوسٹ / ارسال کریں۔ سالانہ رپورٹ بذریعہ ای میل ان شیئر ہولڈرز کو بھیجی جائے گی جن کے ای میل ایڈریس CDC اور شیئر رجسٹرار کے ریکارڈز / ڈیٹا بیس میں موجود ہوں گے۔ سالانہ رپورٹ کمپنی کی ویب سائٹ پر بھی اپ لوڈ کی گئی ہے اور شیئر ہولڈرز کے لیے با آسانی قابل رسائی ہے۔ [www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com) سالانہ اجلاس عام کے لیے اپنے سوالات ارسال کرنے کے لیے براہ مہربانی QR کوڈ اسکین کریں یا نیچے دیئے گئے لنک پر کلک کریں، ورچوئل اجلاس کے دوران سب کے مائیکروفونز خود کار طریقے سے بند کر دیئے جائیں گے؛

Join at: **vevox.app**  
ID: **177-154-790**



<https://vevox.app/m#/177154790>  
Session ID: 177-154-790

ای میل ایڈریس: [chc.shareinfo@gsk.com](mailto:chc.shareinfo@gsk.com)

ایسے اراکین جو بنفیس نفیس سالانہ اجلاس عام میں شرکت کے خواہاں نہیں ہیں وہ مندرجہ لنک پر کلک کر کے اس میں آن لائن شرکت کر سکتے ہیں؛

## اجلاس کے لیے WebEx لنک

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=e893a69a334f0821cb4aecb4512a38e90>

براہ مہربانی نوٹ فرمائیں کہ وہ حصص داران جو عملی طور پر شرکت کریں گے وہ ڈائریکٹرز کو دیکھنے اور سالانہ اجلاس عام کی براہ راست کارروائی کو سن سکیں گے لیکن وہ خاموش رہیں گے تا کہ کسی بھی قسم کی رابطے کی رکاوٹوں سے محفوظ رہ سکیں۔ WebEx کے ذریعے سالانہ اجلاس عام میں شرکت کرنے والے حصص یافتگان اپنے متعلقہ سوالات / تبصرے / تجاویز اپنے نام اور فولیو نمبر کے ساتھ لنک/کیو آر کوڈ/ای میل ایڈریس پر بھیج سکتے ہیں جو کہ اس نوٹس میں اوپر دیا گیا ہے۔

کمپنی COVID-19 کے اثرات کی نگرانی کر رہی ہے اور سالانہ اجلاس عام سے متعلق کسی بھی متعلقہ آپ ڈیٹ کا اعلان کمپنی کی ویب سائٹ ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)) اور PUCARS کے ذریعے کیا جائے گا۔

**2- کمپنی کی شیئر ٹرانسفر بکس 17 اپریل 2021 تا 21 اپریل 2021 (بشمول دونوں ایام) حتمی ڈیویڈنڈ کی ادائیگی کے حقدار کا تعین کرنے کے لیے بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کے آفس بمقام CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر 14 اپریل 2021 (بروز بدھ) کو کاروباری دن کے اختتام تک موصول ہونے والی درخواستوں کو منافع منقسمہ کی ادائیگی کے لیے بروقت تسلیم کیا جائے گا۔**

**3- اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی ممبر اپنی جگہ کسی دوسرے کو اجلاس میں اپنی جگہ پر شرکت، اظہار رائے اور ووٹ دینے کے لیے پراکسی نامزد کر سکتا ہے۔ پراکسی کی نامزدگی کی دستاویز کمپنی کے شیئر رجسٹرار کے آفس بمقام سینٹرل ڈپازٹری کمپنی شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کروائی جا سکتی ہے۔ شیئر ہولڈر کے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل کو پراکسی فارم کے ساتھ منسلک کرنا لازمی ہے۔ براہ مہربانی مزید معلومات کمپنی ایکٹ 2017 کا سیکشن 137 ملاحظہ کریں۔ پراکسی فارم کمپنی کی ویب سائٹ پر دستیاب ہے ([www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com))۔**

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

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



# گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ نوٹس برائے سالانہ اجلاسِ عام 2020

بذریعہ ہذا ممبران کو اطلاع دی جاتی ہے کہ درج ذیل امور کی انجام دہی کے لیے گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کا چھٹا سالانہ اجلاس عام مؤرخہ 21 اپریل 2021 بروز بدھ، دوپہر 01:30 بجے بذریعہ / براستہ WEBEX ویڈیو لنک منعقد کیا جائے گا:

## عمومی امور

- 1۔** کمپنی کے آڈٹ شدہ مالی حسابات مع ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2020 کی وصولی، غور و خوض اور منظوری دینا۔
- 2۔** کمپنی کے عمومی شیئرز پر ڈیویڈنڈ کی ادائیگی کے لیے غور و خوض، اس کی منظوری اور اعلان۔ ڈائریکٹرز نے 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے 50 فیصد حتمی کیش ڈیویڈنڈ تجویز کیا ہے (10 روپے کے ہر عمومی شیئر پر 5 روپے)۔
- 3۔** آئندہ سال کے لیے کمپنی کے بیرونی آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کے مشورے پر میسرزیوسف عادل چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2021 کو ختم ہونے والے مالی سال کے لیے بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کے لیے تجویز کیا ہے۔

## خصوصی کاروبار

- 4۔** ایک یا ایک سے زیادہ خیراتی ٹرسٹ / فلاحی ایسو سی ایشن یا کسی بھی دوسرے ادارے / تنظیم کو جو انسانی فلاح و بہبود میں مصروف ہیں، اُن کے لیے عطیہ کی منظوری کے لیے مندرجہ ذیل عام قرار داد کو منظور کرنا:  
قرار پایا ہے کہ جناب فرحان محمد ہارون جو کہ فریکشن (demerger) کے ٹرسٹی بھی ہیں، اُن کی ملکیت میں موجود 4,913 جزوی حصص کی فروخت سے حاصل ہونے والی آمدنی کو ایک یا ایک سے زائد خیراتی اداروں / فلاحی اداروں یا کسی بھی دوسرے ادارے کو دی جائیں گی جو کہ انسانی فلاح و بہبود کے کاموں میں سرگرم عمل ہیں، ایسے کسی بھی ادارے کے نام کی منظوری کمپنی کے چیف ایگزیکٹو آفیسر کی جانب سے اسی وقت دی جائے گی۔

## دیگر کاروباری امور

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

بحکم بورڈ



مشعل محمد  
کمپنی سیکریٹری

کراچی  
31 مارچ 2021

## اظہارِ تشکر

بورڈ آف ڈائریکٹرز اس موقع پر GSK کے تمام ملازمین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے اپنی انتھک اور مسلسل محنت کے ذریعے اس بات کو یقینی بنایا کہ وائٹل اور روزمرہ استعمال کی پروڈکٹس ہمیشہ لوگوں کو ضرورت پڑنے کی صورت میں دستیاب رہیں۔ اس کے علاوہ، ہم کمپنی کے بہترین نتائج کے حصول میں اپنے سپلائرز اور پارٹنرز کا مسلسل سپورٹ مہیا کرنے پر پر تہہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے،  
نیک تمناؤں کے ساتھ



دلاور میگھانی  
ڈائریکٹر



سہیل احمد متین  
چیف ایگزیکٹو آفیسر  
5 مارچ 2021

مشاہرے کی کمیٹی کی جانب سے منظور شدہ مشاہرے کے لیے اہلیت رکھتے ہیں جو کہ کنزیومر ہیلتھ کیئر انڈسٹری اور دیگر ملتے جلتے کاروباری اداروں کی جانب سے دئیے جانے والے مشاہرے کے مساوی ہے۔

### پالیسی کی نمایاں خصوصیات یہ ہیں:

- کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز (خود مختار ڈائریکٹرز سمیت) کو کوئی معاوضہ ادا نہیں کرے گی سوائے بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کے لئے فیس کی ادائیگی۔
- بورڈ آف ڈائریکٹرز یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کرنے کے لئے کسی ڈائریکٹر کا معاوضہ وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے ذریعہ طے اور منظوری سے لیا جائے گا۔

- کسی ڈائریکٹر کو بورڈ، اس کی کمیٹیوں اور / یا کمپنی کے عمومی اجلاسوں میں شرکت کے لیے اس کے ذریعے آنے والے تمام سفر، بورڈنگ، قیام اور دیگر اخراجات کی ادائیگی یا معاوضہ دیا جائے گا۔

مالی سال 2020 کے لیے چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کے معاوضے پر تفصیلی نوٹ کے لئے صفحہ نمبر۔۔ ملاحظہ کریں۔

### بورڈ کی جانچ

بورڈ نے اپنے انفرادی ممبروں، بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا ہے۔ براہ کرم تشخیص کی نمایاں خصوصیات کے لئے صفحہ نمبر۔۔ ملاحظہ کریں۔

### بورڈ کی کمیٹیاں اور کمپوزیشن

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

الف) مرد: 5

ب) عورت: 2

بورڈ کی تشکیل مندرجہ ذیل ہے۔

الف) خود مختار ڈائریکٹر: 3

ب) ایگزیکٹو ڈائریکٹرز: 2

ج) نان ایگزیکٹو ڈائریکٹرز: 2

بورڈ کی ذیلی کمیٹیوں کی تفصیلات صفحہ نمبر۔۔ پر فراہم کی گئی ہیں۔

### ضمنی واقعات

جناب سہیل احمد متین 31 مارچ 2021 کو کمپنی کے چیف ایگزیکٹو آفیسر کی حیثیت سے ریٹائر ہو گئے۔ بورڈ آف ڈائریکٹرز نے ان کی خدمات کا اعتراف کرتے ہوئے ان کے لیے اپنی نیک تمناؤں کا اظہار کرتی ہے۔ بورڈ آف ڈائریکٹرز نے جناب فرہان محمد ہارون کو یکم اپریل 2021ء سے کمپنی کا نیا چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹر مقرر کرنے کا فیصلہ بھی کیا ہے۔

ہونے کے ناطے، ہم نے Hybrid detailing model یعنی کہ ڈیجیٹل پلیٹ فارم کا استعمال کرتے ہوئے ہمہ وقت مارکیٹوں میں مصنوعات کی مسلسل فراہمی کو یقینی بنانے کے لئے تیار رہے۔ موجودہ مشکلات کا مقابلہ کرنے کے لیے آپ کی کمپنی سپلائی چین کی اصلاح کے اقدامات کے ساتھ ساتھ اعلیٰ معیار کی جدتوں کی سہولیات کو مضبوط بنانے میں بھی سرگرم عمل ہے۔

اس سال کے دوران پاکستانی روپیہ اب تک کی سب سے کم ترین سطح پر آگیا، جس کے نتیجے میں خام مال کی قیمت میں اضافہ ہوا۔ یہ معاشی اشارے ہماری پیداواری لاگت کو برقرار رکھنے میں چیلنجز کا سامنا کرتے رہتے ہیں۔ ایک ہی وقت میں، کمپنی ایک قابل عمل کاروباری ماڈل کو برقرار رکھنے کے لئے قیمتوں کا فیصلہ لینے کے ساتھ صارف کی قوت خرید سے بھی باخبر رہتی ہے۔

اس تیزی سے بدلتے ہوئے ماحول میں ترقی کی صلاحیت کے ساتھ، یہ ضروری ہے کہ کمپنی قائم کردہ برانڈز کے ساتھ ساتھ عالمی سطح کی جدتوں میں بھی سرمایہ کاری جاری رکھے۔ تجارتی ترقی و کامیابی کے حصول کے لیے سیلز اسٹریکچر پر توجہ مرکوز رکھنے کی بہتر حکمت عملی کے ساتھ، ہم کلیدی تجارتی چینلز میں نمایاں ترقی اور مشکلات سے بھرپور کاروباری ماحول سے نمٹنے کے لئے بے مثال صلاحیت رکھتے ہیں۔ ہمارا کاروبار سائنس پر بنایا گیا ہے اور یہ تحقیقی ورثہ ہمارے صارفین کی صحت کی دیکھ بھال سے متعلق مصنوعات کی ترقی میں معاون ہے، جس سے ہمیں اپنی مسابقتی کمپنیوں پر ایک منفرد فوقیت حاصل ہوتی ہے۔

کمپنی انوویشن، کارکردگی اور اعتماد پر اپنی توجہ برقرار رکھنے میں یقین رکھتی ہے۔ طویل مدتی منافع کو برقرار رکھنے اور ہمارے صارفین اور صحت کی دیکھ بھال کرنے والے پیشہ ور افراد کی متحرک ضروریات کو پورا کرنے کے لئے مستحکم پیداواری صلاحیت، کم لاگت اور بہتر ٹیکنالوجی پر ہمیشہ زور دیا جاتا ہے۔

اگرچہ COVID-19 کے معاملات میں کمی واقع ہوئی ہے اور ملک میں لاک ڈاؤن کی صورتحال کم ہوگئی ہے، لیکن COVID-19 کی دوسری لہر اب بھی مسلسل جاری ہے اور اسے نظرانداز نہیں کیا جاسکتا ہے۔ اسپتالوں اور کلینکوں میں OPD دوبارہ شروع ہوچکی ہے اور ہم توقع رکھتے ہیں کہ ہم پہلے سے بھی زیادہ ہیلتھ کیئر پروفیشنلز (HCPS) کے ساتھ آمنے سامنے بیٹھ کر اپنے صحت کے مسائل پر بات چیت کریں گے ہمیں امید ہے کہ حکومت ان مشکل اوقات کے دوران صنعتوں کی مدد اور معیشت کی ترقی کے احیاء میں مدد کے لئے پالیسی سے متعلق مزید امدادی اقدامات اٹھائے گی۔

ہم پہلے سے کہیں بہتر اپنے صارفین، مریضوں اور صارفین کی خدمت کا ارادہ رکھتے ہیں اور مارکیٹ کی طلب، رسد کا تسلسل اور ملازمین کی فلاح و بہبود سمیت اس صورتحال کو قریب سے مانیتھ کرنا جاری رکھیں گے۔

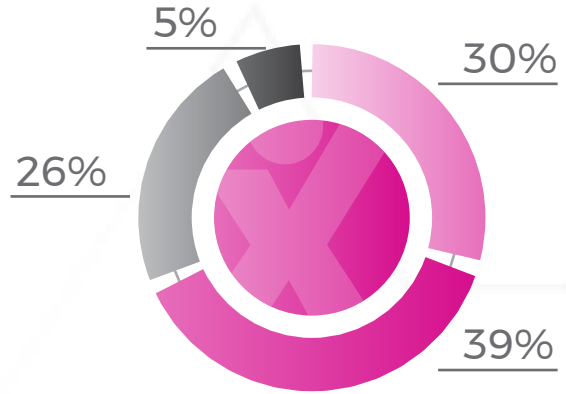
### یادداشت کی پالیسی

کمپنی کے نان ایگزیکٹو خود مختار بورڈ آف ڈائریکٹرز، انسانی وسائل اور

## قومی خزانے اور معیشت میں شراکت داری

سال 2020 کے دوران کمپنی نے کسٹم ڈیوٹی، انکم ٹیکس، سیلز ٹیکس اور ملازمین کے ٹیکس کے ذریعے قومی خزانے میں مجموعی طور پر 1,651 ملین روپے کی شراکت کی۔

سیلز ٹیکس کے ذریعے ہماری شراکت کی مالیت 499 ملین روپے، انکم ٹیکس کے ذریعے 637 ملین روپے، کسٹم ڈیوٹی کے ذریعے 429 ملین روپے اور ملازمین سے متعلقہ ٹیکسوں کے ذریعے 86 ملین روپے رہی۔



سیلز ٹیکس ■  
انکم ٹیکس ■  
کسٹم ڈیوٹی ■  
ایمپلائے سے متعلق ٹیکسز ■

## داخلی مالی معاہدوں کی مہارت

بورڈ آف ڈائریکٹرز نے تمام افعال میں موثر داخلی مالیاتی کنٹرول قائم کیے ہیں۔ آپ کی کمپنی کا خود مختار داخلی آڈٹ فنکشن باقاعدگی سے اس پر عمل درآمد کی نگرانی کرتا ہے جبکہ آڈٹ کمیٹی داخلی کنٹرول کی موثریت کا جائزہ لیتی ہے۔

## فریم ورک

لسٹڈ کمپنیز کے ساتھ کمپلائنس (کوڈ آف کاوپوریٹ گورننس) ریگولیشنز 2019

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) 2019 ریگولیشنز کے مطابق، ڈائریکٹرز مندرجہ ذیل بیان سے رضامندی کا اظہار کرتے ہیں؛

• کمپنی کے انتظام کے ذریعے تیار کردہ مالی بیانات میں مناسب حد تک اس کے امور کی حالت، اس کی کارروائیوں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلی شامل ہیں۔

• کمپنی کے اکاؤنٹ کی مناسب کتب برقرار رکھی گئی ہیں۔

• مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط نظریے پر مبنی ہوتا ہے۔

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے اور اس میں سے کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

• کمپنی محفوظ اندرونی کنٹرول سسٹم کو برقرار رکھتی ہے جو کسی بھی مادی غلط تشخیص یا نقصان کے خلاف معقول یقین دہانی دیتی ہے۔ داخلی کنٹرول سسٹم کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ کی آڈٹ کمیٹی کے ذریعے اس کو باضابطہ بنایا گیا ہے اور جب ضرورت ہو گی تو اسے اپ ڈیٹ کیا جاتا ہے۔

• کمپنی کی جانب سے امور جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔

• جیسا کہ لسٹنگ ریگولیشنز میں بیان کیا گیا ہے رپورٹ گورننس کے بہترین طریقہ کار سے کسی قسم کی مادی تبدیلی نہیں ہوئی ہے۔

• بقایا ٹیکس، قانونی چارجز اور فرائض، اگر کوئی ہیں تو، مالی بیانات میں قانونی طور پر انکشاف کیا گیا ہے۔

• بقایا قرض، اگر کوئی ہے تو، مالی بیانات میں اس کا باقاعدہ انکشاف کیا گیا ہے۔

• کمپنی کے آپریٹنگ نتائج میں پچھلے سال سے اہم انحرافات کو اجاگر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

• کلیدی آپریٹنگ اور مالی اعداد و شمار صفحات \_\_\_ سے \_\_\_ پر ترتیب دیئے گئے ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ساتھ اسٹیٹمنٹ آف کمپلائنس اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل اسٹیٹمنٹ آف کمپلائنس پر آڈیٹرز کی جائزہ رپورٹ جاننے کے لیے صفحہ نمبر \_\_\_ تا \_\_\_ ملاحظہ کریں۔

## کیٹل اخراجات

کمپنی نے رواں سال کے دوران پلانٹ کی مستعدی بڑھانے، پیداواری صلاحیت میں اضافے، موجودہ ضروریات کے مطابق بیلٹھ اینڈ سیفٹی کٹس وغیرہ کی خریداری کے لیے 764 ملین روپے کی سرمایہ کاری کی ہے۔

## مستقبل کے خدوخال اور درپیش مشکلات

اس سال کے دوران، COVID-19 کی وجہ سے ملک کو بے انتہا مشکلات کا سامنا کرنا پڑا جس نے معاشی سرگرمیوں کو بری طرح متاثر کیا۔ اگرچہ حکومت کی طرف سے متعدد بار لاک ڈاؤن کیا گیا تھا لیکن پھر بھی صحت کی دیکھ بھال کرنے والے کاروبار ملک کی آبادی کی صحت اور بہبود کے مفاد میں اپنی اشیاء کی تیاری اور تجارتی کاروائیاں جاری رکھ سکتے ہیں۔

سال 2020 کے دوران زیادہ تر کلینکس اور اسپتالوں کی "OPDs" بند کر دینے گئے تھے، جس کے نتیجے میں بیلٹھ کیئر پروفیشنلز (HCPs) کے ساتھ بنفیس نفیس ملاقات اور معائنے کے امکانات و مواقع کم سے کم رہے۔ اس سال کے دوران آمدورفت کے ذرائع میں کمی بھی تمام مشکلات کے ساتھ شامل ایک اہم مشکل تھی۔ تاہم، صارف اور کسٹمر مرکوز کمپنی

تفویض کیے گئے ہیں۔- تعمیل فنکشن مضبوط داخلی کنٹرول سسٹم کے قیام کے لئے ایک خطرہ پر مبنی نقطہ نظر پیدا کرنے میں سہولت فراہم کرتا ہے۔ اس کے نتیجے میں رسک مینجمنٹ فیصلہ سازی اور کاروباری کاموں کا لازمی جزو بن جاتا ہے۔ ضرورت پڑنے پر RMCB کا اجلاس کم سے کم ایک بار سہ ماہی میں یا زیادہ بار منعقد ہوتا ہے۔

**انسداد رشوت خوری اور انسداد بدعنوانی:** کمپنی کا اے بی اے سی پروگرام اس بات کو یقینی بنانے کے لئے تیار کیا گیا ہے کہ نہ تو کمپنی اور نہ ہی اس کے تیسرے فریق حکومت یا ضابطہ کار اداروں، یا نجی شعبے کے اداروں سے رشوت لیتے ہیں (یا رشوت لیتے ہیں)۔ یہ ہر طرح کی بدعنوانی کی طرف اپنی صفر رواداری کو تقویت دیتا ہے اور کاروباری سودوں کے درست ریکارڈ کو برقرار رکھنے کے عزم کو بھی یقینی بناتا ہے۔ اس بات کو بھی یقینی بنانا ہے کہ مصروفیات میں کوئی ناجائز اثر و رسوخ استعمال نہ کیا جائے، اس سے کوئی ذاتی فائدہ حاصل نہ ہو، اور نہ ہی کوئی بدعنوانی واقع ہو۔ بدعنوانی میں دھوکہ دہی، منی لانڈرنگ اور ٹیکس چوری شامل ہوسکتی ہے۔ صاف اور واضح انداز میں، یہ اخلاقی کاروبار کو یقینی بنانے میں مدد کرتا ہے، جو کمپنی کی اقدار کے مطابق ہے۔

**رازداری:** اس کا تعلق اس بات سے ہے کہ ہم افراد پر رکھی جانے والی ذاتی معلومات کو کس طرح منظم کرتے ہیں۔ جیسے مریض، صحت کی دیکھ بھال کے پیشہ ور افراد، صارفین، ملازمین اور تکمیلی کارکن۔ ذاتی معلومات وہ معلومات ہے جو کسی کی شناخت کرسکتی ہے، یا کسی کی شناخت کے لئے معقول حد تک استعمال کی جاسکتی ہے۔ جب ڈیٹا پرائیویسی کی بات آتی ہے تو کمپنی کے پاس سخت پالیسیاں ہیں اور ڈیٹا کی خلاف ورزی ناقابل تلافی ہے۔

**تھرڈ پارٹی اوروائٹ (ٹی پی او) پروگرام:** اپنے مقصد کو حاصل کرنے کے لیے ہم اکثر تیسرے فریق کے ساتھ شراکت میں کام کرتے ہیں، جو اپنے مشن کی فراہمی میں ہماری مدد کے لئے مہارت، مہارت یا پیمانے لاتے ہیں۔ ہم صرف ان سپلائرز، تقسیم کاروں، ایکویٹی اسٹیک ہولڈنگز اور دیگر کاروباری شراکت داروں / تیسری پارٹیوں کے ساتھ کاروبار کرنے کی کوشش کرتے ہیں جو اعلیٰ اخلاقی معیار کے ساتھ اپنی وابستگی کا اشتراک کرتے ہیں اور ذمہ دارانہ انداز میں کام کرتے ہیں۔ کمپنی نے اپنے رسک کے انتظام کو مستحکم کرنے کے لئے ایک جامع تھرڈ پارٹی نگرانی پروگرام نافذ کیا ہے۔ اس کا مقصد یہ یقینی بنانا ہے کہ تمام تیسری فریقوں کو انٹرپرائز وسیع خطرات کے خلاف رسک کا اندازہ لگایا جائے، اور اسی کے مطابق، مکمل طور پر تعمیل معاہدہ کیا گیا ہے۔

**قدریں اور توقعات:** ہم واضح اور مربوط تعمیل حل پیش کرتے ہیں جو اعتماد پیدا کرنے کے لئے کمپنی کی اقدار (صارفین کی توجہ، احترام، دیانت، شفافیت) اور توقعات (جرات، احتساب، ترقی، ٹیم ورک) کو سراہت کرتے ہیں۔ ہم نے اس سال جی ایس کے ویلیوزاشورنس کاجائزہ بھی لیا اور نمایاں پیشرفت کی: ہمارے ملازمین کا انگیجمنٹ اسکور عالمی سطح پر GSK میں سب سے اونچے درجے پر موجود ہے۔

**تحریری معیارات:** کمپنی کے پاس متعدد پالیسیاں اور دوسرے تحریری معیارات ہیں جو ہمیں بھاری بھرکم ریگولیٹری صنعت میں کام کرنے سے منسلک خطرات کے انتظام میں مدد کرتے ہیں۔

**Speaking-up پروگرام:** کمپنی اس بات کو یقینی بناتی ہے کہ وہ پوری ایمانداری، انصاف، کھلے پن اور دیانتداری کے ساتھ کاروبار کرتی ہے۔ کمپنی اپنے ملازمین اور کاروباری شراکت داروں کو بدعنوانی یا غیر قانونی سلوک کے بارے میں حقیقی خدشات کی اطلاع دینے کی ترغیب دیتی ہے اور اس شخص کے خلاف کسی بھی طرح کی انتقامی کارروائی کے خلاف سخت پالیسیاں مرتب کرتی ہے۔

**قانونی انتظامات کی گورننس (GOLA):** کمپنی کا GOLA SOP اس بات کو یقینی بناتا ہے کہ اس کے خطرات اور ذمہ داریوں کو مناسب طریقے سے کم کیا جائے اور یہ یقینی بنائے کہ کمپنی کی توقعات اور ضروریات کو تیسرے فریق (جس میں جی ایس کے پالیسیوں کے ساتھ ان کی کارکردگی اور تعمیل بھی شامل ہے) جی ایس کے اور ہر تیسرے فریق کے حقوق اور ذمہ داریوں کو دستاویز کرتے ہوئے واضح طور پر قانونی طور پر قابل نفاذ معاہدے میں بیان کیا گیا ہے۔

**متعلقہ پارٹی کے لین دین**  
کمپنی پارٹی سے متعلق تمام لین دین کے لئے کوڈ آف کارپوریٹ گورننس کی تعمیل کو یقینی بناتی ہے۔

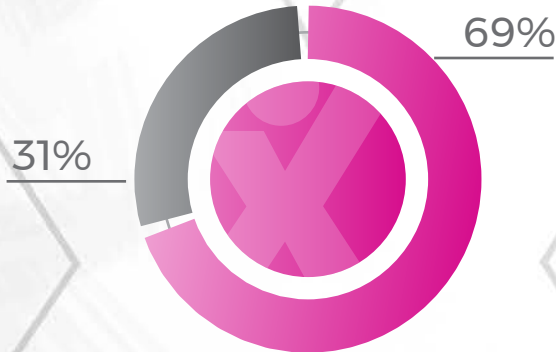
لین دین کی تفصیلات منسلک مالی بیانات میں نوٹ نمبر 36 میں فراہم کی گئی ہیں۔

#### آڈیٹرز

موجودہ آڈیٹرز، یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے آڈیٹر کی حیثیت سے کام جاری رکھنے کے لئے اپنی رضامندی کا اظہار کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز کو قبول کرتے ہوئے 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے موجودہ آڈیٹرز کی دوبارہ تقرری کی تجویز دی ہے اور اس سلسلے میں دونوں فریقین کی جانب سے مشاہرے کی ادائیگی کا تعین بھی کیا جا چکا ہے۔

#### پروڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لئے ریٹائرمنٹ فوائد کے منصوبوں کو برقرار رکھتی ہے۔ پروویڈنٹ اور گریجویٹی فنڈز کی سرمایہ کاری کی قیمت 31 دسمبر 2020 کو درج ذیل تھی۔  
پروویڈنٹ فنڈ 250 ملین  
گریجویٹی فنڈ 114 ملین



پروویڈنٹ فنڈ ■ گریجویٹی فنڈ ■

رکھے گی۔ اس مقصد کو کامیابی کے ساتھ حاصل کرنے کے لیے مندرجہ ذیل مربوط پروگرامز اور اقدامات کا نفاذ کیا گیا ہے یا پھر فی الحال ان کی جانب پیشرفت جاری و ساری ہے۔ اس کا مقصد EHS (ماحولیات، صحت اور حفاظت) کے نظام کو مستحکم کرنا ہے تا کہ ہمارے کام کرنے والے ماحول کے معیار کو بہتر بنایا جا سکے:

- اس بات کو یقینی بنانا کہ ہمارے ملازمین آپریشنل خطرات سے آگاہ ہوں اور ضرورت پڑنے پر ان خطرات کا موثر انداز میں انتظام سنبھالنے میں پوری طرح اہل ہوں۔

- ملازمین کی قابلیت میں اضافہ جو انہیں پیشہ ورانہ حفاظت کو ہر حال میں اولین ترجیح کے طور پر سمجھنے کی تربیت دیتا ہے۔
- حفظ کے معیارات کو نفاذ کرنا جو ہمارے پانی اور توانائی کی کھپت کو کم سے کم کرنے میں مدد کرتا ہے، اس طرح ایک سر سبز ماحول کو فروغ ملتا ہے جس کا مقصد کمپنی کو اپنی سپلائی چین کے ساتھ پیداواری پلائٹس میں اپنی EHS پالیسیوں مزید بڑھانا ہے۔

کمپنی کارکردگی کی نگرانی اور نئے چیلنجز اور اہم اہداف کا تعین کر کے ماحولیاتی صحت اور حفاظت میں اعلیٰ معیار کے لیے کوشاں ہے۔

#### اخلاقیات، تعمیل اور رسک مینجمنٹ

کمپنی میں، ہمیں بہت سارے قانونی، ضوابط، آپریشنل اور اسٹریٹیجک خطرات کا سامنا کرنا پڑتا ہے جو انتہائی منظم صنعت میں ہونے کے ساتھ ہی پیش آتے ہیں۔ ہم اپنے اندرونی کنٹرول فریم ورک (آئی سی ایف) کے طریقہ کار کا استعمال کرتے ہوئے ان خطرات کا نظم کرتے ہیں جو تسلیم شدہ بین الاقوامی رسک مینجمنٹ معیارات پر مبنی ہے۔

اخلاقیات اور تعمیل کی تقریب قوانین اور عالمی کمپنی کی پالیسیوں کی تعمیل میں آسانی پیدا کرنے والے طریقوں کی ترقی اور ان کے نفاذ کے لئے ذمہ دار ہے۔ کمپلائنس فنکشن کے ساتھ شراکت دار خطرے کو مؤثر طریقے سے سنبھالنے، کنٹرول کو آسان بنانے، کمپنی کی قدروں کو فروغ دینے، اور مریضوں اور صارفین پر مثبت اثر ڈالنے کے لئے اپنے مشن کو حاصل کر کے جیتنے کے فارمولے کی حمایت کرتی ہے۔

کمپنی میں مختلف خطرات کا اطلاق ایک سے زیادہ تعمیل پروگراموں کے ذریعے کیا جاتا ہے جن کی وضاحت ذیل میں کی گئی ہے:

#### رسک مینجمنٹ اینڈ کمپلائنس بورڈ میٹنگز: ہمارا رسک مینجمنٹ اینڈ

کمپلائنس بورڈ (آر ایم سی بی) مؤثر ہے کہ وہ کاروبار کو درپیش بڑے خطرات کی مؤثر طریقے سے شناخت، تشخیص، تخفیف، نگرانی اور اس کی اطلاع دے سکے۔ تمام اہم کاروباری رسک یونٹ آر ایم سی بی کے زیر اقتدار ہیں، جو اوپری سطح سے فروغ دیتا ہے، خطرے سے متعلق ثقافت کو قائم کرتا ہے اور داخلی کنٹرولوں کی نگرانی کرتا ہے۔ RMCB نے ایک ایسا ڈھانچہ تشکیل دیا ہے جس کے تحت فنکشنل ہیڈز نامی دستخطی خطرات کی نشاندہی اور ان کے علاج کے لئے ذمہ دار ہیں، اور ہر فنکشنل ہیڈ اپنے متعلقہ اہم خطرات کا جائزہ لیتے ہیں، مناسب کنٹرول موجود ہیں اور جہاں خامیوں کی نشاندہی کی جاتی ہے اس کو یقینی بنانے کے لئے اصلاحی اور پیش نظرہ اپناتے ہیں، ان سے نمٹنے کے لئے واضح منصوبے

کنزیومر فوکس کی اپنی قیمت کے پیش نظر، کمپنی کے پاس وسیع پیمانے پر کنٹرول موجود ہے جس کے فوائد، خطرات اور اپنی مصنوعات کے بارے میں حفاظتی خدشات کے بارے میں معلوم کرنے، اس کا اندازہ کرنے اور ان سے بات چیت کرنے کے لئے ڈیزائن کیا گیا ہے۔ کمپنی سخت کوالٹی کنٹرول اور کوالٹی اشورینس پروسیس کے ذریعے اعلیٰ معیارات کو پورا کرنے کے لئے پرعزم ہے۔ ہماری مصنوعات کو اچھی مینوفیکچرنگ پریکٹس (سی جی ایم پی) کے قواعد، اور ہمارے اندرونی معیار کے انتظام کے نظام کے مطابق تیار کیا جاتا ہے۔

اندرونی کنٹرول کے ساتھ ساتھ، کمپنی کے پاس سپلائر کی جانچ پڑتال کے لیے سخت نظام موجود ہے، جو اپنی مصنوعات کی پیداوار میں مستقل اعلیٰ معیار اور حفاظت کو یقینی بنانے کے لئے ڈیزائن کیا گیا ہے۔ یہ انتظام مریض اور صارفین کی حفاظت کا تحفظ کرتا ہے، اور کمپنی کو اعلیٰ ترین مصنوعات کی فراہمی، اس کی حفاظت کی کارکردگی کو بہتر بنانے اور فضلہ کو کم کرنے میں مدد کرتا ہے۔

#### ماحولیات، صحت اور حفاظت (EHS)

کمپنی اپنے قائم شدہ فریم ورک کی تعمیل میں ماحولیاتی، پیشہ ورانہ صحت اور حفاظت کے تمام متعلقہ معیارات کی تعمیل کرنے کی پابند ہے۔ EHS کمپنی کے کاروبار کا لازمی جزو ہے اور کمپنی محفوظ، حادثات سے پاک اور توانائی سے متعلق لچکدار کام کی جگہ کو فروغ دیتی ہے۔ کمپنی اپنے عملے کے تحفظ کو یقینی بناتے ہوئے بہترین معیار کی مصنوعات کی فراہمی کے لئے اپنے عالمی معیار اور طریقہ کار کو نفاذ کرتی ہے۔ اس مقصد کا پتہ لگانے کے لئے، مستقل بہتری اور موثر نگرانی پر زور دیا جا رہا ہے۔ یہ اقدامات کمپنی کے صحت اور حفاظت کے مندرجہ ذیل مقاصد کو حاصل کرنے میں معاون ثابت ہوئے ہیں۔

- کام کرنے کی جگہ کے خطرات اور محفوظ کام کرنے والے ماحول کی ترقی کا بہتر انتظام
- ہر آپریشنل کام پر حفاظت کو ترجیح دینا
- اس بات کو یقینی بنانا کہ ماحولیاتی، صحت اور حفاظت کمپنی کی کاروباری حکمت عملی کا لازمی عنصر ہیں
- اپنے ملازمین کو مزید کام کرنے، بہتر محسوس کرنے اور طویل عرصہ تک زندہ رہنے میں مدد کے لئے موزوں کام کرنے والے ماحول کے ماحول کا فروغ۔

کمپنی یقین دہانی اور نگرانی کے ذریعے صحت اور حفاظت کو اپنی اولین ترجیح کے طور پر برقرار رکھنے کے لئے پرعزم ہے۔ وہ اپنی مصنوعات کی تیاری اور فروخت میں پیشہ ورانہ صحت اور حفاظت کو درپیش چیلنجوں پر اپنی توجہ مرکوز رکھے گا اور ابھرنے والے تمام خطرات کو کم کرنے کے لئے ایک مضبوط میکانزم تیار کرے گا۔

#### پیشہ ورانہ حفاظت اور صحت

پائیداری کے متعدد مراحل کے ساتھ کمپنی اپنے ملازمین کی پیشہ ورانہ حفاظت سے سمجھوتہ کیے بغیر اپنے مقصد کی تکمیل کا تسلسل جاری

کمپنی نہ صرف اپنے کلیدی اثاثہ کے طور پر اپنے لوگوں کو تسلیم کرنے پر بہت فخر محسوس کرتی ہے، بلکہ اس بات کو بھی یقینی بناتی ہے کہ اس عقیدے کی عکاسی ایک ایسے کام کرنے والے ماحول میں کیا جائے جو ترقی کے مواقع، احترام، طاقت اور ترغیب فراہم کرتا ہو۔ ایک کمپنی کی حیثیت سے جو لوگوں کو زیادہ سے زیادہ بہتر کارکردگی دکھانے، بہتر محسوس کرنے اور لمبی زندگی جینے میں مدد کرنے کی طرف راغب ہو، ہم یہ یقینی بناتے ہیں کہ ہمارے ملازمین نہ صرف انتہائی جذبے اور خلوص کے ساتھ اس وژن پر کاربند ہیں، بلکہ بہتر کارکردگی دکھانے اور ترقی کے مواقع حاصل کرنے لیے بھی پوری طرح سے لیس ہیں۔

اس مقصد کو مدنظر رکھتے ہوئے، ہیومن ریسورس ڈویلپمنٹ ٹیم مسابقتی معاوضہ، کارکردگی کا نظم و نسق اور جانشینی کی منصوبہ بندی سمیت پالیسیاں شامل اور تیار کرتی ہے۔ اس میں وسیع پیمانے پر ترقیاتی مواقع کے ساتھ ساتھ بین الاقوامی اسائنمنٹس کی مٹائش بھی شامل ہے۔ اس کی حمایت اندرونی ٹیلنٹ ڈویلپمنٹ سسٹم کے نفاذ کے ذریعے کی گئی ہے جو رہنماؤں کو اسٹریٹجک صف بندی اور فیصلہ سازی کے لیے درکار اعداد و شمار فراہم کرنے میں مدد کرتا ہے۔ اس کے ساتھ ساتھ، اس میں مستقل رائے، تشخیص اور مواصلات کا پروگرام بھی چلتا ہے، جس کے ذریعے ہم یہ یقینی بناتے ہیں کہ ہمارے ملازمین اچھی طرح سے ہم آہنگ ہیں، اور واقعتاً اس پر یقین رکھتے ہیں کہ، صارفین کی توجہ کا مرکز بننے، لوگوں کا احترام کرنے، سالمیت کے ساتھ کام کرنے اور شفافیت کے ساتھ کام کرنے جیسی اعلیٰ اوصاف ہماری بنیادی اقدار ہیں۔

اس کے علاوہ، ہم انفرادی احتساب کے اعلیٰ ترین ترجیحات کو ترجیح دیتے ہیں، اور مستحق ہز کو پہچاننے اور انہیں انعام دینے کی اپنی صلاحیت کے لحاظ سے مستحکم ہونے کی کوشش کر رہے ہیں جو عزم اور لگن کے صحیح امتزاج کا مظاہرہ کرتے ہیں۔

چونکہ کمپنی فاسٹ موونگ کنزیومر ہیلتھ کیئر بزنس میں امور انجام دیتی ہے اور یہ صارفین کو ورلڈ کلاس اعلیٰ معیاری پروڈکٹس کی فراہمی کے عزم کے ساتھ صحت کے فوائد مہیا کرنے کے لیے پر عزم رہتی ہے لہذا کمپنی اس بات پر یقین رکھتی ہے کہ درست مقام پر درست ٹیم موجود رہے تا کہ صارفین کو زیادہ سے زیادہ کمپنی سے فوائد حاصل ہوں۔ ہمارا ملازمت کی فراہمی کا عمل لوگوں کی اعلیٰ مرتبہ اعلیٰ صلاحیتوں کو حاصل کرنے کے لیے نہایت موثر کے ساتھ تیار کیا گیا ہے۔ اس سلسلے میں اعلیٰ درجے کی یونیورسٹیز کے طلباء تک رسائی حاصل کی جاتی ہے کہ ایسے ملازمین کو کمپنی کا حصہ بنایا جائے جو مستقبل کے چیلنجوں کا اندازہ کر نے، اُن کا سامنا کرنے اور ان کا مناسب طریقے سے حل کرنے کی صلاحیت رکھتے ہوں۔

ہمارے اعلیٰ کارکردگی کے فروغ والے کلچر کے ساتھ، ہم مستقل طور پر ایک ایسی ٹیم کی تشخیص اور تشکیل دے رہے ہیں جو واقعی میں خود کو کمپنی کی بنیاد سمجھتی ہے اور اس کی طاقت کو اپنی طرف متوجہ کرتی ہے اور کسی کمپنی کے ارتقاء میں تعاون کرتی ہے جس کا مقصد انڈسٹری میں ایک اعلیٰ کارکردگی والی کنزیومر ہیلتھ کیئر اشیاء کی فراہمی والی کمپنی بننا ہے۔

بورڈ آف ڈائریکٹرز نے 5 مارچ 2021 کو منعقدہ اپنے اجلاس میں 585 ملین روپے کی رقم کے نقد منقسمہ کی تجویز دی ہے جو کہ 5 روپے فی حصص کے مساوی ہے (کمپنی کے آئندہ سالانہ عمومی اجلاس میں ممبروں کی منظوری سے مشروط ہے)۔

### بولڈنگ کمپنی

31 دسمبر 2020 تک گلیکوسوسمٹھ کلائن کنزیومر ہیلتھ کیئر B.V فی حصص 10 روپے کے حساب سے 100,423,259 حصص کی ملکیت رکھتی ہے، جو کہ کمپنی کے مجموعی حصص کا 85.79 فیصد ہے۔

### شیئر ہولڈنگ کا مراسلہ

کمپنی کے حصص کا کاروبار پاکستان اسٹاک ایکسچینج لمیٹڈ میں ہوتا ہے۔ 31 دسمبر 2020 تک کی شیئر ہولڈنگ کی معلومات اور اس سے متعلق دیگر معلومات صفحات \_\_\_ سے \_\_\_ پر دی گئی ہیں۔

### چیئر پرسن کا جائزہ

شیئر ہولڈرز کے لیے چیئر پرسن کا پیغام صفحہ نمبر \_\_\_ تا \_\_\_ پر موجود ہے اور اس میں مندرجہ ذیل معلومات شامل ہیں؛

- سال 2020 کے لیے بورڈ کی کارکردگی کا جائزہ
- بورڈ کی کمیٹیاں بشمول آڈٹ کمیٹی، انسانی وسائل اور مشاورے کی کمیٹی، انضمام اور سپلائی چین نیٹ ورک میں توسیع کی کمیٹی، اور کمپنی کی ثقافتی اقدار

کمپنی کے ڈائریکٹرز اسی مندرجات کی توثیق کرتے ہیں۔

### بنیادی آمدنی فی حصص

ٹیکس ادائیگیوں کے بعد بنیادی آمدنی فی حصص 10.78 روپے رہی جو کہ سال 2019 میں 10.74 روپے فی حصص تھی۔

### ادارے کی سماجی ذمہ داریاں

ہمارے صارفین اور ملازمین پر ہماری توجہ سے ہٹ کر، کمپنی پائیدار زندگی گزارنے اور معاشرے پر مثبت اثر ڈالنے کی خواہش رکھتی ہے۔ بطور ہیلتھ کیئر کمپنی، پاکستان میں صحت، حفظان صحت، غذائیت اور دیگر معاشرتی ترقیاتی پروگراموں کی اہمیت کو فروغ دینے کے پروگراموں کی بنیادی ضرورت ہے۔ کمپنی کا خیال ہے کہ ماحول اور اس کے لوگوں کے لئے احترام ایک کاروبار کو چلانے کا لازمی جزو ہے، جس کے نتیجے میں اس برانڈ کی کامیابی اور صارفین کی شمولیت میں اضافہ ہوتا ہے۔

اس مقصد کے لئے، کمپنی نے سی ایس آر اقدامات اٹھائے ہیں جن کے تفصیلات صفحہ نمبر \_\_\_ پر تفصیل سے بیان کی گئی ہیں۔ کمپنی مستقبل میں بھی معاشرے کی بھلائی کے لیے اقدامات اٹھانے کو تیار ہے۔

# ڈائریکٹرز رپورٹ



کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ کمپنیز ایکٹ، 2017 کے سیکشن 223 کے مطابق، 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالی بیانات پیش کر رہے ہیں۔

ڈائریکٹرز کی جانب سے اس رپورٹ کو کمپنیز ایکٹ 2017 کی دفعہ 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کیا گیا ہے۔



الاقوامی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی بطور خاص ایسے ممالک کے مقابلے میں جہاں سے ہم خام مال منگواتے ہیں اور پھر بین الاقوامی سطح پر افراط زر کے سبب ہمارے گروس مارجن میں واضح کمی واقع ہوئی ہے۔ گروس مارجن میں کمی کو قیمتوں میں اضافے سے جزوی طور پر پورا کرنے کی کوشش کی گئی، جن کا اطلاق سال 2020 کی چوتھی سہ ماہی میں ہوا تھا۔

دور دارز مقامات سے کام کرنے اور سفری پابندیوں کے سبب سال 2020 میں انتظامی اخراجات میں 2 فیصد کا معمولی اضافہ دیکھنے میں آیا۔ فروخت، مارکیٹنگ اور ڈسٹری بیوشن کے اخراجات 3,098 ملین ریکارڈ کیے گئے جس میں ایڈورٹائزنگ اور سیلز پرموشن کے 2,051 ملین روپے (سیلز کا 10 فیصد) کے اخراجات بھی شامل ہیں جو کہ اہم برانڈز کو سپورٹ مہیا کرنے کے لیے گئے گئے۔ سال کے دوران مالی معاوضوں میں 70 فیصد کمی واقع ہوئی جس کی بنیادی وجہ سال کے دوران نقد پوزیشن میں بہتری، شرح سود میں کمی، اور گزشتہ سال کے مقابلہ میں شرح تبادلہ میں نسبتاً کم اتار چڑھاؤ ہے۔

اس سال منافع قبل از ٹیکس 1,774 ملین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے مقابلے میں 4 فیصد زیادہ ہے۔ کمپنی کی لیکویڈیٹی پوزیشن میں کافی حد تک بہتری آئی ہے کیونکہ نقد اور نقد مساوی رقم گزشتہ سال کے آخر تک نیٹ بینک اوور ڈرافٹ کی صورتحال کے مقابلہ میں 1,898 ملین روپے رہی۔

سال 2020 کے لئے، کمپنی نے ٹیکس ادائیگیوں کے بعد 1,262 ملین روپے نیٹ پرافٹ حاصل کیا جو کہ نیٹ سیلز کا 6.4 فیصد ہے۔

## آپریٹنگ نتائج کا جائزہ

کمپنی نے سال کے دوران 19,846 ملین روپے کا خالص کاروبار کیا، جس میں گزشتہ سال کے مقابلے میں 22 فیصد اضافہ ہوا ہے۔ اگرچہ کاروباری حرکیات کوویڈ 19 سے متعلقہ پابندیوں اور بلند مستحکم افراط زر کے دباؤ کے نتیجے میں چیلنج کر رہی تھیں، کمپنی نے پوری حوصلہ افزائی کے ساتھ اپنے صارفین کی خدمت کی اور ہم جن کیشیگریز میں خدمات مہیا کرتے ہیں وہاں پوری خندہ پیشانی سے خدمات انجام دیتے ہوئے کسٹمرز کی اہم ضروریات کو پورا کیا گیا۔ بنیادی کاروبار نے اوور دی کاؤنٹر پورٹ فولیو میں 28 فیصد، pain management کے زمرے میں 31 فیصد، غذائیت اور باضمہ صحت کے شعبے میں 30 فیصد، اور اورل ہیلتھ کیئر کے زمرے میں 15 فیصد صحت افزاء اضافہ ریکارڈ کیا گیا۔

کمپنی کی برآمد سے حاصل آمدنی میں پچھلے سال کے مقابلے میں 25 فیصد کمی واقع ہوئی، جو کہ 249 ملین روپے رہی۔ مقامی سطح پر طلب میں اضافے نے ہمارے سیلائی چین پر دباؤ ڈالا جس کے سبب کمپنی نے پہلے مقامی سطح پر طلب کو پورا کرنے پر ترجیح دی۔

کمپنی کا مجموعی منافع گزشتہ سال کے 4,986 ملین روپے کے مقابلے میں اس سال 5,328 ملین روپے رہا ہے۔ سال کے آغاز سے ہی بین



محترم شیئر ہولڈرز،

میں اس موقع پر دل کی گہرائیوں سے آپ تمام معزز شیئر ہولڈرز کا شکریہ ادا کرنا چاہتا ہوں جنہوں نے مجھے سالہا سال اپنا اعتماد اور حمایت دی۔ مجھے مکمل یقین ہے کہ میری جگہ لینے والے جناب فرحان محمد ہارون اپنے معیشت اور انڈسٹری سے جڑے جامع تجربے اور گہری بصیرت کے ساتھ ایک بہترین چیف ایگزیکٹو آفیسر اور بورڈ آف ڈائریکٹر کے رکن ثابت ہوں گے۔ میں کمپنی کی مستقبل میں بے مثال ترقی کی نیک تمناؤں کے ساتھ اس کے شیئر ہولڈرز، ملازمین، کاروباری شراکت داروں اور بورڈ آف ڈائریکٹرز میں شامل میرے کولیگز اور پوری مینجمنٹ ٹیم کو شکریہ ادا کرنے کے ساتھ اُن کے لیے نیک تمناؤں کا اظہار بھی کرتا ہوں۔

آپ کا مخلص،

+

سہیل احمد متین  
چیف ایگزیکٹو آفیسر

ہمارے تمام تر افعال ہماری ثقافت اور اقدار کے مربون منت ہیں۔ ہم اپنے ملازمین سے توقع رکھتے ہیں کہ وہ GSK کے شفاف طریقے اور بھروسے کے ساتھ اپنے طرز عمل کو ہماری اقدار کے مطابق ڈھالیں۔ ہم اپنے ملازمین کی حوصلہ افزائی کرتے ہیں کہ وہ قائدانہ صلاحیتوں کے ساتھ انفرادی ترقی کے مواقع فراہم کرتے ہوئے اور ملازمین کو اُن کی کارکردگی اور کامیابیوں کے مطابق نوازتے ہوئے اپنے ہر فیصلے میں ہماری اقدار کو سامنے رکھیں۔ ہم چاہتے ہیں کہ کمپنی میں ہر شخص فخر محسوس کرے ہر اُس کام پر جو وہ انجام دیتا ہے، اس کمپنی پر جس کے لیے وہ کام کرتا ہے اور فرق پر جو اُس کی بدولت ہے۔

### اعتراف

میں جناب سہیل احمد متین کا شکریہ ادا کرنا چاہوں گا جنہوں نے کاروبار میں ایک بڑے شراکت دار اور متاثر کن راہنما کی حیثیت سے گراں قدر خدمات انجام دیں۔

جناب سہیل احمد کمپنی سے بطور چیف ایگزیکٹو آفیسر کے عہدے سے ۳۱ مارچ ۲۰۲۱ کو ریٹائر ہو گئے۔ میں جناب سہیل احمد کے لیے اُن کی آنے والی زندگی میں مزید بہتر خوشیوں، صحت اور نیک تمناؤں کا اظہار کرتا ہوں۔ کمپنی آپ کی خدمات کو ہمیشہ یاد رکھے گی۔

میں جناب فرحان محمد ہارون کو یکم اپریل ۲۰۲۱ سے بطور چیف ایگزیکٹو آفیسر اور بورڈ آف ڈائریکٹر کے رکن کی حیثیت سے خوش آمدید کہتا ہوں۔ مجھے مکمل یقین ہے کہ آپ کی قیادت میں کمپنی مضبوط کارکردگی کا بھرپور مظاہرہ کرے گی۔

میں بورڈ آف ڈائریکٹرز کا اُن کی گراں قدر معاونت اور عزم پر دل کی گہرائیوں سے شکر گزار ہوں۔ میں اس کے ساتھ ساتھ اپنے ملازمین کا اُن کی کاوشوں پر اپنے کسٹمرز اور سپلائرز کا اُن کے ہم پر بھروسے کے لیے تہ دل سے شکریہ ادا کرتا ہوں۔ یہ آپ سب کے تعاون ہی کی بدولت ہے کہ ہم سال بہ سال تیزی سے آگے بڑھ رہے ہیں اور وسعت اختیار کر رہے ہیں۔

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معین مہاجر  
چیئر پرسن

# چیئر پرسن کا تجزیہ



میں نہایت مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی غیر معمولی شاندار کارکردگی پیش کر رہا ہوں۔ یہ سال بے انتہا مشکلات سے بھرپور تھا جس میں دنیا بھر بالخصوص پاکستان کو COVID-19 کے سبب میکرو اکنامک افراط زر کے دباؤ، صارفین کی بدلتی ہوئی ترجیحات اور سپلائی میں رکاوٹوں کے سلسلے میں مشکلات کا سامنا کرنا پڑا۔

کمپنی نے اپنی توجہ ترقی پر مرکوز رکھی اور تمام تر مشکلات سے نبرد آزما ہوتے ہوئے اس بات کو یقینی بنایا کہ ہم معیاری ہیلتھ کیئر مصنوعات کی فراہمی کے ساتھ اپنے صارفین کو بہتر خدمات دینے میں کامیاب رہیں۔ ہماری معروف اور انڈسٹری کی قیادت کرنے والی اچھی صحت، درد دور کرنے والی ادویات اور اورل ہیلتھ کیئر برانڈز نے صارفین کے ساتھ تعلق کو مزید بہتر بنانے پر توجہ جاری رکھی ہے کیونکہ اب صارفین احتیاطی ہیلتھ کیئر پروڈکٹس کے بارے میں زیادہ سے زیادہ آگاہی حاصل کرتے ہوئے اپنی صحت کا خیال رکھنے کی جانب زیادہ توجہ مبذول کر رہے ہیں۔

ہماری توجہ اپنے حصص یافتگان کے ساتھ گہری وابستگی کے ساتھ بہترین نتائج کی فراہمی کی جانب مرکوز رہے گی۔ ہم آپ کی سرمایہ کاری پر طویل المدت بہتر قدر پیدا کرنے کے ساتھ اُس اعتماد کا شکریہ ادا کرتے ہیں جو آپ کا ہم پر قائم ہے۔



## بورڈ کی تشخیص

گزشتہ سال ہمارے مینوفیکچرنگ ڈویژن میں SAP کی ہموار انداز میں آسان نفاذ کے بعد کمپنی نے سال ۲۰۲۰ میں SAP کو کمرشل ڈویژن میں بھی نافذ کیا تا کہ پورے ادارے میں معیاری عمل مرتب کیا جا سکے۔ یہ وبائی مرض کے دوران دور دراز مقامات سے کیا جانے والے سسٹم کا نفاذ تھا جس میں GSK CH کی ٹیم نے کاروبار میں بغیر کسی مداخلت کے اپنی محنت اور لگن کے ذریعے کامیابی کے ساتھ نظام کا نفاذ کیا۔

## بورڈ کی کمیٹیاں

جیسا کہ ذیل میں بیان کیا گیا ہے، GSK CH کی تین کمیٹیاں ہیں جو کہ بورڈ کو بہترین کارکردگی کے لیے معاونت فراہم کرتی ہیں۔

### • آڈٹ کمیٹی

- انسانی وسائل اور مشاہرے کی کمیٹی؛ اور
- انٹیگریشن اینڈ سپلائی نیٹ ورک آپٹمائزیشن کمیٹی

کمیٹیوں کے اراکین کے بارے میں حوالے کی شرائط اور تفصیلات بالترتیب صفحہ نمبر۔۔۔۔ اور۔۔۔۔ پر مہیا کی گئی ہیں۔

بورڈ کی کارکردگی کے حوالے سے ہمارے داخلی جائزے کے عمل کے حصے کے طور پر، ہم نے بورڈ کو ان کی کاروباری معلومات، انڈسٹری کی معلومات، میٹنگز میں حاضری اور شرکت، اصولوں کی پاسداری، اور آزاد حیثیت میں کاروبار کی نگرانی کے طور پر جائزہ لیا۔ حاصل ہونے والی معلومات اور بصیرتوں کو بخوبی دیکھا گیا اور بورڈ کی مجموعی معلومات کی تیاری کے لیے اہم اقدامات اٹھانے گئے۔ نتائج کی روشنی میں، ہم یہ نتیجہ اخذ کر سکتے ہیں کہ ہمارے ڈائریکٹرز کمپنی کی حکمت عملی کی سمت اور انتظامی امور کی انجام دہی کے لیے اپنی اہم ذمہ داریوں سے پوری طرح واقف ہیں۔

## فنانشیل رپورٹنگ

رپورٹنگ پر گہری نگاہ رکھتے ہوئے بورڈ کی ذمہ داری ہے کہ پاکستان میں لاگو فنانشیل رپورٹنگ کے فریم ورک کے لحاظ سے اسٹیک ہولڈرز کو فنانشیل رپورٹس کا واضح منظر نامہ پیش کرے۔ سال کے دوران ہم نے نئی آئی ایف آر ایس ضروریات کو شامل کیا اور نئے کمپنیز ایکٹ کی ڈسکلوزر شرائط پر عمل درآمد کو یقینی بنایا۔