

A large, stylized graphic of a nautilus shell, composed of many thin, curved lines that create a sense of depth and movement. The shell is colored with a gradient from purple at the top left, through red, orange, yellow, green, and finally blue at the bottom right.

# | Calibrating | Precision

Annual Report  
**2020**




# Calibrating Precision

*“The Golden Ratio is a mathematical ratio you can find almost anywhere, like nature, architecture, painting, and music. It creates an organic, balanced, and aesthetically pleasing composition”*  
*At GSK our goal is to bring a sense of order and harmony in the world of healthcare through our intricate golden ratio.*



# **INTRODUCTION**



A large, light blue spiral, representing the golden ratio, is drawn over a dark blue background. The spiral starts from the bottom left and expands outwards, passing through the text. In the bottom left corner, there is a smaller, more detailed version of the golden ratio spiral, composed of several squares of decreasing size, each with a quarter-circle arc inside it, illustrating the mathematical concept of the golden ratio.

*In today's day and age, where technology, innovation and new practices are redefining healthcare all over the world. GSK has calibrated and applied its own version of the golden ratio to every aspect of its business. At GSK Pakistan, we have studied and understood the intricate balance required to create and attain harmony in our vision to enable people to do more, feel better and live longer. We recognize that in order to touch lives, we need to embody trust for doctors, to perform we need to demonstrate integrity, to grow we must learn, to innovate we need to evolve and to be leaders we must give back to our community.*

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# Corporate Information

As at December 31, 2020

## Board of Directors

**Mr. Dmytro Oliinyk**  
Chairman

**Ms. Erum Shakir Rahim**  
Chief Executive Officer

**Mr. Abdul Samad**  
Chief Financial Officer

**Ms. Maheen Rahman**  
Independent Director

**Mr. Muneer Kamal**  
Independent Director

**Mr. Mehmood Mandviwalla**  
Non-Executive Director

**Mr. Mark Dawson**  
Non-Executive Director

## Audit Committee

**Mr. Muneer Kamal**  
Chairman

**Mr. Dmytro Oliinyk**  
Member

**Mr. Mark Dawson**  
Member

**Mr. Mehmood Mandviwalla**  
Member

**Ms. Maheen Rahman**  
Member

## Human Resource and Remuneration Committee

**Ms. Maheen Rahman**  
Chairperson

**Mr. Dmytro Oliinyk**  
Member

**Mr. Mehmood Mandviwalla**  
Member

**Mr. Mark Dawson**  
Member

**Ms. Erum Shakir Rahim**  
Member

## Management Committee

**Ms. Erum Shakir Rahim**  
Chief Executive Officer

**Mr. Abdul Samad**  
Chief Financial Officer

**\*\*Syed Azeem Abbas Naqvi**  
Legal Director

**Dr. Tariq Farooq**  
Business Unit Director BU 1

**Dr. Naved Masoom Ali**  
Business Unit Director BU 3

**Mr. Khurram Amjad**  
Director Commercial Excellence and CTC

**Dr. Gohar Nayab Khan**  
Regulatory Affairs Cluster Head - Pakistan and Iran

**Mr. Abdul Haseeb Pirzada**  
Director Corporate Affairs and Administration

**Mr. Zain Anjum**  
Country Compliance Officer

**Dr. Yousuf Hasan Khan**  
Director Medical

**Syed Nabigh Raza Alam**  
Tech Head

**Mr. Obaid Siddiqui**  
Head of Procurement

**Mr. Farqaleet Iqbal**  
HR Country Head

**Mr. Imtiaz Hussain**  
Site Director - West Wharf

**Mr. Javed Tariq**  
Site Director - Korangi

**Mr. Joseph Thibaut**  
Site Director - F/268

## Disclosure Committee

**Ms. Erum Shakir Rahim**  
Chairperson

**Mr. Abdul Samad**  
Member

**Mr. Dmytro Oliinyk**  
Member

**\*\*Syed Azeem Abbas Naqvi**  
Member

## Company Secretary

**\*\*Syed Azeem Abbas Naqvi**

## Chief Financial Officer

**Mr. Abdul Samad**

## Chief Internal Auditor

**Syed Ahsan Ejaz**

## Bankers

Citibank NA  
Deutsche Bank A.G.  
Habib Bank Limited  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Ltd

## Auditors

**\*\*\*Yousuf Adil**  
Chartered Accountants

## Legal Advisors

Hashmi and Hashmi  
Faisal, Mahmood Ghani and Co  
Legal Consultancy Inc.

## Registered Office

35 - Dockyard Road,  
West Wharf,  
Karachi - 74000.  
Tel: 92-21-111-475-725  
(111-GSK-PAK)  
Fax: 92-21-32314898,  
32311122  
Website: www.pk.gsk.com

\* Ms. Samreen Hashmi Kidwai resigned from GSK Pakistan Limited, effective November 13, 2020

\*\* Ms. Mehara-e-daraksha Ameer appointed Legal Director and Company Secretary of GSK Pakistan Limited as at January 01, 2021, replacing Syed Azeem Abbas Naqvi

\*\*\* Name change of external auditor from Deloitte Yousuf Adil Chartered Accountants to Yousuf Adil Chartered Accountants w.e.f. November 01, 2020




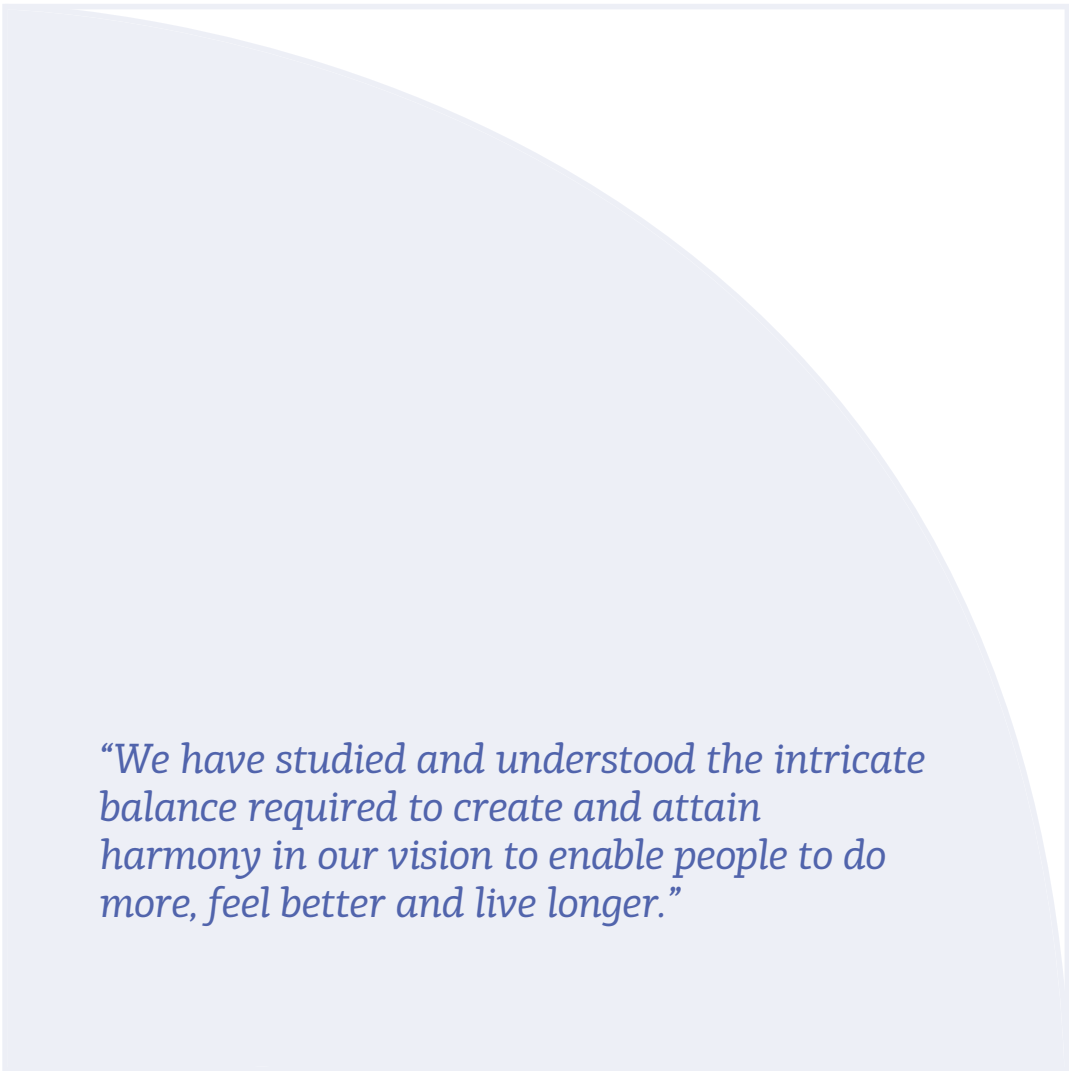


Sykes Building





INNOVATION



*“We have studied and understood the intricate balance required to create and attain harmony in our vision to enable people to do more, feel better and live longer.”*





# **GSK at a Glance**

## **Our Values**

**Patient Focus**

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**Transparency**

---

**Respect**

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**Integrity**





# Our Expectations

Courage

Accountability

Development

Teamwork

# Our Goal

Our goal is to be one of the world's most innovative, best performing and trusted healthcare companies.

# Our Values and Expectations

Our values and expectations are at the heart of everything we do - so that together we can deliver extraordinary impact for our patients and consumers and make GSK a brilliant place to work.

Our values are Patient Focus, Transparency, Respect, Integrity.  
Our expectations are Courage, Accountability, Development, Teamwork.



## **Patient Focus**

Patient Focus is about always doing the right thing for patients and consumers and striving for the highest quality.



## **Transparency**

Transparency helps us build trust with each other and with society by being honest and open about how and what we do.



## **Respect**

Respect means supporting colleagues and the communities around us, embracing diversity and individuality, so we can all achieve great things.



## **Integrity**

Integrity is about how we expect the highest ethical behaviours of ourselves and others.

## Who we are

*We are a science-led global healthcare company with a special purpose: to help people do more, feel better, live longer.*

We have three global businesses that research, develop and manufacture innovative pharmaceutical medicines, vaccines and consumer healthcare products. Every day, we help improve the health of millions of people around the world

## What we do

*We aim to bring differentiated, high-quality and needed healthcare products to as many people as possible, with our 3 global businesses, scientific and technical know-how and talented people.*



### Pharmaceuticals

Our Pharmaceuticals business has a broad portfolio of innovative and established medicines in respiratory, HIV, immuno-inflammation and oncology. We are strengthening our R&D pipeline through a focus on immunology, human genetics and advanced technologies to help us deliver transformational new medicines for patients.



### Vaccines

We are the world's largest vaccines company by revenue, delivering vaccines that help protect people at all stages of life. Our R&D focuses on developing vaccines against infectious diseases that combine high medical need and strong market potential.



### Consumer Healthcare

Our world-leading Consumer Healthcare business combines science and consumer insights to create innovative everyday healthcare brands that consumers trust and experts recommend for oral health, pain relief, cold, flu and allergy, digestive health and vitamins, minerals and supplements.

# How we do it

*Everyone at GSK is focused on 3 priorities – Innovation, Performance, Trust*

## Innovation

We invest in scientific and technical excellence to develop and launch a pipeline of new products that meet the needs of patients, payers and consumers.



**£4.6bn**  
adjusted R&D  
investment in  
2020



**40 new**  
medicines in  
development in  
FY 2020



**17 new**  
vaccines in  
development in  
FY 2020

## Performance

We deliver growth by investing effectively in our business, developing our people and executing competitively.



**£34bn**  
turnover in  
2020



**£9bn** adjusted  
operating profit  
in 2020



**£5.4bn** free  
cash flow in  
2020



**£4bn**  
dividends  
paid in  
2020

## Trust

We are a responsible company - using our science and technology to address health needs, we are focused on making our products affordable and available, and being a modern employer.



**84%** employee  
engagement  
score on our  
latest  
employee  
survey



**£250m** donated  
in 2020 to  
community  
health  
programmes



**1<sup>st</sup>** in Access to  
Medicines Index  
since the  
assessment began  
in 2008

## Company Profile

*GSK, a science-led pharmaceutical company has been providing quality and affordable healthcare solutions to patients in Pakistan for the last 70 years. We have a special purpose; to help people do more, feel better and live longer, by ensuring access to affordable quality medicines across the country.*

To achieve this, GSK has built an agile, future-ready organisation in Pakistan comprising an extensive manufacturing and distribution network that is quick to adapt to patient needs and grow competitively, in line with our values.

GSK Pakistan caters to many therapy areas which include Anti-infectives, Respiratory, Vaccines, Dermatology, Gastrointestinal, Analgesics, Urology, Allergy, Central Nervous System, Cardiovascular and Vitamins.

As a science-led and global healthcare company, we remain committed to our mission of making a difference in millions of lives every day. To achieve this, we aim to consistently produce and improve access to quality medicines to help improve the quality of patients' lives. Our key pharmaceutical brands include Augmentin, Seretide, Amoxil, Thyroxin, Actifed, Velosef, Dermovate, Betnovate, Clobevate and Calpol, while Synflorix, Rotarix, Havrix, Engerix-B and Boostrix feature amongst our vaccines.

Today GSK stands as the pharma market leader in Pakistan with a volume share of 12%. Through the successful integration of BMS, UCB, Novartis Vaccines, and Stiefel over the years, GSK Pakistan has grown into a highly diverse and profitable business that now boasts 115 brands and 270 registered products.

Major competitors are multinational pharmaceutical companies such as Abbott, Novartis, Pfizer, Sanofi Aventis, and Getz, Sami, Searle, Bosch and Barrett Hodgson amongst local companies.

GSK Pakistan presently employs almost 1,900 persons across its manufacturing, pharmaceutical and sales functions. Our manufacturing division, Pharma Supply Chain (PSC), consists of three facilities, all of which are situated in Karachi at West Wharf, F-268 SITE and Korangi.



### **PSC, F-268, S.I.T.E., Karachi**

The F-268 facility is located in the Sindh Industrial Trading Estate (SITE) and is the largest pharma facility in Pakistan. Featuring advanced Digital Data Analytics tools, it has three primary manufacturing sections – Liquids Block, Tablets Block, and a dedicated Penicillin Block. This site also has a small dedicated unit for Iodex Cream. Over 115 SKUs are manufactured at this site, with an annual volume of around 220 million packs. Major products manufactured at this site are Augmentin (in Dessiflex blister packing), Amoxil, Calpol Thyroxin, Angised, Lanoxin and Actified. The site has also launched CRSF (Child Resistant Senior Friendly) packaging for some of its SKUs recently.



### **PSC, Korangi, Karachi**

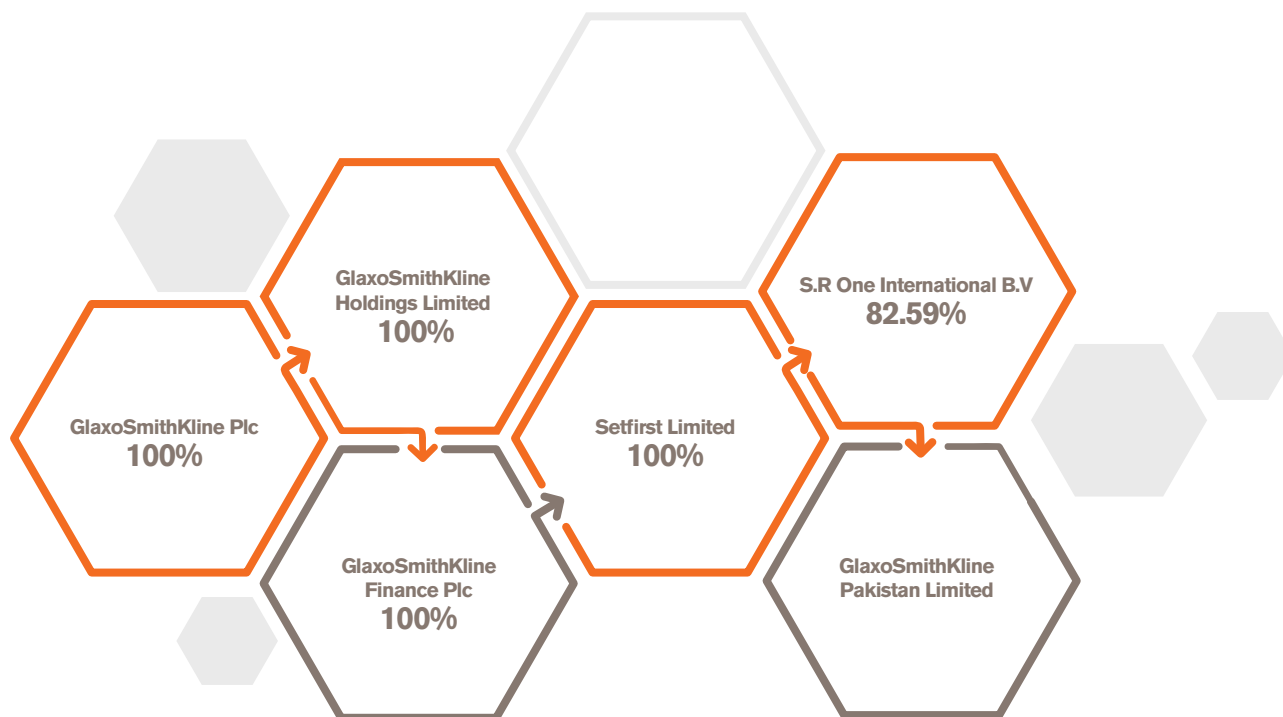
Located in the Korangi Industrial Area, this state of the art manufacturing site has a dedicated block for Cephalosporins, both oral and injectable, a sterile facility for liquid ampoules and a unit for tablets. The site manufactures around 77 SKUs and produces an annual volume of around 45 million packs. Major products manufactured at this site are Velosef, Capotin, Fortum, Ceporex, Zinacef and Theragran Ultra.



### **PSC, West Wharf, Karachi**

GSK West Wharf is a pioneering pharmaceutical manufacturing facility that is located on the sea shore close to the Karachi Port area and city commercial centre. The wide range of products manufactured at this site include Topicals, Ophthalmics, Otics Drops, Spansules, and ENO powder (Eno is manufactured for GSK Consumer Healthcare). Betnovate, Dermovate and Fefol Vit feature among key products. 68 Stock Keeping Units (SKUs) are manufactured here, with an annual volume of around 150 million packs.

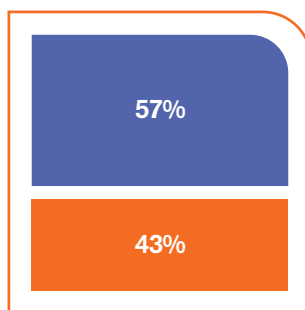
## Ownership and Group Structure



Related parties with which the Company has had transactions during the year are disclosed in Note 36.1 of the financial statements.

## Composition of Local vs. Imported Materials

The Company's materials are imported and are locally produced as well. Composition of local and imported materials can be seen in the chart below.



COMPOSITION OF LOCAL VS. IMPORTED MATERIALS

■ Import ■ Local

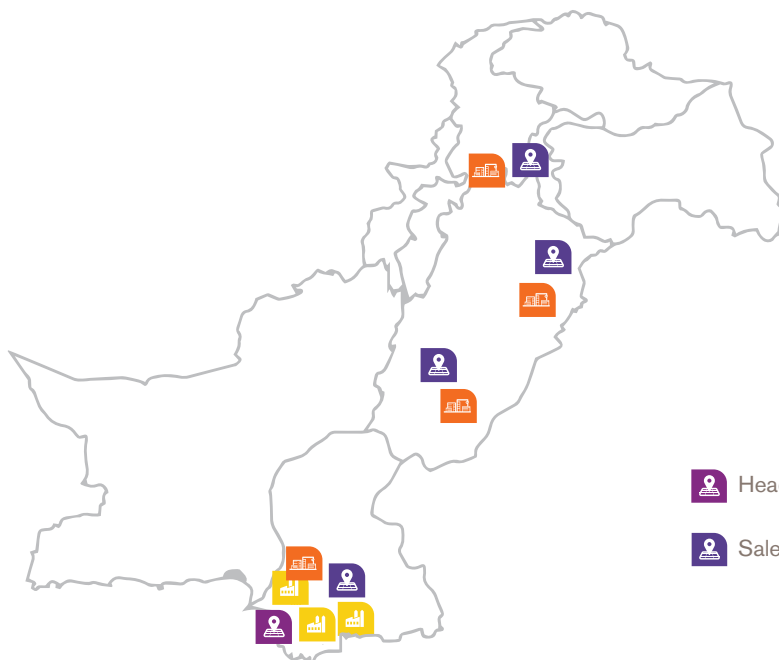


# Pakistan Market Overview

## Archetype and Players in Value Chain

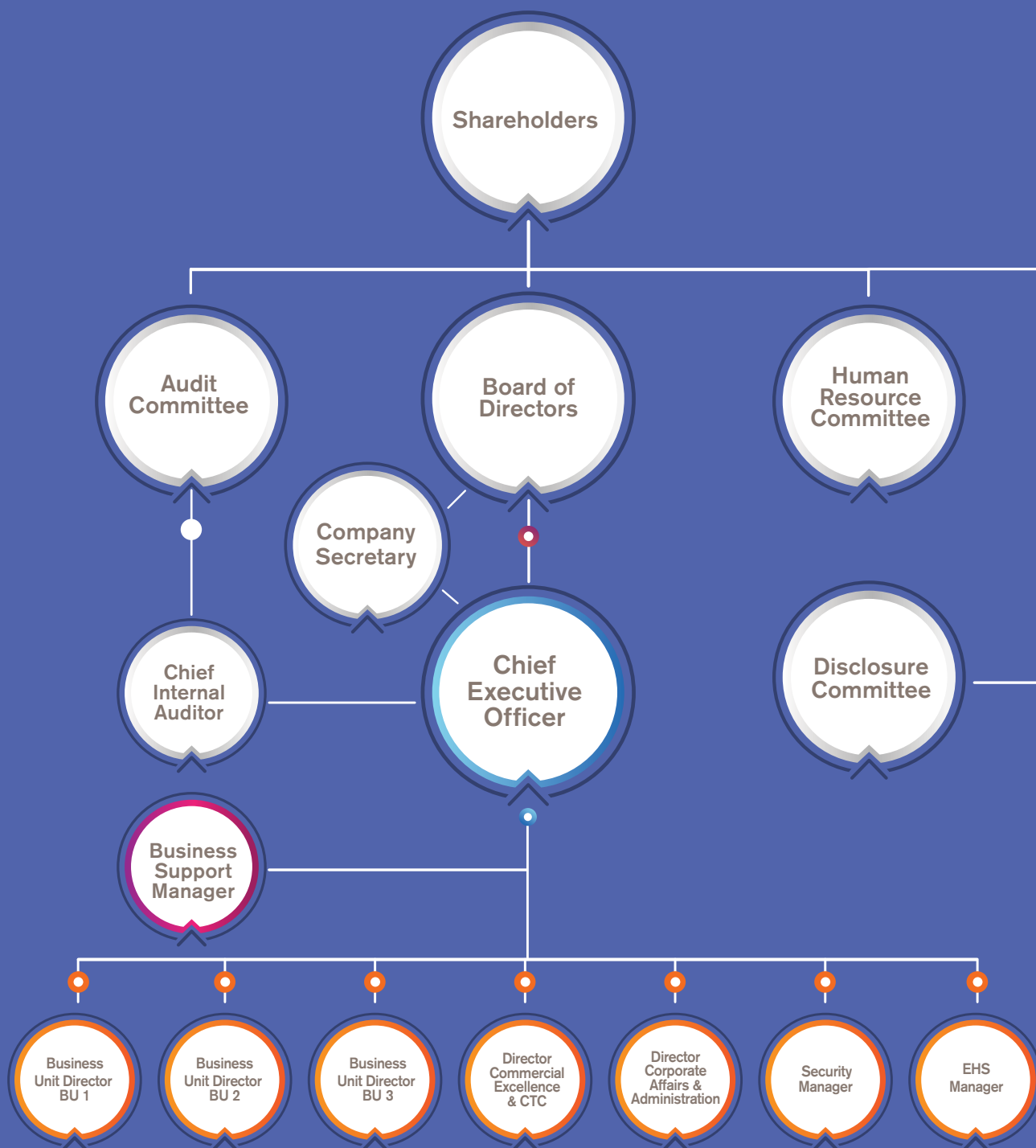


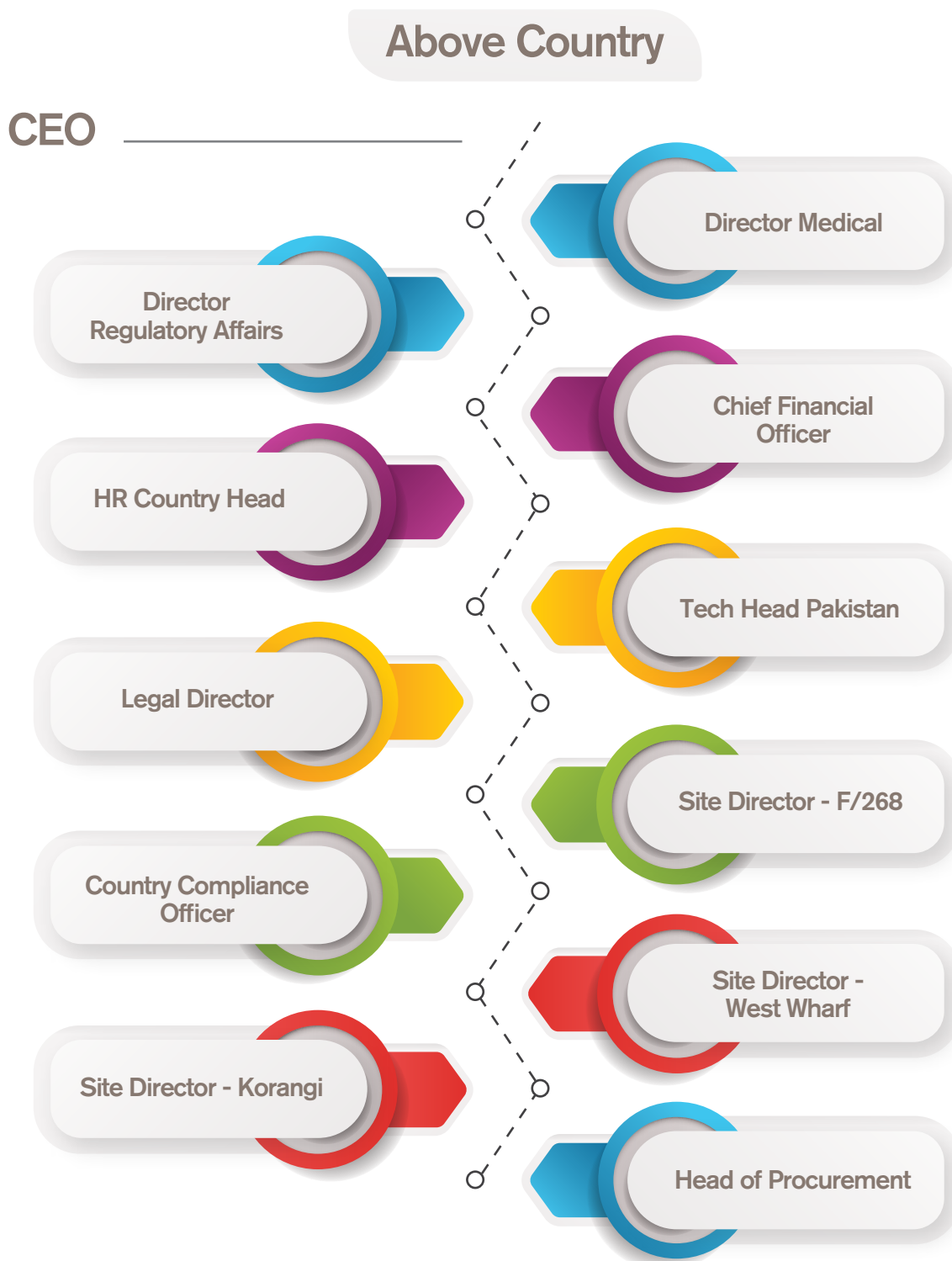
📍 Biologicals   📍 Corporate   📍 Consumer Healthcare   📍 GMS   📍 Pharmaceuticals   📍 Research and Development



📍 Head Office   📍 Warehouse  
📍 Sales Office   📍 Factory

# Organogram





## Key Quantitative Information

(Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).


NUMBER OF EMPLOYEES	2020
Number of employees including contractual employees at the end of year	1,892
Average number of employees including contractual employees during the year	1,952
Number of factory employees at year end	940
Average number of factory employees during the year	970

## Position of Reporting Organization in Value Chain





PERFORMANCE



*“We recognize that in order to touch lives,  
we need to embody trust for doctors, to  
perform we need to demonstrate  
integrity, to grow we must learn, to  
innovate we need to evolve and to be  
leaders we must give back to our  
community.”*

# Timelines

## Quarter 01

- Q-1 Board of Directors' Meeting
- International Women's Day
- World Cancer Day
- COVID-19 Lockdown: Work From Home initiated

## Quarter 02

- Q-2 Board of Directors' Meeting
- Annual General Meeting
- World Asthma Day





## Quarter 03

- Q-3 Board of Directors' Meeting
- Independence Day
- World Pharmacists Day
- Launch of CRSF Packaging
- #Ifyoureallyknewme - Women's Leadership Initiative Event
- Resumption of F2F Interaction with HCPs

## Quarter 04

- International Men's Day
- Q-4 Board of Directors' Meeting
- World Pneumonia Day
- World Mental Health Day Awareness Session
- Antibiotics Awareness Week
- Launch of One ERP SAP
- Corporate Briefing Session
- Gender Sensitization Workshop

# Our People

## Human Resources

We continued to build on our Priorities of Innovation, Performance and Trust in line with our #WinNow agenda 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 expectations of Courage, Accountability, Development and Teamwork were re-iterated through our #Let's Talk initiatives and HR Connect Sessions across the Company, coupled with our values of Patient 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 performance system to drive and develop high quality leaders and drive the development of critical business capabilities and skills needed to meet the needs of patients and customers.

## Performance

Performance remained 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

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

## Diversity and 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 and Well-Being

At GSK, our purpose is to help people do more, feel better, live longer starts with our employees. Throughout the COVID 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 and well-being has been the top priority throughout, time to time updates on COVID-19 precautions and SOPs was 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, in 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, we are also focused on promoting the Environment Health and Safety agenda – by including the reporting of unsafe incidents in employee objectives.

GSK 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'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, 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'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, 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 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, we see employee engagement as a critical component 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 and Inclusion agenda (WLI Pakistan Chapter), supporting Employee Health and 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 91% , proves that GSK's strength lies in our ability to create a lasting bond with our employees and goes to show that everyone has a role to play in contributing to our culture.

## Top Employer

We are really excited to share that GSK Pakistan has been certified as Top Employer 2021 by the Top Employers Institute. This is a great achievement in reinforcing GSK Pakistan's Employer Brand as an industry leading Modern Employer.

Being certified as a Top Employer showcases our dedication to a better world of work that we exhibit through excellent HR policies and people practices recognized against global standards. Despite the challenging times, we remained focused on our cultural pillars to accelerate our IPT priorities. This is a proud moment for all of our employees who worked together to achieve this recognition making GSK a great place to work!



We are a certified  
**Top Employer 2021**







# Modern Employer Initiatives 2020 Pakistan

**We've chosen to highlight three key areas to reinforce life at GSK**

Our purpose starts with us.

When we feel at our best, we perform at our best.



## Be You

We all bring something unique to GSK and when we combine our knowledge, experiences and styles together, the impact is incredible.



## Feel Good

When we focus on our wellbeing and have the flexibility to manage our lives, we can thrive and do great things at work and home.



## Keep Growing

Our world is always changing so we must take every opportunity to learn and develop. When we grow as individuals, we grow as a business.

**Underpinned by brilliant managers and technology**



## Modern Employer – Pakistan

When we feel at our best, we perform at our best

### Be You

#### Diversity Agenda

- Driving **diversity** across Age, Gender and Experience across GSK
- **18.5%** of the total permanent staff are female employees with **6.2%** are part of top leadership and middle management

- **6.2%** female **MRs**

#### WLI Initiatives Enterprise-wide

- International **Women's Day** celebrations
- Breakfast with Leadership Team providing an opportunity for all employees to **connect with the leaders (Q3)**
- **#ifyoureallyknewme** theme follow through with a discussion around what WLI means for all employees and not only women (Q3)
- International **Men's Day** celebrations (Q4)
- **Gender Sensitization Workshops** planned for all Sales Offices and HO (Q4)

#### Being Yourself

- Promoting **Straight Talk** and accepting diverse opinions as a part of working at GSK (Q3-Q4)
- Encouraging stakeholders to make impact and ensure that straight talk is encouraged across the board (Q3-Q4)
- Introduction of **Let's Talk Session with HR** to answer employee queries, and address the **culture** (Q3)

### Feel Good

#### Health & Wellness

- Running **Global Challenge** enterprise wide (Q3)
- **Mental Health** Awareness Sessions across GSK Sites (Q4)
- Promoting the **EHS agenda** – through employee My Plans and reporting of incidents

#### Moments that Matter

- Making a connection with the employees – such as wishing Birthdays, Eid Celebrations and Independence day celebrations
- Launch of **On-boarding portal** for new hires (employer branding with improved customer experience)

#### Employee Relations

- Proactive decision making and implementation of **Speak Up culture** eradicating business issues (on-going)

### Keep Growing

#### Development

- Driving regular **Check-Ins** to ensure quality time spend on the same (on-going)
- Use of **One80** and **GSK Survey** to work within teams
- Continue use of tools like BYB to develop Sales Teams
- Involving external vendors for **business trainings** as per business needs (on-going)
- **Let's Connect & Learn** Session with HR providing an opportunity for employees to reflect about their development (on-going)
- **Let's Talk Sessions** with FLPs (every quarter)

#### Employer Branding:

FLP Drives across Pakistan in all the major universities

#### Coaching and Mentoring

- Identify and Assign **formal coaching and Mentoring** opportunities for employees on Succession plan RN/RS for Key roles especially within the LT/SLT level (on-going)
- Cross Site Talent Reviews (every quarter)

#### Making it Easier Initiatives

- Launch of **Workday Assist** to help employees with various workday tasks
- Use of Workday Recruit - making recruitment easier for employees, hiring managers and candidates
- Encourage the use of **HR Kay, a chatbot**, to answer common employee queries in less than 20 secs promoting **self-service** within the team
- HR Clinics (every quarter)

## Top Brands and Initiatives

### Ventolin EVOHALER

Salbutamol

*Ventolin stands out as a leader in the inhaled asthma reliever market with an accelerated performance compared to other relievers competing within this segment.*

Ventolin's performance further paced up with its inclusion in Respiratory Portfolio, emphasizing on the "Continuum of Care" approach in Asthma space having Seretide as the Controller and Ventolin as a Reliever Therapy.

Year 2020 had been a good year for Ventolin with exceptional increase in HCP engagement, which further translated into EI of 102 on volume and 106 on value. Utilizing the principles of Good Sales Outcome and Patient Focused Scientific Selling Model, we have been able to make our communication more impactful by revolving it around the patient, which helped us build doctors' trust on Ventolin even more.

We, as a team, endeavor to continue to deliver best value to our patients and play key role in "opening the door to effective relief" in Asthma patients



### Amoxil

(amoxicillin)

Amoxil dominates the market with its leadership in the Amoxicillin category in terms of value, volume and prescriptions. It is promoted in the indications of Tonsillopharyngitis and Helicobacter Pylori induced infections.



Despite the challenges of 2020, Amoxil demonstrated exceptional performance. The transformation to digital engagement played a significant part in this brand's performance as a record number of doctors were reached through interactive, online activities. This resulted in growth for the brand, including prescription growth of 18%, in the antibiotics market.

# Augmentin

(Co-amoxiclav)

2020 proved to be a challenging yet successful year for GSK Pakistan's legacy brand, Augmentin. Despite the challenges faced by the healthcare sector, 2020 was yet another successful year. Augmentin has retained its leadership position in the anti-infectives market, despite the COVID-19 pandemic, with more than 31 million prescriptions and over 41 million units sold. Augmentin met the unprecedented challenge of the pandemic with utmost pace by conducting COVID-19 and Anti-Microbial Resistance webinar series whereby engaging internal and external speakers, and by timely adapting to the digital landscape to connect with HCPs through multi-channel mediums.

The Augmentin team continued to cascade the latest Survey of Antibiotic Resistance (SOAR) data nationwide by engaging Regional SOAR investigators to share their expertise on the importance of standardized testing and significance of surveillance data to more than 30,000 HCPs in order to continue with our responsibility to protect our community by raising awareness of the increasing threat of Antimicrobial resistance. Using the World Antibiotic Awareness Week 2020 as an opportunity, GSK conducted a public awareness campaign to highlight this important issue.



# CALPOL

(Paracetamol)

Calpol continues to be the leading antipyretic amongst healthcare professionals. By virtue of its renewed co-promotion strategy with Augmentin, Calpol has strengthened its position in the pain and fever market. Owing to its longstanding legacy and reliable quality, Calpol has grown on the prescription front by engaging HCP and pharmacist through extensive multichannel engagement strategies. Calpol aims to surpass the landmark achievement of PKR 2 billion by leveraging its strong footprint as the preferred antipyretic in both children and adults.



## Theragran Ultra

GSK's flagship Multivitamin brand, Theragran Ultra, was revamped with a new strategy in 2020. The brand capitalized on the lifestyle modification element it offers as a daily need for patients suffering from Malaise and Fatigue, Sexual Health problems and poor Skin, Nail and Hair health.

Digital channels were exploited to spread the message of Theragran Ultra in 2020, to HCP's across the country. Moreover, channel activations like OiT and pharmacist webinars were also initiated during the year.

Theragran Ultra and the Multivitamin market have shown promising growth in the past year, thus providing a good opportunity to capitalize on in the future.



## Velosef (cephradine)

Even in the unprecedented situation last year, Velosef retained its position as the #1 Rx Cephalosporin in Pakistan with a 16.7% prescription growth\*; with total sales exceeding PKR 3 billion\*\* and delivering a growth of 7.12 %. The brand continues to lead the molecule category with ~70% value share.

The success is attributed to the team's perseverance and quickly adapting to the COVID-19 situation. The transition from face-to-face to digital platforms, supported in reaching out to >10,000 HCPs across the country.

Continued engagements in the heartland indication of; gynecological surgeries, skin and soft tissue infections and support from trauma / emergency and acute tonsillopharyngitis helped deliver the exceptional Rx growth.

\*MAT MIP S2 2020

\*\*MAT PKPI 12/2020



## Dermatology

At GSK Pakistan, the dermatology portfolio prides itself as being the first treatment of choice for all skin related concerns and diseases, trusted by our healthcare providers, pharmacists and the general public alike. As an unparalleled market leader in volume, value and prescriptions, it goes without saying that we are recognized as a holistic solution provider for all key skin conditions, ranging from Psoriasis, Eczema, Atopic Dermatitis and other difficult to treat steroid responsive dermatoses to Acne and all types of superficial skin infections. Year on year, our trusted, legacy and innovative brands continue to enable millions of patients to achieve their desired treatment goals, help bring back their skin confidence and significantly improve their quality of life.

GSK Clobetasol brands Dermovate and Clobivate, are super potent topical corticosteroids with a rich heritage of being the leading brands within the TCS market, across all key parameters; value, volume and prescription. As super potent therapy options, they enable healthcare providers and patient to treat psoriasis, lichen planus, and other difficult to treat and stubborn cases of steroid responsive dermatoses.

Cutivate is recognized as the leading solution for patients with inflammatory, pruritic manifestations of steroid responsive dermatoses, like Eczema & Atopic dermatitis. Specifically designed for efficacy and tolerability, Cutivate is suitable for adults and children over the age of three months. It is this combination of potency and safety that makes it a preferred choice for HCP's looking for topical therapy in treating steroid responsive dermatoses.

Similarly, in cases where superficial skin infections limit patients' lives, Bactroban is a topical antibiotic with wide coverage across all primary and secondary superficial skin infections like folliculitis, furunculoses and impetigo. With robust manufacturing processes to ensure quality and consistency, it was honored by the Queens Award of Technology in the UK in 1992. Approved in over 90 countries and recommended across international guidelines, it has become a key driver for the dermatology portfolio since its relaunch in Pakistan, in quarter 4 2019.



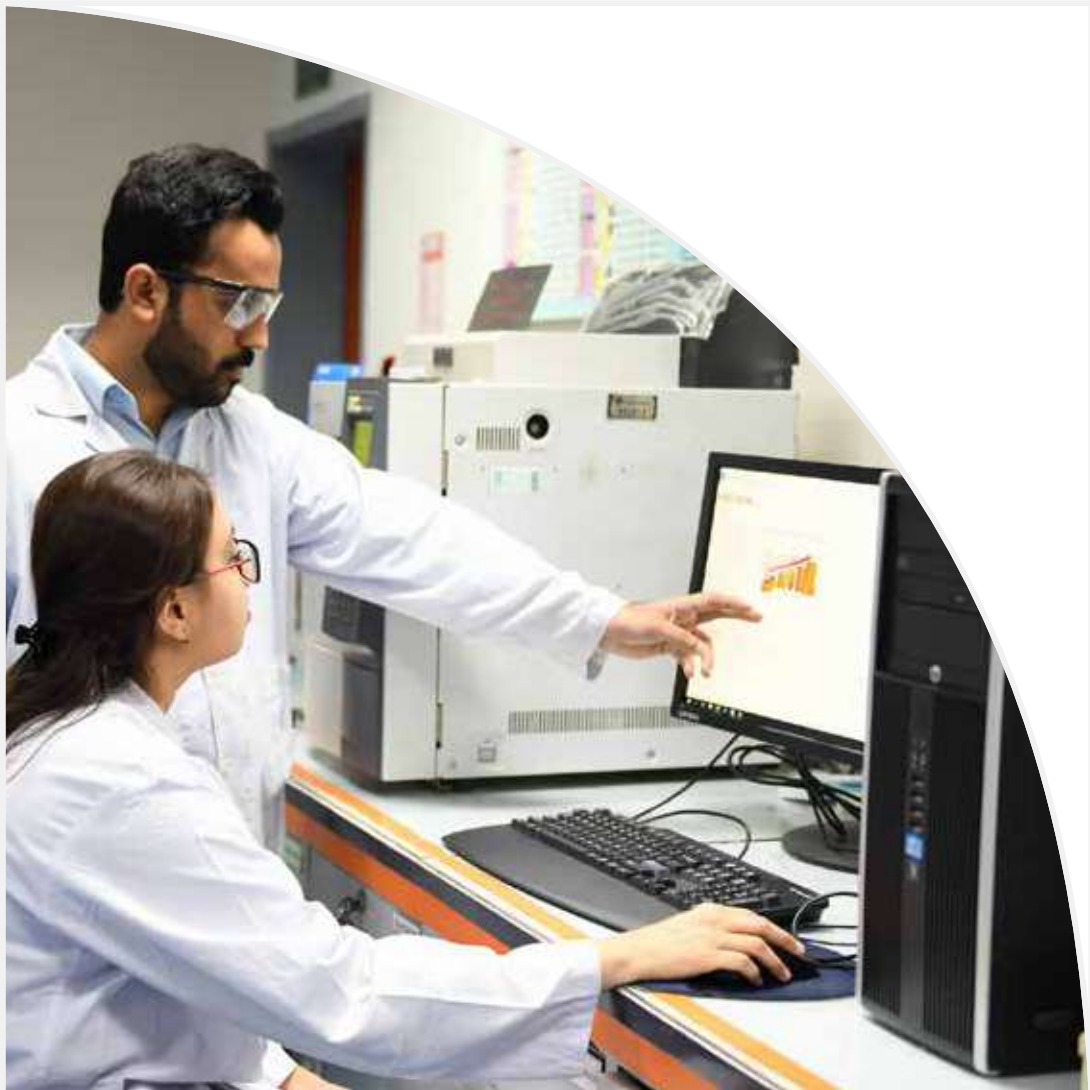


## Significant Factors Affecting the External Environment and the Associated Organization's Response

Category	Factor	Organizational Response
<b>Economic</b>	The outbreak of the pandemic forced shut-down of businesses and resulted in global depression.	<p>During the pandemic, many OPDs and clinics were closed which impacted Pharma Business. The Company established new ways of working to ensure business continuity during this time. The Company formed an IMT (Issue Management Team) to review the COVID-19 situation and ensure business continuity and also accelerated digital connects with HCPs (health care practitioners).</p> <p>The Company also continues to focus on internal cost saving and operational efficiency across the organization to mitigate the inflationary impact. The company monitors the changes in macro-economic policies on an ongoing basis and takes appropriate action in case of significant changes in the environment.</p>
<b>Political</b>	Political uncertainty and policy changes. During 2020, the government helped to mitigate the impact of the pandemic through smart lockdowns. The government also took other measures during the pandemic like introduction of relief packages for sectors.	<p>Stay updated on policy changes implemented by relevant authorities and hold regular discussions with them on the same.</p> <p>Moreover, industry issues are addressed to respective authorities through Pharma Bureau and other relevant business associations.</p> <p>The Company formed IMT (Issues Management Team) to deal with the pandemic and ensure business continuity.</p>
<b>Social</b>	Fulfilling our corporate social responsibilities through our contributions.	Active participation in CSR initiatives such as partnering with Dr. Ruth K M Pfau Civil Hospital for building HVAC system in their ICUs, supplying PPE at various hospitals and providing equipment for COVID-19 ward at Indus Hospital and transfusion beds at Muhammadi Blood Bank. The Company also collaborated with the Professional Education Foundation to give scholarships to students.
<b>Technological</b>	Being updated on the latest technological advancements .	<p>Continuously assess the need for investment in new technological advancements and invest timely to achieve operational efficiencies.</p> <p>In 2020, GSK Pakistan implemented ONE ERP in the commercial organisation. As part of the deployment, various initiatives were taken such as the new online ordering system, virtual accounts and mobile friendly applications.</p>
<b>Legal</b>	Different acts like the Companies Act 2017, Income Tax Ordinance, Sales Tax Acts, the Drug Regulatory Authority of Pakistan Act.	The Company ensures compliance with all the required laws and regulations. Further, it stays updated about new laws and ensures that the relevant departments are complying with the same.
<b>Environmental</b>	Create a safe and healthy work environment for our workforce.	Improved management of workplace risks and development of a safe working environment. Prioritization of safety over every operational task. During the pandemic, the company gave all employees ergonomic home office equipment allowance.

### Effect of Seasonality on Business in Terms of Production and Sale

Owing to the vast range of GSK products, seasons impact the Company's sales differently in different therapy areas such as sales of Anti-infectives and Derma increases in winters whereas sales of Wellness portfolio increases in summer season. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management at GSK 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.



## Strategy and Resource Allocation

<b>Objective</b>	Retain market leadership	Build an effective commercial organisation which allows us to get closer to our customers	Introducing state-of-the-art manufacturing technology to ensure patient access to quality medicines	Drive sustainable Digital Transformation
<b>Strategy</b>	Continually adapting change and driving performance of established products with a double digit growth mindset	Continuing the customer centric business model in conjunction with our cultural pillars of Pace, Accountability, Focus and Ambition to effectively meet the needs of our customers	Building GSK's capability to meet the increasing demand of its products in market	Enhancing digital capabilities to reach customers through multiple touch points specially in the new normal driving an exceptional customer journey
<b>Timeline</b>	Long-term	Long-term	Long-term	Long-term
<b>Priority</b>	High	High	High	High
<b>Resources Allocated</b>	GSK is heavily investing in capability building of its Human Resource as well as funding the plans to be the market leader in Pakistan	Human Resource and Financial Capital	Financial Capital	Human Resource, Financial Capital, Technological Resources / Advancements
<b>KPI Monitored</b>	Market Share, Evolution Index and Ranking in industry (As per IQVIA)	Effectiveness and quality of customer engagement	Production capacity of the manufacturing site.	1. Digital connects v/s face-to-face connects 2. Digital connects v/s Quality connects
<b>Status</b>	Ongoing	Ongoing	Ongoing process – state-of-the-art production facility.	Ongoing
<b>Future Relevance of KPIs</b>	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future
<b>Opportunities / Threats</b>	Opportunity: 1 - Adapting new ways of working and capitalizing the technological advancements  Threat: Local pharma industry practices	Opportunity: Leverage hybrid rep model to drive enhance customer engagement by tapping in an appropriate channel mix in the new normal	Increasing capacity of GSK sites	Opportunity: Capitalizing new digital channels to be relevant to the customers



<b>Objective</b>	To develop, promote and retain diversity across the organization	Building a high performance and engaging culture	Nurture a strategic relationship with channel intermediaries (distributors / pharmacies) for improving access of quality medicines to the patients	Enhance operational efficiency and cost optimization
<b>Strategy</b>	1 - Openness towards leveraging talent coming from diverse cultural backgrounds 2 - Driving Women Leadership Initiative (WLI) across GSK	Promoting data-first mindset and a sense of achievement in the organization	Building capabilities of channel intermediaries for enhancing access, responsible dispensing and counseling of patients	Ensure optimum utilization of company resources through enhanced governance and compliance oversight
<b>Timeline</b>	Medium-term	Medium-term	Long-term	Long-term
<b>Priority</b>	High	High	High	High
<b>Resources Allocated</b>	Human Resource and Financial Capital	Human Resource and Financial Capital	Human Resource and Financial Capital	Human Resource and Financial Capital
<b>KPI Monitored</b>	1 - Percentage of female employees 2 - Percentage of diverse talent in key roles	Number of individuals / teams recognized for high performance	Number of digital and face-to-face connects with channel intermediaries	1 - Gross Profit & Net Profit Margin 2 - Return On Investment
<b>Status</b>	Ongoing	Ongoing	Ongoing	Ongoing
<b>Future Relevance of KPIs</b>	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future	The KPIs will remain relevant in the future
<b>Opportunities / Threats</b>	1 - Building the culture of Diversity and Inclusion 2 - Empowerment for Development of Female Leadership under Modern Employer agenda	Building an efficient sales organization driven through data analytics and embedding performance culture	Build pharmacists' capability to support patients in prescription and dosage compliance	Optimizing resource allocation at every level. However, some uncontrollable factors like devaluation of currency / increase in raw material costs may impact the Company's profitability

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

The Company is adequately liquid and has PKR 6 billion of cash and cash equivalents as of 31<sup>st</sup> December 2020 to manage its cashflow requirement. Furthermore, there are no significant long-term or short-term debt obligations.

### **Strategy to Overcome any Liquidity Problems**

The Company is sufficiently cash surplus and doesn't have any major debt obligations. In addition to this, the Company also has running finance facilities from its banking partners to manage additional working capital requirement, if any required.

### **Significant Plans**

GSK Pakistan continues to be one of the key countries within the Emerging Markets Region. The global Company has high expectation from the Local Operating Committee (LOC). The management of GSK Pakistan is fully committed to deliver to that expectation amidst a volatile and challenging working environment.









































The company has implemented a new ERP system in the year. In the future, the company also plans to invest on CRSF, solar systems and Compression machines. Additional details of future projects are mentioned in section pertaining to capital expenditure.

### **Significant Changes in Objectives and Strategies from Prior Years.**

There are no significant changes from prior year.

# Risks and Opportunity Report

GlaxoSmithKline Pakistan Limited is affected by the macro-economic policies which are set by the government. The Company regularly monitors the same to respond effectively to both risk and opportunities present in the environment.

Risks & Opportunities	Opportunity or Risk	Objective	Mitigation Measure	Rating	Source	Magnitude	Likelihood	Capital	Nature
<b>Risk:</b> Currency devaluation and high inflation risk impacting business profitability  <b>Opportunity:</b> Opportunity to earn through export sales	Opportunity and Risk	Keep operating costs low	Increasing costs due to inflation and currency devaluation are beyond our control. In case such a risk arises, the company will take proactive measures to minimize them. The Company will continue to take cost mitigation initiative to manage business profitability.	★★★★					
Business continuity and employee wellbeing is impacted by pandemic	Risk	Ensure business continuity and employee wellbeing	In case of pandemic, the Company will take appropriate measures to ensure business continuity and employee wellbeing. This is being regularly monitored through IMT (Issue Management Team) meetings.	★★★★					
Technological Obsolescence	Risk	Be updated with change in technology to ensure maximum customer reach	The Company will accelerate digital connects with healthcare practitioners through multiple channels like webinars and phone calls to ensure maximum customer reach.  Considering the technological advancements, the Company also implemented SAP in the commercial organisation to drive efficiencies.	★★★					
Opposing viewpoints regarding drugs safety could impact company image	Risk	Maintain public image about drug safety	If such a risk arises, the Company will take appropriate measures to respond to it via media and other channels.	★★★					
Liquidity problem arising from insufficient cash	Risk	Ensure that there is sufficient cash available timely	The Company has good credit rating which ensures easy access to running finance facility when required. The company also regularly monitors the cash flow projections and liquidity status to ensure that there are sufficient funds.	★★★★					
Retention of employees in critical positions	Risk	Create a work environment where employees are motivated. Ensure employees are motivated to perform critical roles and turnover is low.	The Company maintains detailed succession plans and places emphasis on employee training and development.	★★★★					
Natural Disasters	Risk	Ensure robust business continuity plans are in place.	The Company has developed business continuity plans to deal with any calamities that may arise.	★★★★					
IT Security Risk	Risk	Ensure that confidential information is protected	Proper controls in place to ensure that confidential information is kept safe and secure on GSK network	★★★★					

Risks & Opportunities	Opportunity or Risk	Objective	Mitigation Measure	Rating	Source	Magnitude	Likelihood	Capital	Nature
Major accidents	Risk	Ensure safety of employees, records and property	Environment, Health and safety department has taken steps to ensure that employees and property is safe.	★★★	Internal	High	High	Human	Long-term
Volatile Law and Order situation	Risk	Ensure employee safety	The Company has taken security measures to ensure the safety of its employees. In case of any such situation, employee safety is a priority and appropriate communications are rolled out to employees to alert them.	★★★	Internal	High	High	Human	Long-term

<b>Rating</b>	<b>Source</b>	<b>Magnitude</b>	<b>Likelihood</b>	<b>Capital</b>	<b>Nature</b>
★★★ High	External	High	High	Financial	Long-term
★★★ Medium	Internal	Medium	Medium	Human	Medium-term
★★★ Low		Low	Low	Manufactured	Short-term

## Risk Management Policy

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

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

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

## Assessment of Principal Risks

The Board monitors the principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. This responsibility has been delegated by them to Risk Management and Compliance Board (RMCB) which is comprised of GSK management team.

Our Risk Management and Compliance Board (RMCB) supports to establish a framework for ensuring risk management is embedded throughout the organisation and is an integral part of the decision making. The RMCB is responsible for promoting a 'tone from the top' risk culture, as well as ensuring effective oversight of internal controls and risk management processes for identifying, assessing, treating, monitoring and reporting all known and significant emerging risks associated with the business.

The RMCB comprises of a structure whereby designated Risk Owners, who are members of Senior Management, are accountable for identifying and mitigating significant risks, while the Compliance Officer is responsible for facilitating a risk-based approach in establishing internal control systems within GSK. The RMCB held 07 meetings during the year.

## Strategic, Commercial, Operational and Financial Risks

At GSK, risks can be largely classified as follows:

**Strategic Risks** – are those which pose a significant threat to meeting the business objectives and are outside the entity's control. The principal strategic risk being faced by the Company remains the highly restrictive regulatory environment and lack of market-oriented pricing policies. While a new drug pricing policy which addresses a majority of long-standing issues was rolled out

in 2018, there is still a potential to improve and align our regulatory environment with other regional countries to help Pakistan's Pharma industry to truly achieve its potential. In the meantime, the Company will continue to work on mitigating such risks through active discussion with the Government and other relevant stakeholders.

**Operational Risks** – are those which hinder the entity from running its operations smoothly. Our main operational risks are the supply issues, inflation and the potential for fraud and employee turnover. These risks are being managed through development of alternate sourcing of materials, facility upgradations, robust forecasting process in commercial and manufacturing, simplification of operating model, spend management, adequate segregation of duties, refresher trainings of Code of Conduct, job rotations and employee empowerment.

**Commercial Risks** – are those which stem from the commercial nature of the industry and are a direct threat to the profitability of the entity. In GSK's case, the main threat stems from the acceleration of low cost generics in the market, which we counter through capacity enhancement/plant upgrading, new product launches, R&D and providing affordable healthcare solutions to maintain the Company's market share.

**Financial Risks** – are those that may cause financial loss to the entity and are described in more detail in note 39 of the Financial Statements. The above risks are categorised using the following grid:

Degree	Likelihood	Impact
5	Almost certain	Catastrophic
4	Likely	Major
3	Moderate	Moderate
2	Modest	Unlikely
1	Minor	Rare

## Strategy for mitigating Risks and Potential Opportunities

At GSK, we take a number of initiatives to mitigate risk.

### 1. Board and Committees

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

*\*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 **Human Resource and Remuneration 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 of the CEO on matters related to succession planning of key management positions and ensuring proper compensation to GSK employees.*

*\*The Environment, Health and Safety Committee monitors and reviews the EHS compliance and performance of Company operations. Through the committee, previous targets are reviewed, new targets are set, and actions are prioritised. It also ensures necessary planning and the availability of required resources for mitigation of risks identified.*

## **2.. Standard Operating Procedures**

Standard Operating Procedures are a vital part of the Company's governance framework. These are adopted to ensure best practice and Senior Management ensures that there is compliance with the same.

## **3. Control Activities**

Senior Management has placed controls to mitigate risks. There is regular management monitoring to ensure compliance.

## **4. Internal Audit**

The internal audit function examines Company records and operations, ensuring fair financial reporting processes, compliance with applicable laws and adherence with internal control systems. It provides detailed reports to the audit committee on the same.

### **Information about defaults in payment of any debts and reasons thereof:**

The cash generation from Company's business operations allow retiring of its obligations in a timely manner. Besides, robust liquidity monitoring controls are in place to ensure that sufficient financing is in place to cater all business requirement, further running finance facilities are also availed via banking partner, if needed.

### **Capital Structure and its Adequacy:**

Total equity increased by 5.9% to Rs. 16.1 Billion comprising of share capital amounting to Rs. 3.2 Billion which consists of issued share capital of 318,467,278 shares of Rs. 10.00 each. S.R. One International B.V., Netherlands and its nominees are the major shareholder of the Company, having 263,029,794 shares being 82.59% of total paid-up capital.

The Company's Statement of Financial Position is entirely financed via equity. The Company generates adequate liquidity through its business operations and does not need any secondary financing. Therefore, GSK Pakistan believes that the prevailing Capital Structure is adequate.

# Quality Management System (QMS)

## Introduction

GSK's Quality Management System (QMS) is a comprehensive process of management responsibilities, quality culture expectations, and documented policies and procedures. GSK QMS encompasses regulations applicable throughout product life cycle and supply chain, including good manufacturing practice, good distribution practice (GxPs), EU, US, WHO regulations and other industry standards. QMS activities ensure supply of quality products (quality) to patients or customers and meeting expectations of applicable regulations (compliance).

The LOC (Locally Operating Company) Quality unit operates in the LOC business organisation but reports independently to the Pharma Supply Chain (previously known as Global Manufacturing and Supply, GMS) Quality group.

## GSK Quality statement:

Ensuring the Quality, safety and reliable supply of our products is critical to accomplishing our goal of becoming one of the world's most innovative, best performing and trusted healthcare companies.

Holding ourselves to high-quality standards expected of us protects GSK's licence to operate and our competitive advantage. This is why we strive for excellence, always aiming to deliver right first time and to meet the needs of our patients, consumers, health care professionals and regulators around the world. We do this through teamwork, high performing quality systems and our culture, which is shaped by GSK's values and expectations.



- Deals with 51 Third parties (LSP + Distributors + Transporters )
- Quality Trainings of LOC Third parties ( GDP + QMS )
- Oversight of highest number of Repacking activity in region

## End 2 End Supply Chain

- Deals with Monthly Regulator's Vists on 3P Warehouse
- Deals with Local Grug testing labs correspondence and queries for imported Products
- Work as Qualified person for Imported product release



QMS at GSK is the foundation that underpins everything we aspire to in terms of product quality. We help achieve this by providing vigilance across the organisation to ensure all of the activities we undertake are fully compliant with internal GSK policies and those of our local regulators and will also lead to an improvement in performance for the benefit of the business and our shareholders.

Our long-term sustainability depends on the benefit our products give to people to improve their quality of life and help them do more, feel better and live longer. Therefore, the responsibility to make, test and ship our products with the highest quality standards will always remain the foremost focus of our attention.

LOC Quality acts as point of contact for customer complaints received from different sources and ensures that the complaints are handled as per global guidelines and outcomes are communicated to the customer to drive continuous improvement and build a relationship of trust with the customer. Additionally, product incidents are proactively monitored on a routine basis to ensure investigation, escalation and informed decision making.





### CUSTOMER

indicates there is an issue they want to complain about

Include Executive Summary from the Investigation Report in the customer response

« 2-Way Communication »

« Investigation results »



### COMPLAINT HANDLER

Collect Information

Date of receipt

Customer's details (name, address, contact number)

Product details (dose, formulation strength)

Batch number (s)

Nature and detail of the complaint and any associated AE

Status of sample to be returned and expected date of return.

Complaint From »

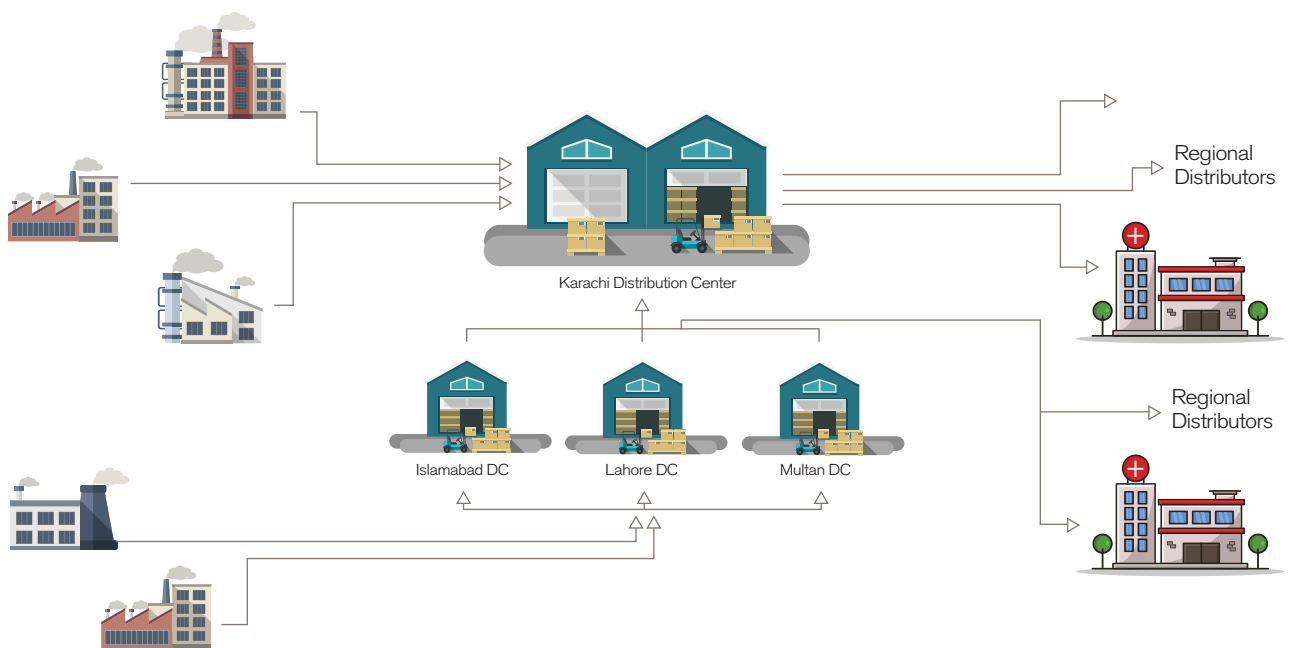
« Investigation Report »



### INVESTIGATION SITE

Evaluates the issue and coordinates investigations

## End to End Supply Model for LOC Pakistan



# Corporate Social Responsibility

## Grants and Donations

2020 was an unprecedented year because of the COVID-19 pandemic. GSK, being a market leader, recognizes its responsibility towards the society at large and prioritized supporting causes that would create a positive impact on the community in line with the national need. We sponsored the Dr. Ruth K M Pfau Civil Hospital Karachi for building an HVAC system to create a negative pressure room in their existing ICU to protect patients and healthcare staff. We also supplied PPE to the Aga Khan Hospital and Medical College foundation in Karachi, the Academy of Family physicians and the ChildLife Foundation. In addition to the PPE donations, GSK also provided Cardiac Monitors for the COVID-19 ward at the Indus Hospital and transfusion beds for the Muhammadi Blood Bank.

Although our 2020 CSR was focused mainly on the healthcare sector, GSK also recognizes the importance of education and collaborated with the Professional Education Foundation to give scholarships to students.

## Environment, Health and Safety

Our business is health, and this starts with our own people. GSK Pakistan is committed to providing a safe workplace where everyone is healthy and taking actions to protect our planet. And we all have a part to play.

As we strive to achieve our aim to help people do more, feel better and live longer, we are committed to providing a safe workplace where people can be healthy and help protect the planet. Our core principles of respect for people, operating with transparency and acting with integrity underpin our approach to managing EHS&S.

Key components in safeguarding our people, protecting our assets and the environment include taking an enterprise view of EHS&S and ensuring visible leadership commitment. We do this through establishing an effective control framework and by embedding a strong EHS&S culture throughout the business. As well as our ongoing work to protect the planet, we have set challenging sustainability targets to reduce our longer-term environmental impact.

## Environment and Sustainability

With the vision of becoming the most environmentally sustainable healthcare company, GSK is committed to reducing its carbon footprint by 25% within the next 10 years. As part of the "Think 2030" goal, the following key milestones related to environment and sustainability were achieved in 2020.

- 31% reduction in Water consumption
- Solar Energy Systems: Our Pharma Supply Chain (PSC) manufacturing facilities are a key contributor to our environment and sustainability goals. In the third phase of our solar expansion project, in 2020, our three PSC sites (West Wharf, Korangi and F-268) collectively added a total of 344 kWp to the GSK solar grid. This enhancement has raised the total solar power generation capacity to 677 kWp, with a total reduction of 440 tons of CO2 emissions annually. As part of our commitment towards a greener future, GSK Pakistan has already received approval to enhance its solar generation capacity by a further 800 kWp in 2021.



- Single Use Plastics Reduction: n SUPR (Single Use Plastic Reduction) is a global GSK initiative to reduce use of plastic. Via multiple initiatives introduced in 2020, our West Wharf site reduced the consumption of single use plastic by 701 kg in 2020.

## Anti-Microbial Resistance Program

Anti-microbial resistance (AMR) is a global health and development threat. WHO has declared that AMR is one of the top 10 global public health threats facing humanity. Lack of clean water and sanitation and inadequate infection prevention and control promotes the spread of microbes, some of which can be resistant to antimicrobial treatment.

Keeping our responsibilities towards health and environment in mind, our F-268 PSC facility completed the initiative of becoming an Anti-Microbial Resistance Compliant site by eliminating the risk of wastewater discharge to soil. This has been achieved by re-using the wastewater after RO filtration in engineering utilities.



#### Living Safety

- What?
- How?
- Benefits?
- Why?

100% AMR (Antibiotic Microbial resistance)  
Compliant site  
Risk: discharge to soil and ground may lead to AMR

In house modification disconnecting of ETP water supply to garden areas and routing them for utilities supply

Use of ETP in utilities supply  
Risk of discharge to soil and ground eliminated

Planned and executed within 15 days  
Zero cost involved in the entire initiative

#### Elimination of Ozone Depleting Substances based Refrigerants

In light of the environmental considerations associated with halocarbons, our F-268 site has eliminated all ODS (Ozone Depleting Substances) based refrigerants from site in 2020. All CFC and HCFC based equipment have either been removed or replaced with alternative zero-ODP refrigerant, contributing towards an important cause.



#### SAFE WORKING HOURS

Our West Wharf PSC site achieved another Safe Working Year in 2020, with no time lost on account of incidents. This constituted 680,000 safe man-hours. Since 2018, 2.1 million safe man-hours have been achieved without an incident.

## Our Response to the COVID-19 Pandemic

GSK has always prioritised the safety of its people while ensuring a continuous supply medicines to its patients and consumers. In March as the COVID-19 situation worsened, the Company, through its Issues Management Team (IMT), decided to suspend field operations across Pakistan. Employees were advised to work from home while teams started the transition to a virtual mode of customer engagement. The Company ensured that the necessary support was provided to employees to facilitate their virtual activities and working from home. Throughout this period, employees critical to maintain Supply Chain continuity continued to come to work in our factories and offices to make sure that the many essential and life-saving medicines we manufacture remained available across the country. Robust safety measures were put in place to ensure the health and wellbeing of these employees.

In August, after the first wave subsided, the company resumed its field work in a phased approach. A robust risk assessment of operations, in view of the COVID-19 risk, was carried out; staff was trained on the new ways of working and personal protective equipment (PPE) were given to the entire field force so that they were able to perform their duties without exposure to any unnecessary risk. A weekly pulse check survey was conducted to gauge staff's level of comfort; evaluate the on-ground situation and acquire field force's feedback on the implemented precautionary measures. This enabled IMT to take timely and effective decisions.

The office-based staff was divided into 3 categories: Category A comprised of those individuals who were deemed critical for business continuity and were required to attend office. The second category were those employees who were able to perform their duties effectively from home, while all those employees who could not come to office due to personal reasons (family issues or pre-existing medical conditions) were classified as category C. All necessary safety arrangements, complying with the Government and GSK SOPs and CDC/WHO guidelines were made for employees who were attending office. A weekly roster was implemented to adhere to 30% daily staff capacity restriction. Meeting room capacities were revised, social distancing protocols established, floor markings were carried out, PPE and sanitizer availability were ensured and arrangements for meal delivery in disposable boxes at the desk were made. An ergonomic allowance along with other IT facilities were also provided to employees working from home to ensure their comfort and effectiveness.

Throughout the year and even now, regular monitoring of the situation is carried out by the IMT. Refresher trainings for employees have been conducted so that compliance to COVID-19 SOPs is ensured. Throughout the pandemic, GSK has taken all possible measures to ensure that the people associated with the company or working for it are not exposed to any risk while also being able to help fulfil our commitment to our patients and consumers. The journey of continuous improvement is still in progress to adhere to the situation as it evolves.

## Awards and Recognition



### Top Employer

GSK Pakistan participated in Top Employers Certification program during Q3 of 2020 and was recognised as a Top Employer in Pakistan for 2021

Being certified as a Top Employer showcases an organisation's dedication to a better world of work and exhibits this through excellent HR policies and people practices.

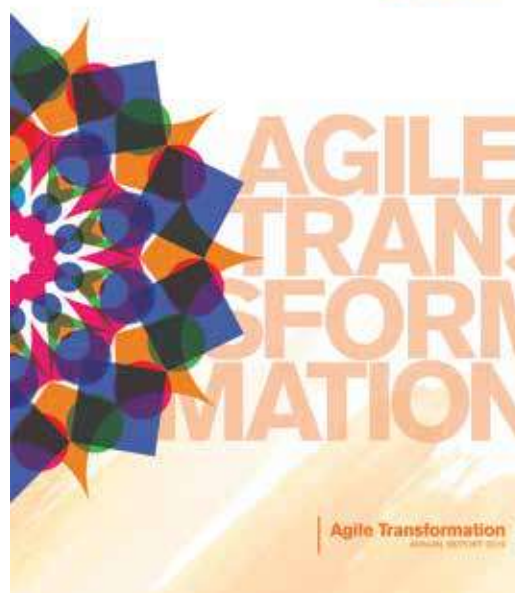
The Top Employers Institute programme certifies organisations based on the participation and results of their HR Best Practices Survey. This survey covers 6 HR domains consisting of 20 topics such as People Strategy, Work Environment, Talent Acquisition, Learning, Well-being and Diversity and Inclusion and more.

The programme has certified and recognised more than 1,600 Top Employers in 120 countries / regions across five continents.



### Annual Report 2019

GSK Pakistan won 1<sup>st</sup> place in the Pharma Category for the best Annual Report. The award is issued annually by the Institute of Chartered Accounts and Institute of Cost and Management in Pakistan





### Best Project Award

The Ointment Manufacturing Facility was upgraded in 2020 to improve facility GMP compliance. The entire project was completed within a total of 13,000 safe working hours over a period of five months under a robust Construction Safety Plan. The in-time completion and delivery of objectives resulted in this upgrade being given the GSK Emerging Markets Best Project in 2020.

### PLM Award (Project Lifecycle Management)

Site received PLM Award given by the GSK Global Technical Team for Process Improvement initiative and process control strategy implementation in manufacturing of ENO Powder, which delivered a significant increase in throughput and manufacturing capacity.

### CERTIFICATIONS:

ISO Certification - During the COVID-19 outbreak, the site has still managed to maintain its ISO certifications with zero non-conformities identified. The site has migrated from OHSAS 18001 to ISO 45001 in 2020 and has maintained its ISO 14001 as well as ISO 9001 certifications. This is a key part for the sites for our tender business.

GSK F268 continued to maintain its certifications without any major non-conformance against the international standards of,

- OHSAS 18001:2007 (Occupational Health and Safety Management System)
- ISO 14001:2015 (Environment Management System)
- ISO 9001:2018 (Quality Management System)



## Key Initiatives

### 1. CRSF Packaging (Child Resistant Senior Friendly)

GSK's goal is to be one of the world's most innovative, best performing and trusted healthcare Companies. In keeping with this mission, GSK continues to do whatever it takes to keep families healthy and safe. In 2020 GSK launched a Child Resistant packaging initiative to help reduce the risk of serious harm to children resulting from unsupervised access to medicines by a child for Fefolvit with a number of other products to be added in the next year.



### 2. One ERP SAP Implementation

In 2020, GSK Pakistan successfully implemented SAP across the commercial organisation. Due to the ongoing pandemic, this deployment was done end-to-end remotely. This involved liaison within country and above country teams to ensure that the deployment of the system was successful while business as usual activities weren't impacted. As part of the deployment, model office sessions were conducted which had a reach of 1,000 participants. New initiatives such as the introduction of virtual accounts and new online ordering system were also undertaken. Enhanced controls and user-friendly mobile applications for Procurement and Travel and Expenses were also introduced.



### 3. Digital Doctor

The development of Digital Doctor, a Pakistan Tech initiative based on gamification technology. This case study-based tool will enable us to transform HCP engagement from conventional to digital channels at product education meetings.

### 4. Online Ordering Portal

The implementation of Online Ordering Portal (OOP), a tool to help bridge gaps between GSK and Distributors. The OOP is also integrated with SAP which has enabled this shift from manual to digital e-Commerce interaction between the Company and its vendors.

### 5. Project Tezz

Project Tezz is the implementation of the Meeting Authorization Portal in Pakistan. This solution is selected as a best practice to be implemented in other Emerging Markets as well. MAP is an end to end automation tool for of all GSK meetings and supports sales, marketing and medical teams to conduct meetings efficiently.

### 6. Online Printing of Prices on Imported Products

This printing assists in the timely implementation of new prices on key imported assets. The online printing process has been deployed on key assets such as the Seretide Evohaler and upcoming supplies of the Ventolin Evohaler will be also delivered using this upgrade.




## 7. Warehouse Upgradation

Upgradation of West Wharf Raw Material Warehouse with new racking of international standards with enhanced safety compliance and increase of sites pallet space from 1,100 to 1,500.





TRUST



“The delicate harmony guided by our core values is an equation that has taken years to master. Today, we continue our goal to bring a sense of order and harmony in the world of healthcare through our own intricate golden ratio.”

# Corporate Governance

## OUR CORPORATE GOVERNANCE STATEMENT

Our governance structure operates from the Board across the Company and we believe it underpins our ability to deliver our strategy and create long-term value and benefit for our shareholders and stakeholders. Our purpose and values have always been a source of great pride for the Board and our employees. It is a powerful force in attracting and retaining talented people who, as individuals, want to be part of a Company that contributes meaningfully to society.

## CHAIRMAN'S REVIEW ON THE PERFORMANCE OF THE BOARD

Review by the Chairman on the overall performance of the Board and effectiveness has been covered in more detail on 86-87 pages of the Annual Report.

## COMPLIANCE WITH THE BEST CORPORATE PRACTICES

GSK is fully compliant to the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Report issued by the auditors confirming the Listed Companies (Code of Corporate Governance) Regulations, 2019 is contained on the page no. 107.

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 Deloitte, 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 regulations.

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

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

## EXCEEDING LEGAL REQUIREMENTS

GSK strives to operate transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in positioning ourselves as the leaders of exceeding legal requirements by adopting of best business practices from around the world.

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

- The Code of Corporate Governance requires that at-least half of the directors on the Board of a Company must have completed the Directors' Training Program trained by 30th June 2020. Currently, as of December 2020 more than 50% of the Directors are either trained or exempted from the program.
- In order continuously improve, achieve and exceed global standards for product safety, quality, HSE, manufacturing and management excellence; as of January, 2018 GSK has implemented a robust and aggressive Health, Safety and Environment policy, along with strategies and road shows to ensure safety of employees and equipment.

## 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 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.

## Living Our Values and Expectations Together

Together, our values (patient focus, integrity, respect and transparency) and expectations (courage, accountability, development and teamwork) help us to create the culture we want. They are included in our Code of Conduct, which we have updated to make it simpler and easier to use. Every GSK employee and complementary worker is required to complete mandatory training on the Code of Conduct annually. Our employees completed the training, which covered topics such as safety, health and wellbeing, third party oversight, data breach reporting, sexual harassment, and anti-bribery and corruption (ABAC).

## Reporting and Investigating Concerns

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

## Inside Information Register

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

## CONFLICT OF INTEREST AMONG BOARD MEMBERS

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

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

## WHISTLE BLOWING POLICY

GSK has global procedures on reporting misconduct and safeguarding people who report these concerns. We believe that ethical business conduct is the responsibility of everyone working for and on behalf of GSK. It is the foundation for building trust in our company and protects our license to operate. We expect everyone at GSK to live our values and expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. We also extend these ethical expectations to the third parties we work with.

## Zero Tolerance for Retaliation

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

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

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



## Speak Up Instances During the Year

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

## STAKEHOLDERS' ENGAGEMENT

All shareholders are invited to attend our Annual General Meeting. This year's AGM will be held via WEBEX from GSK Head Office at 35 Dockyard Road, West Wharf, Karachi, on 27 April 2021 at 11:30 a.m. Our 2019 virtual AGM had a good level of attendance and engagement by shareholders. All our proposed resolutions at the last AGM were approved by shareholders. The AGM provides an opportunity to put questions to our Board during the formal AGM proceedings, and providing shareholders obtain answers to their queries.

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

We try to engage with shareholders in several ways. This includes regular communications, the AGM and other investor relations activities. We announce our results on a quarterly basis and our annual results are included in our Annual Report. All shareholders receive our Annual Report and Notice of our Annual General Meeting.

We strive to make full disclosure of all material information to all stakeholders by various announcements on its website, to the Stock Exchange and other sources available to help investors to make informed decisions.

Further, on 8 December 2020, we held a successful Corporate Briefing session which included giving presentations to shareholders, institutional investors and analysts at the Pakistan Stock Exchange.

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

### Patients and Consumers

- Advisory Boards and Patient Advocacy Leaders Summits provide patient insights – Engaging with and supporting patient groups (disclosed on gsk.com) and supporting initiatives that empower patients to get more involved in medicine development.

- Our market research and consumer sensory labs help us understand consumers needs.

### Investors

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

### Healthcare Professionals

We work with healthcare professionals (HCPs) and medical experts to understand patient needs and to ensure our products are being administered in the right way. GSK takes pride in playing a part in the sharing of latest scientific information that can help HCPs in treating their patients. Many initiatives in each therapy area to engage HCPs, other healthcare staff and the general public were successfully cascaded in close collaboration and liaison with leading Key Opinion Leaders (KOLs). The Medical Department conducted around 600 activities, reaching approximately 130,000 HCPs in 2020.

### Governments and Regulators

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

- Engaging with regulatory bodies during development of a drug
- Engaging with government health agencies to demonstrate the value of our products
- Working with governments to build a strong operating environment for life sciences

### Employees

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

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

### Suppliers and Distributors

We work with numerous suppliers, large and small, who provide goods and services that support us in delivering high-quality, safe products for our patients and consumers.

- Engaging with suppliers through our Third-Party Oversight programme and external platforms to help monitor performance
- Providing a platform for our suppliers to share best practices in environmental performance through our Supplier Exchange online community
- Auditing our suppliers' quality processes to ensure they comply with relevant regulations

### Media

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

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

### CORPORATE BRIEFING SESSION

On December 08, 2020, the Company held its second successful Corporate Briefing session at GSK Pakistan Head Office. Ms. Erum Shakir Rahim (CEO), Abdul Samad (CFO) and Syed Azeem Abbas Naqvi (Company Secretary) presented and briefed investors on the Company's financial performance and operational overview of the year.

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

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

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

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

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

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

The Company has internally established a mechanism for shareholder grievances handling. The Company has a Shares Department and appointed an independent Share Registrar (CDCSRL) to resolve issues of the shareholders.

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

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

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



## INVESTORS' SECTION ON WEBSITE

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

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

## POLICY FOR SAFEGUARDING OF RECORDS

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

We believe that documentation practices have a direct impact on product quality and consumer safety, and we implement the highest standards of record safeguarding through our document management and control policy. We have strict data lifecycle management guidelines in place which are implemented across all our activities and processes. These guidelines outline procedures for our data approvals, use, access and retention as well as the use of third-party archive service. This helps ensure document accuracy, consistency integrity, availability and legibility.

In line with regulatory requirements and our Code of Conduct, we ensure documentation practices meet our requirements for design, management and control of instructions, reports and master documents. We also have checks in place that cover archive requirement for all our stored data, both physical and electronic.

## OUR BOARD AND DIRECTORS' ROLE

As the leaders who oversee the governance of the Company, our Board of Directors' key responsibility is to ensure the Company's prosperity, by collectively monitoring and directing the Company's affairs, whilst protecting the appropriate interests of its shareholders and stakeholders. Our Board is responsible for the Company's system of internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is also accountable to the shareholders for ensuring that GSK is appropriately managed and achieves business objectives. Our Board remains committed to the highest standards of corporate governance and integrity.

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

Our Board meets 4-5 times a year to consider GSK's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments, licensing decisions and evaluates and monitors GSK's performance. Our Board comprises of 7 Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected. There are 3 Non-Executive Directors, 2 Executive Directors and 2 Independent Directors on our Board. In view of the Company's policy of diversity, GSK maintains female representation on the Board with two Directors being female.

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

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

## PROFILE OF BOARD MEMBERS

### DMYTRO OLIINYK

Non-Executive Chairman

Nationality:	Ukraine
Appointment:	August 28, 2019
Years of experience:	15 years of experience in the field of finance
Education:	Dmytro is an ACCA qualified and holds a Master's degree in Finance from Kyiv National Economic University.

Dmytro joined GSK in 2008, holding several roles of increasing importance in the field of finance.

Currently, Dmytro serves as the VP Finance, Emerging Markets Central (MENA, Turkey, Russia and Pakistan).

During his career journey with GSK, he has held multiple positions of increasing responsibility across different geographies including Finance Director Planning and Analysis Europe, Finance Partner Vaccines Emerging Markets and Europe, Senior FD Ukraine, Belarus Moldova and Caucasus and Finance Manager, Central Asia.

Prior to joining GSK, Dmytro was based in Ukraine, working for Price Waterhouse Coopers in the capacity of a Senior Auditor.

### ERUM SHAKIR RAHIM

CEO and Executive Director

Nationality:	Pakistani
Appointment:	March 01, 2020
Years of experience:	25 years of experience in Pharmaceutical sector
Education:	Erum Rahim holds a Master's degree in Mass Communication.

Erum Shakir Rahim is currently serving as the Vice President and General Manager of GlaxoSmithKline Pakistan Limited.

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, GSKP 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 and GM of GSK Bangladesh and Developing Countries Asia Cluster and then as GM Indonesia from mid 2018. Erum took over as Vice President and General Manager of GSK Pakistan in April 2020.

Across all her roles, Erum has delivered GSK objectives consistently focusing on driving high quality and disciplined execution and developing strong teams.

She has worked in multiple geographies and led diverse teams across 9 countries in Asia where she was able to launch, sustain and grow key brands and portfolios whilst managing public, government and regulatory challenges.

Erum has been on the GSK Pakistan, GSK Bangladesh and GSK Consumer Healthcare 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.

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.

### MAHEEN RAHMAN

Independent Director

Nationality:	Pakistani
Appointment:	December 5, 2018
Years of experience:	20 years of experience in investment banking, research and asset management.
Education:	Maheen holds a B.Sc. (Hons) in Economics from the Lahore University of Management Sciences (LUMS) and a M.Sc. in Finance and Economics from Warwick Business School, UK.

Maheen has recently been appointed as the CEO at Infra Zamin Pakistan, a for-profit, Karandaaz and InfraCo Asia joint venture which seeks to provide credit enhancement facilities to infrastructure projects. The company is part of the wider Private Infrastructure Development Group which seeks to fill infrastructure financing gaps in frontier markets. Through such credit guarantee structures as well as a mandate for achievement of ESG goals under each project, Infra Zamin hopes to fill in a crucial funding gap while achieving positive social impact.

Ms. Rahman started her career with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. Post Merrill Lynch, she joined ABN Amro Bank in Singapore in the Corporate Finance Department and was involved in a series of equity raising and IPO activity across south-east Asia. She has also served as Head of Research for BMA Capital Management. She joined IGI Funds in 2009 as Chief Executive and the company was acquired by Bank Alfalah's asset management company Alfalah GHP Investment Management in 2013. Today Alfalah Investments is one of Pakistan's leading asset management companies with over Rs 100bn in total assets across mutual funds, pension funds and investment advisory.

Maheen also serves as Chairperson and Director of the Mutual Funds Association of Pakistan and Director at Pakistan's Institute of Corporate Governance.

### MARK DAWSON

Non-Executive Director

Nationality:	United Kingdom
Appointment:	October 26, 2017
Years of experience:	More than 20 years of experience in Pharmaceutical sector.
Education:	Mark is a graduate of the University of Sheffield in the UK and a Chartered Engineer.

Mark Dawson is Vice President, Head of Manufacturing and Supply Chain for Primary and Established Products of GSK's Pharmaceutical Business. Mark joined GSK in 2005, working in various roles of increasing seniority within Global Manufacturing and Supply as Engineering Director, Site Director for the Irvine manufacturing site and most recently was VP and Head of Global Supply Chain within ViiV Healthcare, GSK's HIV business.

Prior to GSK, Mark worked for several multinational companies including Eli Lilly and Company, Kvaerner and Schneider Electric.

Mark has held various private and public Board positions including ViiV Healthcare, the University of Sheffield and the Irvine Bay Regeneration Company.

### MEHMOOD MANDVIWALLA

Non-Executive Director

Nationality:	Pakistan
Appointment:	May 7, 2011
Years of experience:	38 years of extensive experience in the field of Law. Mehmood has an LLB (Hons.) from the London School of Economics and Political Science. He qualified as Barrister from the Hon'ble Society of Lincoln's Inn, London, United Kingdom.
Education:	

Mr. Mehmood Mandviwalla is the Senior Partner of the law firm **"Mandviwalla and Zafar"**. Mr. Mandviwalla has extensive experience spanning over 38 years in all aspects of commercial and corporate law including mergers and acquisitions in the field of banking, corporate and financial restructuring privatizations.

Mr. Mehmood Mandviwalla is the member of the Board of Directors of The Deposit Protection Corporation – Subsidiary of The State Bank of Pakistan. He is also the President of SAARCLAW (South Asia Association for Regional Co-operation in Law).

### ABDUL SAMAD

CFO and Executive Director

Nationality:	Pakistani
Appointment:	July 1, 2015
Years of experience:	More than 20 years of experience in the field of finance.
Education:	Samad is a fellow member of the Institute of Chartered Accountants of Pakistan.

Samad is the Chief Financial Officer/ Finance Director for Pakistan. He joined GSK in 2002 and over the years he has worked in various roles in finance. These include covering Finance Business Partnering, Shared Service, Compliance Internal Audit and Supply Chain, with a track record of strategy execution, driving organisational growth and delivering transformational commercial and finance projects. Within GSK, Samad has also undertaken secondment assignments in GSK Saudi Arabia and Morocco.

Previously Samad has also served as Auditor Manager at Price Waterhouse Coopers (PwC) Pakistan.

## MUNEER KAMAL

Independent Director

Nationality:	Pakistan
Appointment:	April 2, 2020
Years of experience:	40 years of diverse corporate experience.
Education:	Muneer Kamal holds an MBA degree from the Institute of Business Administration.

Muneer Kamal's career in banking and financial services, spanning four decades, started with Citibank Pakistan and served in many local and international positions. He served as President and CEO of Faysal Bank, Union Bank and KASB Bank successively.

Muneer Kamal's diverse Corporate Governance experience includes having served as Chairman Pakistan Stock Exchange, Chairman National Bank of Pakistan, Director Engro Corp, Director DH Corp, Trustee Shaukat Khanum Memorial Hospital and Director Government Holding Private Ltd.

More recently, Muneer Kamal in his roles as CEO Karachi Education Initiative and Member Board of Governor, Karachi School of Business and Leadership helped develop leadership programs for next generation of business leaders in Pakistan. He continues to remain on boards of the two institutions. He is also Member Board of Directors of Infra Zamin Pakistan.

### OUR BOARD COMPOSITION

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

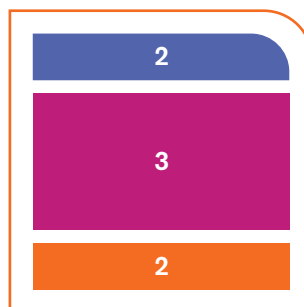
GSK values and ensures effective, efficient and independent decision making. The Board as a group includes competencies and diversity considered relevant in the context of Public Limited Company's operations. Our Board comprises of members who have local and international experience, giving the Board a competitive edge for effectively managing the complexities of our business. Our Board of Directors comprise of highly qualified professionals from varied disciplines, including the pharmaceutical, finance, investment, legal and business management.

Our Board comprises of 7 Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected. There are 3 Non-Executive Directors, 2 Executive Directors and 2 Independent Directors on our Board.

Further, as per the requirements of the law our independent director has submitted the following to the Company:

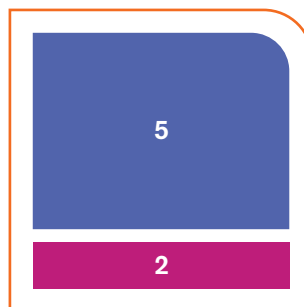
- Consent to act as Director; and
- A declaration of independence as per the criteria defined in the Companies Act 2017 to the Chairman of the Board at the first quarter meeting of the year. Ms. Maheen Rahman and Mr. Muneer Kamal are the Independent Directors of GSK Pakistan Limited.

The status of directorship e.g. non-executive, executive, independent etc. is also provided in the Statement of Compliance with the Code of Corporate Governance, issued by the Company on pages 104 to 106.



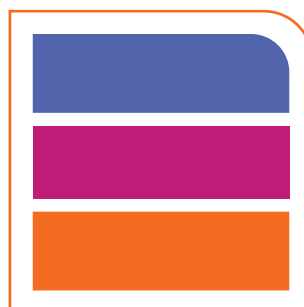
### BOARD COMPOSITION

- Executive
- Non-Executive
- Independent



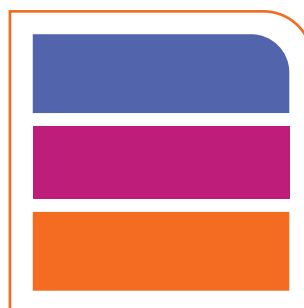
### GENDER DIVERSITY

- Male
- Female



### INTERNATIONAL EXPERIENCE

- Global
- Europe
- Emerging Markets



### DIRECTORS QUALIFICATION

- Pharmaceutical
- Europe
- Emerging markets

## CHANGES IN THE BOARD COMPOSITION

As at December 31, 2020 there have been two notable changes within the composition of the board. Mr. Azizul Huq resigned as a CEO and Executive Director of the Board and was replaced by Ms. Erum Shakir Rahim who was appointed to fill the casual vacancy created on the resignation of Azizul Huq. Also, in order to meet the Independent Director criteria of the CoCG, Mr. Muneer Kamal was appointed as Independent Director, in place of Mr. Sohail Ahmed Matin who resigned as Non-Executive Director of the Board. Detailed information regarding Ms. Erum Shakir Rahim and Mr. Muneer Kamal, including experience, qualification and background is provided on pages 61 and 63 of this Annual Report.

## BOARD OF DIRECTORS MEETINGS

Our Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a platform to realise the Group's strategy through GSK'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 Director's calendar is approved annually, in which the Board Meetings, HR and Remunerations Committee and Audit Committee Meetings are scheduled for the coming year. The Board Members are issued Meeting Notices within statutory timelines. The Board Folder is sent seven days prior to the Board Meeting which comprises of the Notice, Agenda and Financial Documents along with other business papers on which decisions or approvals are to be considered.

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

Scheduled Board and Committee attendance during 2020-2021 is set out below:

Sr. No.	Name Board of Directors	Audit Committee Meeting	HR and Remunerations Committee Meeting	Board of Directors Meeting
		4	2	5
1	Mr. Dmytro Oliinyk	4/4	2/2	5/5
2	Ms. Erum Shakir Rahim*			4/5
3	Mr. Abdul Samad			5/5
4	Mr. Muneer Kamal**	2/4		3/5
5	Mr. Mehmood Mandviwalla	4/4	2/2	5/5
6	Ms. Maheen Rehman	4/4	2/2	5/5
7	Mr. Mark Dawson	4/4		5/5
8	Mr. Sohail Ahmed Matin			2/5
9	Mr. Azizul Huq			1/5

\*Ms. Erum Shakir Rahim was appointed on the Board on 1 March 2020 to fill the casual vacancy created on the resignation of Mr. Azizul Huq

\*\*Mr. Muneer Kamal was appointed on the Board on 2 April 2020 to fill the casual vacancy created on the resignation of Mr. Sohail Ahmed Matin

## Meetings held during the year 2020

Board of Directors Meetings held on	Audit Committee Meetings held on	HR&R Committee Meetings held on
19-Feb-20		20-Jan-20
11-Mar-20	11-Mar-20	11-Mar-20
15-May-20	15-May-20	
24-Aug-20	24-Aug-20	
28-Oct-20	28-Oct-20	

## OTHER DIRECTORSHIPS

Directors	Organizations
Mr. Dmytro Oliinyk	GlaxoSmithKline Algeria GlaxoSmithKline Saudi
Ms. Erum Shakir Rahim	GlaxoSmithKline Consumer Healthcare Pakistan Limited
Mr. Abdul Samad	-
Mr. Mehmood Mandviwalla	The Deposit Protection Corporation - Subsidiary of The State Bank of Pakistan
Mr. Muneer Kamal	Member Board of Governors – National School of Public Policy Member Board of Directors - Karachi Education Initiative Member Board of Directors – Infra Zamin Pakistan Member Board of Governor, Karachi School of Business and Leadership
Mr. Mark Dawson	Director - GlaxoSmithKline Pharmaceuticals Limited
Ms. Maheen Rahman	Director - Pakistan Institute of Corporate Governance Chairperson and Director – Mutual Funds Association of Pakistan (MUFAP) CEO and Director – Alfalah GHP Investment Management Limited*

\*Maheen Rahman resigned as CEO and Director of Alfalah GHP Investment Management as at 31 Jan 2021.

## BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRMAN

The board of directors has appointed a Chairman from among the non-executive directors. The Chairman and the Chief Executive have separate and distinct roles. The board has defined the respective roles and responsibilities of the Chairman and Chief Executive Officer.

The Chairman has all the powers vested in him under the Code of Corporate Governance and presides over all Board meetings. The Primary role of the Chairman is to ensure that the Board of Directors remains effective in its tasks of setting

and implementing the Company's direction and strategy, entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings. He is also responsible to ensure that the Board plays an effective role in fulfilling its responsibilities, besides assessing and making recommendations on the efficiency of the Committees and individual Directors in fulfilling their responsibilities and avoidance of conflicts of interests.

## BRIEF ROLES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive officer performs her 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. She is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

The responsibilities of the Chief Executive Officer include:

- Plan, develop, implement and direct the organization's operational and fiscal function and performance.
- Act as a strategic partner by developing and implementing the company's plans and programs.
- Analyze and make recommendation on the impact of long-range growth initiatives, planning, and introduction of new strategies and regulatory actions.
- Develop credibility and authority for the finance leadership team by providing accurate analysis of budgets, reports and financial trends and operational procedures in order to assist the BOD and senior executive team.
- 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 finance team to develop a solid cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs.
- Act as a strategic advisor and consultant offering expert advice on contracts, negotiations or business deals that the corporation may enter into.
- Report on governance, risk management and compliance issues.
- Evaluate company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

## BOARD COMMITTEES

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

### Audit Committee

GSK Pakistan's Audit Committee comprises of 5 members, all of whom are Non-Executive Directors including the Chairman of the Committee, who is an Independent Director.

The Audit Committee composition is made up of one member, who is Chartered Accountant, while one member has a M.Sc. in Finance and Economics, one holds an MBA degree, one is a lawyer and has an LLB degree and the fifth member is a chartered engineer from UK. The Audit Committee members have extensive experience in the fields of financial management, accounting, business and economics.

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

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

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



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

The Committee also met with the external auditors without the CFO and Head of Internal Audit being present.

### Terms of Reference of the Audit Committee

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - Major judgmental areas; ● Significant adjustment resulting from the audit; ● Going concern assumption;
  - Any changes in accounting policies and practices; Compliance with applicable accounting standards;
  - Compliance with these regulations and other statutory and regulatory requirements; and ● All related party transactions.
- Review of preliminary announcements of results prior to external communication and publications;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of Management, where necessary);
- Review of Management letter issued by the external auditors and Management's response thereto;
- Ensure coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and Management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales. Receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittances of any matter to the external auditors or to any external body;
- Determining of compliance with relevant statutory requirements;
- Monitoring compliance with these regulations and identification of significant violations thereof;
- Review of arrangement for staff and Management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof; and
- Considering of any other issue or matter as may be assigned by the Board of Directors.

### 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, Chief Internal Auditor. It also considers and approves recommendations of the CEO on matters related to succession planning of key management positions and ensuring proper compensation to GSK employees. This Committee comprises of 5 Directors; consisting mainly Non-Executive Directors, including one Independent Director.

This Committee meets at least once in a year.

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

- Comprising of at least 3 members; consisting of mainly Non-Executive Directors, including one Independent Director; a CEO can be a member, but not the Chairman 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, COO, CFO, Company Secretary and Head of Internal Audit
- Consider and approve recommendations of CEO on matters related to key management positions who report directly to CEO or COO.
- 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.
- Board composition and quality
- Understanding the Business including Risks
- Strategic planning
- Board's overall scope of responsibilities, processes and procedures
- The effectiveness and efficiency of the operation of the Board, CEO and its committees,
- Oversight of the Financial Reporting Process, including Internal Controls
- Ethics and Compliance
- Evaluating the flow of information
- The effectiveness and efficiency of the operation of the operation of the Board and its committees

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

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

Board evaluation process was conducted internally by the Company Secretary who prepared an annual Evaluation Assessment Questionnaire which is circulated amongst the Board Members to provide clarifications and further insights and perspectives on the performance of the Board.

The salient features of the board self-evaluation are given on the right side:

### **Board and its Committees**

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

As a part of good governance, following the discussion with the Board as a whole, areas of focus and improvement are identified by the Board. Currently, the areas of focus as identified by the Board are risk management, business growth and opportunities and providing oversight to the management. It was further decided by the company management that the Board Performance Evaluation is also to be carried out by external consultants, once every 3 years. Hence the Board has recommended the appointment of external consultants to do the needful from the year 2020.

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

## INCLUSION AND DIVERSITY IN THE BOARD

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

## BOARD INDUCTION AND ORIENTATION

The Company Secretary assists the Chairman in designing and facilitating individual induction programmes for new Directors. They are designed with the purpose of orientating and familiarising new Directors with our industry, organisation, governance and our long-term IPT priorities.

All new Directors receive a general induction, which includes their duties and responsibilities as a Director of a listed company, the company's Corporate Governance structure and undertaking training on GSK'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 Chairman and the Board and arranging to fill any capability gaps the new Director may have.

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

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

- Go through the process of familiarisation with the industry and GSK.
- Explained the board's operations, legal requirements and duties, committee structures and relevant charters.
- Explained the Board's chair and committee chair roles along with the CEO's roles and responsibilities.
- Given a review of director duties and the business judgment rule.

- Provided with any policy that impact the directors such as conflict of interest, whistle blowing, safety, environment, Corporate social responsibility.
- Any recent investor presentations such as the corporate briefing sessions.
- Visits to our business operations and different manufacturing sites are also a feature of Non-Executive and Executive Directors' induction programmes.
- Receive documents explaining the following:
  - GSK's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective;
  - Role and responsibility of the Directors under the Companies Act, 2017;
  - Roles and responsibility of the Directors under the Code of Corporate Governance and other laws and regulations of Pakistan;
  - Investor relations and stakeholder reports to maintain awareness of investor and stakeholder views and competitors' performance and strategy;
  - Directors and officers (D&O) insurance and indemnification documents
  - Yearly meeting schedules of the Company;
  - Latest financial statements
  - Important minutes of past meetings
  - Major litigations status

## DIRECTOR TRAINING

The Board is kept up to date on legal, regulatory and governance matters through regular papers and briefings from the Company Secretary and presentations by internal and external advisers.

Directors are responsible for upholding the corporate governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company. Your Company conducts various training programs to make sure the entire board is aligned with the organization's missions and corporate governance.

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

- Mr. Abdul Samad
- Ms. Maheen Rahman
- Ms. Erum Shakir Rahim

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

As disclosed in the statement of compliance, three out of our seven directors have either obtained training from SECP approved institutions or are exempt from the directors' training program by the virtue of experience.

## REMUNERATION POLICY

The Company's Remuneration policy for Independent Directors, set out below, was approved on February 25, 2015 at Board of Directors meeting.

Keeping in view of the Company's objectives, GSK operates an independent and transparent method in order to fix independent directors' remuneration. The key element of determining the remuneration is by market benchmarking against other key players of the Pharmaceutical Industry 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.

The significant features and key elements of Directors' Remuneration are as follows:

- Independent Directors are only entitled to receive fixed fees in lieu of remuneration for attendance of the Board and Committee Meetings;
- Independent Directors are only entitled to meeting fees together with travelling and lodging costs borne by the Company.

## POLICY OF RETENTION OF BOARD FEE BY THE EXECUTIVE DIRECTOR IN OTHER COMPANIES

The CEO is an Executive Director on the Board of GSK Pakistan Limited and holds position as Non-Executive Director on the Board of GSK Consumer Healthcare Pakistan Limited. Fees paid by this company is in line with their respective policies as approved by their Board of Directors.

GSK Pakistan Limited does not have any policy that restricts an executive director from retaining meeting fee earned by them against services as Non-Executive Director in other companies.

## SECURITY CLEARANCE OF FOREIGN DIRECTORS

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

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

In addition to being the Chief Executive Office of GSK Pakistan Limited, Ms. Erum Shakir Rahim holds Non-Executive Directorship on the board of GSK Consumer Healthcare Pakistan Limited.

## TRADING IN SHARES BY DIRECTORS AND EXECUTIVES

The Company's Independent Director traded a total of 2 GLAXO shares during the year. Besides this, no other trading was carried out by the Associated Companies, Directors, Senior Management Officers/Executives, their spouses and minor children. Number of shares held at the year-end are summarized below:

Particulars	Number of Shares
Directors and their spouse(s) and minor children	3
Associated Companies, undertakings and related parties	263,029,794

Detailed 'Pattern of Shareholding' is disclosed on page no. 172 of the Report.

The threshold for identification of 'Executive' is determined by the Board in compliance with the Code, and reviewed annually. Pakistan Stock Exchange is regularly updated on trading of Company's shares by management employees.

## POLICY OF RELATED PARTIES

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

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

The record 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 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 36.1 and detailed disclosure regarding related party transactions has been presented in Note 36 of the Financial Statements.

## BOARD MEETINGS OUTSIDE PAKISTAN

No Board meeting was held outside Pakistan during the year - 2020.

## BUSINESS CONTINUITY PLAN

We routinely monitor the compliance of manufacturing external suppliers to identify and manage risks in our supply base in case of any natural calamity or force majeure. Where practical, we minimise our dependence on single sources of supply for critical items. Where alternative sourcing arrangements are not possible, our inventory strategy aims to protect the supply chain from unanticipated disruption. We use effective crisis management and business continuity planning to provide for the health and safety of our people and to minimise impact to

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

## PRESENCE OF THE CHAIRPERSON AUDIT COMMITTEE AT THE AGM

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

## ISSUES RAISED AT LAST AGM

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

## INCLUSION AND DIVERSITY POLICY

We take a progressive approach to inclusion and diversity because we want everyone to be themselves and bring their own perspectives to our business. Together, these unique perspectives and wide variety of personal experiences make our business stronger, enhancing our ability to innovate and respond to the diverse needs of patients and consumers around the world.

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

We do not tolerate harassment, unwelcome, unreasonable or offensive behavior, or discrimination of any kind. This includes any form of harassment and, in 2019, we included a module in our mandatory Code of Conduct training to reinforce our zero-tolerance approach. This emphasised the importance of bystander intervention to empower our employees to intervene if they see harassment occurring. Being a modern employer, we have 18.5% of female representation within the Company.

## ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

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

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

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

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

Directors' Training Program was attended by CEO and Executive Director Ms. Erum Rahim in October 2020. The Directors' Training Program was conducted by Pakistan Institute of Corporate Governance.

## COMMUNICATION OF FINANCIAL RESULTS

All important and relevant disclosures such as the quarterly un-audited financial statements and the half-yearly financial statements have been circulated within the prescribed time of thirty (30) days and sixty (60) days respectively along with the Directors' Report. Additionally, all important disclosures, including the financial statement, were also made on the Company's website to keep the stakeholders duly informed.

## 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 2021 at a mutually agreed fee.

## MANAGEMENT COMMITTEE

The Management Committee comprises of 16 senior directors who meet and discuss significant business plans, issues and progress updates of their respective functions. Significant matters to be put forth in the Board as per the Code of Corporate Governance are also discussed for onward approval. The management committee meets once every month to handle significant business issues.

Roles of the Committee are:

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

## Composition of the Management Committee

Directors	Organizations
Ms. Erum Shakir Rahim	Chief Executive Officer
Mr. Abdul Samad	Chief Financial Officer
Syed Azeem Abbas Naqvi*	Legal Director – Pakistan
Dr. Tariq Farooq	Business Unit Director BU 1
Dr. Naved Masoom Ali	Business Unit Director BU 3
Mr. Khurram Amjad	Director Commercial Excellence and CTC
Dr. Gohar Nayab Khan	Regulatory Affairs Cluster Head – Pakistan and Iran
Mr. Abdul Haseeb Pirzada	Director Corporate Affairs and Administration
Mr. Zain Anjum	Country Compliance Officer
Dr. Yousuf Hasan Khan	Director Medical
Syed Nabigh Raza Alam	Tech Head
Mr. Obaid Siddiqui	Head of Procurement
Mr. Farqaleet Iqbal	HR Country Head
Mr. Imtiaz Hussain	Site Director – West Wharf
Mr. Javed Tariq	Site Director – Korangi
Mr. Joseph Thibaut	Site Director – F/268

\*Ms. Mehar-e-daraksha Ameer appointed Legal Director and Company Secretary of GSK Pakistan Limited as at January 01, 2021, replacing Syed Azeem Abbas Naqvi.





## Unreserved Statement of Compliance to International Financial Reporting Standards

The Company prepares its financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. These standards comprise of:

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

Where the provisions of and directives issued under the Act differ with the requirements of IFRSs, the provisions of and directives issued under the Act have been followed.

Note 2.2.2 of the financial statements specifies the standards and interpretations which are yet to be effective in Pakistan. The Company is currently evaluating the impact of these standards.

### Chairman's significant commitments and any changes thereto

Dmytro Oliynyk is serving as the chairman of the board at GlaxoSmithKline Pakistan Limited. He joined GSK in 2008 and has held multiple positions of increasing responsibility across different geographies.

He leads the board with dedication and is committed to delivering on the company's strategic priorities of Innovation, Performance and Trust. He is currently serving as VP Growth Markets Finance Head.



## Risk Management Compliance Board

Please refer to Risk and Opportunities section on page 41.

## Directors' Report to Shareholders

The Board of Directors of GlaxoSmithKline Pakistan Limited is pleased to present the Annual Report along with the Company's audited financial statements for the year ended December 31, 2020.

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 and will be submitted to members at the Seventy Fourth Annual General Meeting of the Company to be held on April 27, 2021.

### Overview of Economy and Business:

The outbreak of COVID-19 in 2020 forced countries across the globe to implement aggressive lockdown measures to control the spread of this pandemic. The forced shut-down of businesses resulted in global depression. Pakistan's economy was also impacted, which resulted in a decline in GDP during FY 2020.

Pakistan Government played an active role in mitigating the economic impact of this unprecedented challenge by introducing "smart" lockdowns instead of complete economic closure. Government and Central Bank also introduced multiple relief packages for various sectors, reduction in policy rates, attracting remittances from expat. Pakistanis etc.

The unprecedented COVID situation meant hospitals were overwhelmed with COVID patients and there was a significant reduction in non-COVID patient flow. Many OPDs and clinics were closed due to concerns around COVID spread. This was observed almost till Q3 and impacted pharma business in general.

Despite the challenging situation during pandemic, healthcare companies were identified as essential industry and manufacturing and distribution operations were allowed to continue. GSK Pakistan remained focused and committed to deliver its priorities of People, Business Continuity and Support.

An Issues Management Team (IMT) was immediately formed to review the COVID situation in the country and met regularly to ensure employee wellbeing during this difficult time, business continuity to manufacture and distribute essential pharmaceutical products. Focus was also maintained to adopt new ways of working to engage with our key customers and partners remotely. Other than business critical personnel that were required to come to work, all other employees started working from home, maximizing our virtual business model, which within a couple of months became the norm. As the

lockdowns were relaxed, the robust and flexible model we implemented allowed us to quickly return to work from offices and in the field, whilst ensuring all COVID-19 safety protocols were strictly adhered to.

We accelerated digital connects with Healthcare Professionals (HCPs) through multiple channels including webinars, phone calls and other social media tools (emails, SMS and Veeva engage calls) ensuring uninterrupted flow of information on disease management and brands. With the ease in lockdowns, we restarted face-to-face activities with full presence in the field.

With a resurgence in cases again in November 2020 as Pakistan entered the second wave, the robust safety plans in place based on the learnings from the first wave ensured business was fully prepared to quickly adapt to the changing scenario. This included a focused acceleration across all levels of activities including HCPs, Pharmacies and the tender business.

All the efforts resulted in a strong business performance which helped GSK maintain its market leadership position in the pharmaceutical sector. Innovation, Performance, Trust and Culture will continue to be the focus for the Company going forward.

In 2020, the Drug Regulatory Authority of Pakistan (DRAP) has also made some amendments to the earlier issued 2018 Drug Pricing Policy (DPP), the most notable of which is the automatic CPI related price adjustment now needs formal DRAP approval. Implementation of the annual price adjustment process was also deferred in 2020 for two months at the request of the Federal Government due to COVID.

In 2020, GSK Pakistan also went through the rigorous process of certification for the top employer through the Top Employer Institute, which is an international certification institute and has been recognized as a Top Employer in Pakistan for 2021. Being certified as a Top Employer showcases an organisations' dedication to a better world of work and exhibits this through excellent HR policies and people practices. It covers 6 HR domains including People Strategy, Work Environment, Talent Acquisition, Learning, Well-being and Diversity and Inclusion.

### Financial Performance:

For the year 2020, the Company achieved net sales of Rs. 35 billion. The total net sales also include intercompany sales of Rs. 1.2 billion (as compared to Rs. 4.7 billion in the same period

last year) to GlaxoSmithKline Consumer Healthcare Pakistan Limited on account of products manufactured by the Company for which market authorization rights remain with GlaxoSmithKline Pakistan Limited. During this year, the market authorization rights of most of the products were transferred to GlaxoSmithKline Consumer Healthcare and there are few products which are remaining for market authorization transfer.

Our core pharmaceutical business achieved net sales of Rs. 33.8 billion, reflecting a growth of 6% vs last year despite a challenging external environment. Excluding the impact of last year's discontinuation of Ranitidine based products, the Company has delivered a healthy underlying pharmaceutical business growth of 9%. Key growth contributors to the 2020 performance are our core therapy areas including Antibiotics, Dermatology, Respiratory, Analgesics and Vitamins portfolios.

The Gross Margin of the Company for the year was 21.5% showing an improvement by 0.4% from last year. Gross margin improved due to our continuous cost efficiency measures and stable exchange rates.

Selling, marketing and distribution expenses were recorded at Rs. 2.8 billion, a 17% decrease vs last year. Due to the COVID-19 restrictions, we mostly utilized our digital engagement channels to connect with healthcare professionals which resulted in savings under this head, coupled with some cost saving initiatives in warehousing and transportation areas. Administrative expenses were recorded at Rs. 1.3 billion, increase under this head is mainly due to one-off severance cost recorded in Quarter 1 and impact of inflation.

The Company's financial charges also showed a significant reduction compared to last year due to reduction in running finance cost and stable exchange rate in 2020. Other operating income totaled Rs. 2.0 billion, which was mainly on account of a promotional allowance of Rs. 1.53 billion from the GSK Group support for sustainable investment in our brands.

Despite the economic challenges and slow market uptake, the Company posted an overall strong after-tax net profit of Rs. 3.4 billion growing by 11% over the corresponding period last year.

The Company continued to invest in plant upgradation in line with current good manufacturing practices (cGMP). The total capital expenditure incurred during this year was Rs. 1.3 billion. In this year, we also successfully implemented SAP in our commercial organization. Due to the lockdown, this deployment was remotely managed end to end and the team showed great resilience and agility to achieve this important milestone.

There has been a strong focus on monitoring cash flow, working capital and foreign currency liabilities management. Despite challenging environment, surplus funds of the Company increased by Rs. 3.4 billion at year end which is being managed through a mix of sovereign investments and high credit rated bank deposits to maintain a risk-averse, optimum interest-yielding portfolio.

## **Dividend**

The Board of Directors is pleased to announce a final cash dividend of Rs. 6.5 per share amounting to Rs. 2.07 billion, subject to the approval of the shareholders at the Annual General Meeting to be held on April 27th, 2021.

## **Holding Company**

As of December 31, 2020, S.R. One International B.V., Netherlands held 263,029,794 shares of Rs. 10 each. The ultimate parent of the Company continues to be GlaxoSmithKline plc, UK.

## **Pattern of Shareholding**

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding as of December 31, 2020 and other related information is set out on pages 171 to 174.

During the year, the Directors, CEO, CFO, Company Secretary, Executives and/or their spouses and minor children did not carry out any trade in the shares of the Company, except for that already disclosed on page no. 172.

## **Basic Earnings per share**

Basic Earnings per share after taxation was Rs. 10.6 (2019: Rs. 9.55).

## **Corporate Social Responsibility (CSR)**

The year 2020 was an unprecedented year with a lot of focus on the pharmaceutical industry. Being a market leader in Pakistan's pharmaceutical industry, GSK recognizes its responsibility towards the society at large and prioritizes supporting causes that create a positive impact on the community. In 2020, we sponsored Dr. Ruth K M Pfau Civil Hospital for building HVAC system to create negative pressure room in their existing ICU to protect patients and healthcare staff, supplied PPE for healthcare staff and patients at Aga Khan Hospital and Medical College Foundation, Academy of Family Physicians and ChildLife Foundation. GSK also provided equipment (cardiac monitors) for the COVID-19 ward at Indus Hospital and transfusion beds at Muhammadi Blood Bank. Although in 2020 our social responsibility was mostly

focused on the healthcare sector, GSK recognizes the importance of education and collaborated with the Professional Education Foundation to give scholarships to students.

## Our People

GSK has been at the forefront in being an employer that not only recognizes its people as key assets but also ensures that this belief is translated into a working environment that encourages 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 to their best potential. During the year, enhancements to employee lifecycle system were made including Chatbots and Robotic Process, Automation of employee assistance, ensuring we focus our energies on business performance and that we deliver on our IPT priorities while we live our values and expectations.

The Women's Leadership Initiative (WLI), which empowers members as they develop and hone their personal leadership agenda, knowledge and skills, continues to be a flagship program involving more than 4,000 women and men from over a dozen countries globally in a variety of functions within GSK. The vision of WLI is to support a culture of inclusion with women and men working side by side, empowering women to realize their full potential without limitations.

## Be You, Feel Good, Keep Growing

The Year 2020 proved to be a very different year and our core values of Being Patient Focused, Respecting People, Acting with Integrity and Operating with Transparency were best practiced by our people. During the COVID period, we took multiple initiatives for our people such as keeping the workforce updated on Coronavirus updates and how they can adopt to virtual ways of working and leverage our digital capabilities to flexibly work and engage with internal and external stakeholders. Employees health and well-being has been the top priority throughout and time with regular trainings and sessions on COVID-19 precautions, SOPs and wellbeing for the employees.

To facilitate our office-based people, an Ergonomics Allowance was introduced in to support the well-being of our employees during work from home in line with GSK Ergonomics guidelines. GSK also promoted the use of Employee Assistance Program and other Health and Wellbeing programs and services, webinars on mindfulness and sleep wellness.

In 2020, we continued the focus on mental health awareness also as 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.

## Environment, Health and Safety (EHS)

GSK prioritizes the health, safety and wellbeing of its employees and people connected to it. Robust and integrated safety management system demonstrates its commitment to safe and healthy workplace.

The COVID-19 situation was regularly monitored and managed by the GSK Pakistan Issue Management Team (IMT) comprising in the top leadership from all departments. Policies and procedures were adapted in view of the evolving situation while precedence has always been employee and patient safety.

A few important steps taken by the IMT include:

- Except for employees in business-critical roles that required presence in the office, work from home 'WFH' was initially made mandatory for all other team members.
- Employees with underlying medical conditions or those looking after the elderly were advised to continue to work from home.
- GSK introduced a "Performance with Choice" philosophy to ensure employees and their stakeholders could decide on the most suitable way of working with hybrid or face-to-face.

Throughout the year, the focus on driver safety remained a priority and trainings and monitoring continued through digital channels. Looking back at the performance of 2020 with regards to employee health and safety, GSK Pakistan feels proud of its approach and the decisions taken throughout the year.

## Business Ethics and Anti-Corruption Measures

At GSK, integrity and courage start with individual responsibility. If we always aim to do the right thing, act honestly, ethically and openly and speak up if something doesn't feel right, we are acting with individual integrity and courage.

GSK builds its reputation as an outstanding social actor that conducts its activities with principles as strong as honesty, justice and integrity, in compliance with the laws and regulations that govern our industry.

Our reputation is our most valuable asset and depends absolutely on the individual actions of each GSK employee, who, at all times must take into account, the corporate values of Integrity, Transparency, Patient Focus and Respect.

The GSK ABAC foundation principles (legitimacy of intent, transparency, proportionality, conflict of interest or undue influence) help us detect and prevent bribery and corruption. Read our ABAC standard to learn more about the situations that pose the highest risks. It is GSK's anti-bribery and corruption program to help ensure that neither we nor our third parties bribe (or are bribed by) either government or regulatory bodies, or private sector entities. It is also to ensure that no undue influence is exerted in engagements, that no personal benefit is gained and that no corruption occurs. Put simply, it helps to ensure ethical business, aligned to GSK's values.

We have clear governance, written standards and all the elements of the internal control framework in place to manage ABAC risk.

The Board of Directors of the Company has set down acceptable business practices and behaviors in a "Code of Conduct/Statement of Ethics and Business Practices", which guide our people on how to apply our values in everyday activities. This Code, which is mandatory for all employees including senior management to sign, is also available on the Company's website. Salient features of the Code of Conduct are provided on page 56 to 58.

### Composition of the Board of Directors

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

Male	05
Female	02

The composition of the Board is as follows:

Category	Name
Independent Director	<ul style="list-style-type: none"> <li>● Muneer Kamal</li> <li>● Maheen Rahman</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>● Erum Shakir Rahim</li> <li>● Abdul Samad</li> </ul>
Non-Executive Directors	<ul style="list-style-type: none"> <li>● Mehmood Mandviwalla</li> <li>● Dmytro Oliinyk</li> <li>● Mark Dawson</li> </ul>
Female Directors	<ul style="list-style-type: none"> <li>● Maheen Rahman</li> <li>● Erum Shakir Rahim</li> </ul>

### Board Committee's

The Board has formed committees comprising of members given below:

#### a) Audit Committee

Mr. Muneer Kamal**	Chairman
Ms. Maheen Rahman	
Mr. Mark Dawson	
Mr. Mehmood Mandviwalla	
Mr. Dmytro Oliinyk	

#### b) HR and Remuneration Committee

Ms. Maheen Rahman	Chairperson
Mr. Dmytro Oliinyk	
Mr. Mehmood Mandviwalla	
Mr. Mark Dawson	
Ms. Erum Shakir Rahim*	

#### c) Disclosure Committee

Ms. Erum Shakir Rahim*	Chairperson
Mr. Abdul Samad	
Mr. Dmytro Oliinyk	
Syed Azeem Abbas Naqvi***	

#### d) Risk Management Committee

RMCB – consisting of GSK Management Team

\* Ms. Erum Shakir Rahim succeeded Mr. M. Azizul Huq on March 1, 2020 as a Chief Executive Officer.

\*\* Mr. Muneer Kamal appointed Independent Director of GSK Pakistan Limited on April 2, 2020 replacing Mr. Sohail Ahmed

\*\*\* Ms. Mehar-e-daraksha Ameer appointed Legal Director and Company Secretary of GSK Pakistan Limited on January 1, 2021, replacing Syed Azeem Abbas Naqvi

As required, by the Code of Corporate Governance, extensive details related to Board of Directors, including but not limited to, profile of directors, board committees, training, diversity, orientation and changes in the Board are covered under Corporate Governance section on pages 60 to 70.

## Board of Directors' Meetings and Attendance

The Board of Directors met five times in 2020 and all these meetings were held in Pakistan. Further details are covered under Our Governance section on pages 64 to 65.

## Management Committee

Further details are covered under Our Governance section on pages 72 to 73.

## Auditors

The present auditors, Messrs. Yousuf Adil, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.

The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as the Auditors of the Company for the financial year ending December 31, 2021, at a mutually agreed fee.

## Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company till the date of this report.

## Future Outlook and Challenges

After undergoing a lockdown for over four months, the GSK Sales team commenced face to face interaction with HCPs in August 2020, and other teams (Commercial and Medical) also followed suit from September onwards. The Head office also resumed with 30% of employees in attendance on a rotational basis, with strict COVID-19 precautions. Even with a resurgence of cases in the second wave, the robust safety plans and learnings from the first wave ensured the business was fully prepared to quickly adapt to the changing scenario to ensure people safety and business continuity. This helped us maintain a leadership position in terms of using digital channels where face-to-face interactions were not possible. In Pakistan, COVID-19 vaccination has started and initially health care workers are the priority. The Company has accepted that COVID-19 will continue for the foreseeable future and this is the new norm thereby adapting some of its ways of working to ensure business growth in 2021. However, the situation is still evolving and will need to be continuously monitored for impact.

The industry also continues to face challenges on import of some raw materials. GSK Pakistan is closely monitoring the situation and is actively working on a strategy for alternate sourcing.

The amendments made to the Drug Pricing Policy, whereby the automatic annual CPI price mechanism now requires the formal approval of DRAP is also something that needs to be closely gauged for impact and mitigation in the coming year.

We also believe it is important for the government to streamline any pricing anomalies, especially for decades old products.

We anticipate the recent economic stabilization measures introduced by the government during the COVID-19 pandemic will gradually improve the economic momentum and growth outlook in upcoming financial year.

CEO's presentation video on Company's performance, strategy and outlook can be seen at the Company's website: [www.pkgsk.com](http://www.pkgsk.com)

## Value of Investments of Provident, Gratuity and Pension Funds

The Company maintains retirement benefit plans for its employees. Value of investments of provident and gratuity funds based on un-audited accounts as of December 31, 2020 are as follows:

	2020 Rs. In millions
Provident fund	3,550
Gratuity fund	1,799

## Contribution to National Exchequer and Economy

The Company made a total contribution of Rs. 1.9 billion to the National Exchequer by way of customs duties, income tax, sales tax and employees' tax during the year 2020.

## Directors' Remuneration

The significant features and key elements of directors' remuneration are as follows:

- Independent and External Non-executive directors are only entitled to receive fixed fees in lieu of remuneration of the Board and committee meetings.
- The Board is authorized to determine the remuneration of its Directors for attending meetings of the Board and committee and determines it by market benchmark of Pharma Industry.
- Details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives etc. under financial note 35.

## Corporate and Financial Reporting Framework

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Proper books of account of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. The financial statements are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan.
- e. The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalized by the Board's Audit Committee and is updated as and when needed.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- h. The key operating and financial data for the last six years is set out on pages 98 to 100.

We wish to thank all our employees for their valuable contribution in making 2020 a successful year for GSK Pakistan despite the challenges faced during the COVID-19 pandemic.

By order of the Board



**Erum Shakir Rahim**  
Chief Executive Officer

Karachi  
March 9<sup>th</sup>, 2021



**Abdul Samad**  
Director



آزاد اور نان ایگزیکٹو ڈائریکٹر صرف بورڈ اور کمیٹی کے اجلاسوں میں معاوضہ کے عوض فیس وصول کرنے کے حقدار ہیں۔

بورڈ مجاز ہے کہ وہ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے اپنے ڈائریکٹرز کے معاوضہ کا تعین کرے اور اسے فارما انڈسٹری کے بیف مارک کے ذریعے طے کرے۔

مالی نوٹ نمبر 35 کے تحت ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے الگ الگ معاوضہ کی مجموعی رقم کی تفصیلات جس میں تنخواہ/فیس، مراعات، فوائد اور کارکردگی سے منسلک ترغیبات وغیرہ شامل ہیں۔

### کارپوریٹ اور مالی رپورٹنگ کا مندرجہ ذیل

(1) کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالی بیانات اس کے معاملات کو، اس کے آپریشنز کے نتائج کو، کیش فلو کو اور ایکویٹی میں بدلاؤ کو منصفانہ انداز میں پیش کرتے ہیں۔

(2) کمپنی کے اکاؤنٹ کی موزوں کتابوں کو برقرار رکھا گیا ہے۔

(3) مالی بیانات کی تیاری میں مناسب اکاؤنٹ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

(4) مالی بیانات، بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق تیار کیے جاتے ہیں، جیسا کہ پاکستان میں لاگو ہیں۔

(5) کمپنی زبردست اندرونی کنٹرول سسٹم کو برقرار رکھتی ہے جو کسی بھی مواد کی غلط تشخیص یا نقصان کے خلاف معقول یقین دہانی کرتا ہے۔ اندرونی کنٹرول سسٹم کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ کی آڈٹ کمیٹی کے ذریعے اس بات کو باضابطہ بنایا گیا ہے اور ضرورت پڑنے پر اسے اپ ڈیٹ کیا جاتا ہے۔

(6) کمپنی کی، جاری کاروبار کی حیثیت سے جاری رہنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔

(7) کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مراعات نہیں ہوئی ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

(8) گزشتہ (6) برسوں سے چلنے والے اہم آپریٹنگ اور مالیاتی اعداد و شمار صفحات 98 سے 100 پر ترتیب دیے گئے ہیں۔

محمد سعید

عبدالصمد  
ڈائریکٹر

بجکم از بورڈ  
Mr. M. H. H.

ارم شاکر کریم  
چیف ایگزیکٹو ڈائریکٹر

کراچی

9 مارچ 2021

کے تجربات سے استفادہ کرتے ہوئے موثر حفاظتی منصوبہ کے ذریعے کاروبار کو بدلتی ہوئی حالات سے موافقت اختیار کرنے کے لیے پوری طرح تیار کیا گیا تاکہ لوگوں کی سلامتی کو یقینی بناتے ہوئے کاروباری تسلسل قائم رکھا جاسکے۔ اس حکمت عملی کے تحت جہاں بالمشافہ روابط ممکن نہ تھے ڈیجیٹل چینلز استعمال کرتے ہوئے کمپنی کی قائدانہ پوزیشن کو برقرار رکھنے میں مدد فراہم کی۔ پاکستان میں COVID-19 ویکسینیشن کا عمل شروع کر دیا گیا ہے اور ابتداء میں طبی عملے کو ترجیح دی جارہی ہے۔ کمپنی تسلیم کرتی ہے کہ COVID-19 قابل پیش گوئی مستقبل تک برقرار رہے گا جس کی وجہ سے 2021 میں کاروباری نمو کے لیے نئے طریقوں کو اختیار کرنا معمول ہوگا تاہم صورت حال بدستور تبدیل ہو رہی ہے جس کے اثرات کا اندازہ کرنے کے لیے مسلسل نگرانی ضروری ہے۔

انڈسٹری کو کچھ خام مال کی درآمد کے لیے بھی مشکلات کا سامنا ہے۔ جی ایس کے پاکستان صورت حال کا قریبی مشاہدہ کر رہی ہے اور متبادل ذرائع کے لیے حکمت عملی زیر غور ہے۔

ادویات کی قیمتوں کی پالیسی میں ترمیم ہو چکی ہے تاہم سالانہ کنزیومر پرائس انڈیکس کے مطابق قیمتوں کے تعین کے کمیزم کے اطلاق کی ڈی آر اے پی سے باضابطہ منظوری کا انتظار کیا جا رہا ہے اور آنے والے سال کے لیے اس اقدام کی بھی گہرائی سے قدر چٹائی کی ضرورت ہے۔

ہم اس بات پر بھی یقین رکھتے ہیں کہ حکومت کے لیے ضروری ہے کہ ادویات کی قیمتوں سے متعلق ابہام کو دور کیا جائے بالخصوص ان مصنوعات کے لیے جن کی قیمتوں میں کئی دہائیوں سے کوئی ردوبدل نہیں کیا گیا۔

ہمیں توقع ہے کہ کرونا کی عالمی وباء کے دوران معاشی استحکام کے لیے حکومت کے حالیہ اقدامات سے آنے والے مالی سال میں معاشی سرگرمیوں میں بہتری کا تسلسل اور معاشی نمو کی رفتار بتدریج بہتر ہوگی۔

### پراویڈنٹ، گریجویٹی اور پنشن فنڈز کی سرمایہ کاری کی فہرست

کمپنی اپنے ملازمین کے لیے رہنمازمنت فوائد کے منصوبوں کو برقرار رکھتی ہے۔ 31 دسمبر 2020 تک غیر آڈٹ شدہ کھاتوں پر مبنی پراویڈنٹ اور گریجویٹی فنڈز کی سرمایہ کاری کی قیمتیں درج ذیل ہیں:

202 روپے ملین میں	
3,550	پراویڈنٹ فنڈ
1,799	گریجویٹی فنڈ

### قومی حزانے اور معیشت میں شراکت

آپ کی کمپنی نے سال 2020 کے دوران کسٹم ڈیویژ، اکنم ٹیکس، سیلز ٹیکس اور ملازمین کے ٹیکس کے ذریعے قومی خزانے کو مجموعی طور پر 1.9 ارب روپے کی رقم دی ہے۔

### ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کے معاوضہ کی اہم خصوصیات اور کلیدی عناصر حسب ذیل ہیں



دہی رہیں جو آپ ہیں، اچھا محسوس کریں، ترقی کرتے رہیں۔

جی ایس کے نے ”انتخاب کے ساتھ کارکردگی“ کا فلسفہ بھی متعارف کرایا جس نے ملازمین اور اسٹیک ہولڈرز کو اس انتخاب کا موقع فراہم کیا کہ وہ کام کا بالمشافہ طریقہ یا گھروں سے کام کا طریقہ اختیار کریں جسے وہ اپنے لیے زیادہ موزوں سمجھتے ہوں۔

ڈرائیورز کا تحفظ بھی جی ایس کے ترجیحات میں شامل رہا اس مقصد کے لیے پورے سال ڈیجیٹل چینلز کے ذریعے تربیت اور نگرانی کا سلسلہ جاری رہا۔ سال 2020 کے دوران ملازمین کی صحت اور تحفظ کے لیے اٹھائے گئے اقدامات اور فیصلے جی ایس کے پاکستان کے لیے قابل فخر ہیں۔

### کاروباری اخلاقیات اور اعداد بدعنوانی کے اقدامات

جی ایس کے میں دیانت اور حوصلہ کی ابتداء انفرادی سطح سے ہوتی ہے۔ اگر ہم ہمیشہ راست باز رہیں، ایمانداری پر اخلاقی اور عملی طور پر ثابت قدم رہیں اور دوسروں کی دل آزاری کے موقع پر آواز اٹھائیں تو یہ طرز عمل انفرادی دیانتداری اور حوصلہ کے ضمرے میں آتا ہے۔

جی ایس کے نے اپنی ساکھ ایک نمایاں سماجی عامل کے طور پر استوار کی ہے جس کی سرگرمیاں ایمانداری، انصاف اور دیانتداری جیسے زریں اصولوں پر مبنی ہونے کے ساتھ انڈسٹری کو چلانے والے قواعد اور قوانین کی مکمل پاسداری کرتی ہیں۔

ہماری ساکھ ہمارے لیے سب سے قیمتی اثاثہ ہے جس پر ہم مکمل طور پر انحصار کرتے ہیں اور اس ادراک کا اظہار جی ایس کے کے ہر ملازمین کے انفرادی طرز عمل سے ہوتا ہے۔ جی ایس کے کے ملازم دیانتداری، شفافیت، مریضوں پر توجہ اور ان کے احترام جیسے اصولوں ہر وقت کاربند رہتے ہیں جو جی ایس کے کی کارپوریٹ اقدار کی اساس ہیں۔

فاؤنڈیشن کے اصول (ارادے کا جواز، شفافیت، تناسب، مفاد کا ٹکراؤ GSK ABAC یا ناجائز اثر و رسوخ) رشوت اور بدعنوانی کا پتہ لگانے اور روک تھام میں ہماری مدد کرتے ہیں۔ شفافیت کے لیے خطرہ بننے والے حالات کے بارے میں جاننے کے لیے ہمارے اے بی اے سی معیارات ملاحظہ فرمائیں۔ یہ جی ایس کے کا انداد رشوت ستانی پروگرام ہے جو اس بات کو یقینی بنائے گا کہ ہم یا ہمارے تیسرے فریق رشوت ستانی کے کسی عمل کا حصہ نہیں بنیں گے خواہ حکومت یا ریگولیٹری باڈیز ہوں یا نجی شعبہ سے تعلق رکھنے والے ادارے۔ یہ اس بات کو بھی یقینی بناتے ہیں کہ کاروباری امور سے متعلق روابط میں کسی قسم کا اثر و رسوخ بھی ہر گز استعمال نہیں ہوگا نہ ہی کوئی ذاتی مفاد حاصل کیا جائے گا اور رشوت ستانی نہیں ہوگی۔ سادہ الفاظ میں یہ اصول جی ایس کے کی اقدار کے مطابق اخلاقی کاروبار کو یقینی بنانے میں مدد دیں گے۔

ہم واضح گورننس اور تحریر شدہ اصولوں کے ساتھ اندرونی انضباط کے فریم ورک کے بھی حامل ہیں جو کرپشن کے خدشات (اے بی اے سی رسک) کا تدارک کرتے ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے ’اخلاقی ضابطہ کار/کوڈ آف کنڈکٹ‘ میں قابل قبول کاروباری طرز عمل متعین کر دیے ہیں جو روزمرہ امور کی انجام دہی میں کمپنی کے ضابطہ اخلاق کی پاسداری کرنے کے لیے ہمارے لوگوں کی رہنمائی کرتے ہیں۔ اس اخلاقی ضابطہ کار پر عمل درآمد ہر ملازم پر لازم ہے جن میں مجاز سینئر انتظامی عہدے داران بھی شامل ہیں۔ یہ ضابطہ کار کمپنی کی ویب سائٹ پر موجود ہے جبکہ اس ضابطہ کار کے چیدہ نکات صفحہ نمبر 56 سے 58 پر ملاحظہ کیے جاسکتے ہیں۔

سال 2020 ایک مختلف سال ثابت ہوا جس میں ہمارے لوگ مریضوں کی ضروریات پر توجہ مرکوز رکھنا، لوگوں کا احترام، امور کی انجام دہی میں دیانت داری اور شفافیت جیسی اپنی زریں اقدار پر کاربند رہے۔ کرونا کی وباء کے دوران ہم نے اپنے لوگوں سے متعلق متعدد اقدامات کیے جن میں افراد کی قوت کو کرونا سے متعلق باخبر رکھنا، کام کا ورچوئل طریقہ اختیار کرنے، اندرونی و بیرونی اسٹیک ہولڈرز سے رابطے استوار کرنے کے ساتھ کام کے پیکڈار طریقے اختیار کرنے کے لیے ڈیجیٹل صلاحیتوں کو بروئے کار لانے میں مدد دینا شامل ہیں۔ ان مشکل حالات کے دوران اپنے ملازمین کی صحت اور COVID-19 بھید کو اولین ترجیح حاصل رہی جس کے لیے ملازمین کی بھید سمیت حفاظتی تدابیر سے متعلق متواتر تربیتی سیشنز کا انعقاد کیا گیا۔

جی ایس کے کی اکنائکس گائیڈ لائنز کی روشنی میں دفاتر کے ملازمین کے لیے اکنائک الاؤنس متعارف کرایا گیا تاکہ گھروں سے کام کرنے والے ملازمین کی بھید کو یقینی بنایا جاسکے۔ جی ایس کے نے ملازمین کی معاونت کے پروگرام (ایپلاؤز اسسٹنس پروگرام) کو بھی فروغ دیا اس کے ساتھ صحت اور بھید سے متعلق دیگر سرگرمیوں اور خدمات کا بھی اہتمام کیا گیا جن میں ذہنی صلاحیتوں کو بہتر بنانے اور بہتر نیند لینے سے متعلق آگاہی و سیمینارز کا انعقاد شامل ہے۔

2020 کے دوران ہم نے ذہنی صحت سے متعلق آگاہی پر بھی اپنی توجہ مرکوز رکھی اور ذہنی صحت کے عالمی دن کی مناسبت سے جی ایس کے کے ماڈرن ایپلاؤز ایجنڈہ کے تحت سرگرمیوں کا انعقاد کیا گیا۔ یہ سرگرمیاں ورچوئل طریقے سے منعقد کی گئیں جن میں معروف ماہرین نفسیات نے کام کی جگہ اور گھروں سے کام کے دوران ذہنی صحت سے متعلق امور پر خطاب اور تبادلہ خیال کیا۔

### ماحول، صحت اور حفاظت (EHS)

جی ایس کے اپنے ملازمین اور واپسہ افراد کی صحت، سلامتی اور بھید کو ہمیشہ ترجیح دیتا ہے۔ اس ضمن میں نافذ العمل موثر اور مربوط سیفٹی منجمنٹ سسٹم کمپنی کے اپنے ملازمین کو محفوظ اور صحت مند کام کا ماحول فراہم کرنے کے عزم کی عکاسی کرتا ہے۔

تمام شعبوں کی ٹاپ لیڈر شپ پر مشتمل جی ایس کے پاکستان کی ایٹو منجمنٹ ٹیم کی صورتحال کی مسلسل نگرانی کے ساتھ پیش آنے والے مسائل کے حل COVID-19 کے لیے کوشاں رہی۔ بدلتی ہوئی صورتحال کے مطابق پالیسیاں اور طریقہ کار وضع کیے گئے جن میں ملازمین اور مریضوں کے تحفظ کو ہمیشہ اولیت حاصل رہی۔

### ایٹو منجمنٹ ٹیم کے چیدہ اقدامات درج ذیل ہیں:

کاروبار میں کلیدی کردار کے حامل ورکرز جن کی دفاتر میں موجودگی ناگزیر تھی کے علاوہ تمام اراکین کے لیے گھروں سے کام کرنے کی پالیسی ”ورک فرام ہوم“ کو لازمی قرار دیا گیا۔

طبی وجوہات کے حامل ملازمین یا ایسے ملازمین جو اپنے گھروں میں عمر رسیدہ اہل خانہ کی دیکھ بھال کرنے والے ملازمین کو بھی گھروں سے کام کرنے کی سہولت فراہم کی گئی۔

برقرار رکھتے ہوئے خود مختار سرمایہ کاری اور بلند کریڈٹ ریٹنگ کے حامل بینک ڈپازٹس کے امتزاج سے انتظام کیا گیا۔

### منافع منقسمہ

بورڈ آف ڈائریکٹرز خوشی کے ساتھ فی شیئر 6.5 روپے کے حساب سے 2.07 ارب روپے کے حقیقی منافع منقسمہ کا اعلان کرتا ہے جو 27 اپریل 2021 کو ہونے والے اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

### ہولڈنگ کمپنی

۳۱ دسمبر 2020 کو ایس۔ آر ون انٹرنیشنل پی۔ وی، نیدرلینڈز، 10 روپے فی شیئر کے حساب سے 263,029,794 شیئرز کی حامل تھی۔ کمپنی کے حقیقی پیرنٹ کا گلیکو اسمتھ کلائن پی ای سی، یو کے بننا جاری ہے۔

### شیئر ہولڈنگ کا نمونہ

کمپنی کے شیئرز کا کاروبار پاکستان اسٹاک ایکس چینج لیمنڈ میں ہوتا ہے۔ 31 دسمبر 2020 تک شیئر ہولڈنگ اور دیگر متعلق معلومات صفحہ نمبر 171 سے 174 پر موجود ہیں۔ سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹو اور/ان کے شریک حبان اور نابالغ بچوں نے کمپنی کے شیئرز میں کوئی تجارت نہیں کی۔ سوائے اس کے جس کا انکشاف جو صفحہ نمبر 172 پر ہوا ہے۔

### ہمارے لوگ

ایک آجر ادارے کی حیثیت سے جی ایس کے نہ صرف اپنے لوگوں کو بنیادی سرمایہ تصور کرتا ہے بلکہ ترقی کے مواقع فراہم کرنے والے کام کے ماحول کے ساتھ باہمی احترام، بااختیار بنانے اور اثر پذیری فراہم کر کے اپنے لوگوں پر یقین کے عزم عملی اظہار کرتا ہے۔ ایک کمپنی کی حیثیت سے جو لوگوں کے لیے ”زیادہ کام کریں، بہتر محسوس کریں، زیادہ جینیں“ کے تصور کو عملی شکل دینے کے لیے کوشاں رہتا ہے اس بات کو بھی یقینی بناتا ہے کہ ہمارے ملازمین نہ صرف انتہائی جذبہ اور خلوص کے ساتھ اس تصور پر کاربند رہیں بلکہ پوری مستعدی کے ساتھ اپنی بہترین صلاحیتوں کو انجام دے سکیں۔ اس سال کے دوران اپنے ملازمین کی زندگیوں کو بہتر بنانے کے لیے چیٹ بوٹس اینڈ روبوٹکس پراسیس متعارف کرانے کے ساتھ ملازمین کی معاونت کے عمل کو خود کار بنایا گیا تاکہ ہم اپنی توانائیاں کاروباری کارکردگی کو بہتر بنانے کے لیے بروئے کار لاتے ہوئے اپنی اقدار پر کاربند رہتے ہوئے ہم سے وابستہ توقعات اور آئی پی ٹی سی ترجیحات کو پورا کر سکیں۔

ارکین کو بااختیار بنانے کے ساتھ ان کے ذاتی لیڈرشپ لیجنڈے، علم اور صلاحیت کو تقویت فراہم کرنے والا فلیگ شپ پروگرام وین لیڈرشپ انیشیٹیو (ڈیلو لیل آئی) بدستور جاری ہے۔ جی ایس کے کے دائرہ عمل میں آنے والے ۱۲ سے زائد ملکوں میں مختلف ذمہ داریاں انجام دینے والے 4000 مرد اور خواتین اس پروگرام کا حصہ ہیں۔ ڈیلو لیل آئی کا تصور مرد اور خواتین کے شانہ بشانہ کام کرنے کے لیے شمولیت کے کلچر کو فروغ دیتا ہے اور خواتین کو کسی قدرغن کے بغیر اپنی صلاحیتوں کے ادراک کا اختیار فراہم کرتا ہے۔

مصنوعات کی مارکیٹنگ کا اختیار بدستور گلیکو اسمتھ کلائن پاکستان لیمنڈ کے پاس ہے) کی جانب سے تیار کردہ مصنوعات کے حوالے سے کی جانے والی فروخت (گزشتہ سال کی ۴۷ ارب روپے کی فروخت کے مقابلے میں) 1.2 ارب روپے رہی۔ اس سال کے دوران متعدد مصنوعات کی مارکیٹنگ کا اختیار گلیکو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لیمنڈ کو منتقل کیا جاچکا ہے تاہم چند مصنوعات کی مارکیٹنگ کا اختیار ابھی منتقل کرنا باقی ہے۔

ادویات سازی کے بنیادی کاروبار کی خالص فروخت 33.8 ارب روپے رہی جو سخت بیرونی حالات کے باوجود گزشتہ سال کے مقابلے میں 6 فیصد اضافہ کو ظاہر کرتی ہے۔ پر مبنی مصنوعات کو ترک کیے جانے کے اثرات Ranitidine گزشتہ سال کے دوران کے علاوہ کمپنی کے فارماسیوٹیکل کاروبار کی شرح نمو 9 فیصد رہی۔ سال 2020 کی کارکردگی کو بہتر بنانے میں بنیادی تھراپی کی مصنوعات بشمول اینٹی بائیوٹکس، ڈرمانولوجی، ریسپائرٹری، اینل جیک اور وٹامنز پورٹ فولیو ز شامل ہیں۔

سال 2020 میں کمپنی کے منافع کی شرح 21.5 فیصد رہی جو گزشتہ سال کے مقابلے میں 0.4 فیصد بہتری کو ظاہر کرتی ہے۔ منافع کی شرح میں بہتری لاگت پر قابو پانے کے متواتر اقدامات اور مستحکم شرح مبادلہ کا نتیجہ ہے۔

فروخت، مارکیٹنگ اور تقسیم کے اخراجات 2.8 ارب روپے ریکارڈ کیے گئے جو گزشتہ سال سے 17 فیصد کم رہے۔ کرونا کی وباء کے دوران عائد پابندیوں میں کمپنی نے زیادہ پروفیشنلز تر ہیلتھ کیئر کے ساتھ رابطوں کے لیے ڈیجیٹل طریقے اختیار کیے جس کی بدولت اس مد میں اخراجات کم رہے اس کے ساتھ ویرہاؤٹنگ اور ٹرانسپورٹیشن کے شعبوں میں بھی اخراجات کو کم کرنے کے لیے وضع کردہ اقدامات بھی بچت کا سبب بنے۔ انتظامی اخراجات 1.3 ارب روپے ریکارڈ کیے گئے، اس مد کے اخراجات میں اضافہ پہلی سہ ماہی کے دوران ایک دفعہ علیحدگی لاگت اور افراط زر کے اثرات کا نتیجہ ہے۔

جاری مالی لاگت میں کمی اور 2020 کے دوران مستحکم شرح مبادلہ کی وجہ سے کمپنی کے مالی چارجز میں بھی گزشتہ سال کے مقابلے میں نمایاں کمی ریکارڈ کی گئی۔ متفرق آپریٹنگ آمدن 2 ارب روپے رہی جو تھیری الاؤنس کی شکل میں برائڈز میں پائیدار سرمایہ کاری کے لیے جی ایس کے کے گروپ کی جانب سے فراہم کی جانے والی 1.53 ارب روپے کی سپورٹ کے مرہون منت ہے۔

معاشی چیلنجز اور مارکیٹ کی سست روی کے باوجود کمپنی کا بعد از ٹیکس خالص منافع 3.4 ارب روپے ریکارڈ کیا گیا جو گزشتہ سال کے مقابلے میں 11 فیصد زائد رہا۔

کمپنی نے اپنی کرنٹ گڈ مینوفیکچرنگ پریکٹس (سی جی ایم پی) کے مطابق پلانٹ اپ گریڈیشن میں سرمایہ کاری جاری رکھی۔ اس سال مجموعی سرمایہ جاتی اخراجات 1.3 ارب کا کامیابی SAP روپے ریکارڈ کیے گئے۔ اس سال ہم نے اپنی کرسٹل آرگنائزیشن میں کا نفاذ فاصلوں کے ساتھ کیا گیا اور متعلقہ ٹیم SAP سے اطلاق کیا۔ لاک ڈاؤن کی وجہ نے اس اہم سنگ میل کو قابل بھروسہ انداز میں تیزی کے ساتھ عبور کیا۔

اس سال بھی کیش فلو، ورکنگ کیپیٹل اور غیر ملکی کرنسی کی ذمہ داریوں کے انتظام کی نگرانی پر خاص توجہ دی گئی۔ مشکل حالات کے باوجود کمپنی کے فاضل فنڈز بڑھ کر 3.4 ارب روپے کی سطح پر آگئے جن کا کم خدشات کے ساتھ مکمل بر منافع پورٹ فولیو

## ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

بزنس ماڈل کو وسعت دی اور چند ماہ میں ہی ایک معمول بن گیا۔ لاک ڈاؤن میں نرمی کے ساتھ ہی کام کا تیز رفتار اور لچکدار ماڈل نافذ العمل کیا گیا جس نے کرونا کی احتیاطی تدابیر پر سختی سے عمل درآمد کرتے ہوئے دفاتر اور فیلڈ میں فوری واپسی میں مدد فراہم کی۔

ہم نے فور طور پر ویسینارز، فون کالز اور سوشل میڈیا ٹولز (ای میلز، ایس ایم ایس اور ویوا ایپ کالز) سمیت دیگر چینلز کے ذریعے پیشہ ور طبی ماہرین (ایچ سی پی ایس) کے ساتھ رابطوں کو تیز کیا تاکہ بیماریوں کے تدارک اور برائے سے متعلق معلومات کے بلا تعلق بہاء کو یقینی بنایا جاسکے۔ لاک ڈاؤن میں نرمی کے ساتھ ہم نے فیلڈ میں مکمل موجودگی کے ساتھ بالمشافہ سرگرمیوں کو بحال کر دیا۔

نومبر 2020 میں کرونا کیسز کے دوبارہ سر اٹھانے کے بعد پاکستان کو کرونا کی وبا کی دوسری لہر کا سامنا کرنا پڑا، اس موقع پر پہلی وباء کے تجربات کو بروئے کار لاتے ہوئے موثر حفاظتی منصوبہ نافذ کیا گیا جس کو تبدیل شدہ حالات میں اختیار کرنے کے کاروبار پہلے سے ہی تیار تھا۔ اس حکمت عملی کے تحت تمام سطح کی سرگرمیوں پر توجہ مرکوز کی گئی جن میں ایچ سی پی، فارمیسیز اور ٹینڈر کاروبار شامل ہیں۔

ان تمام کوششوں کا نتیجہ ایک مضبوط کاروباری کارکردگی کی شکل میں سامنے آیا جس نے جی ایس کے کو ادویہ سازی کے شعبہ میں مارکیٹ لیڈر کی پوزیشن برقرار رکھنے میں مدد دی۔ کمپنی آئندہ بھی اپنی توجہ جدت، کارکردگی، اعتماد اور کلچر پر مرکوز رکھے گی۔

سال 2020 میں ڈرگ ریگولیٹری اتھارٹی آف پاکستان (ڈی آر اے پی) نے 2018 کی ڈرگ پالیسی میں ترمیم کی جس میں سب سے نمایاں اقدام ادویات کی قیمتوں میں ردوبدل کو کنزیومر پرائس انڈیکس سے منسلک کرنا ہے، اس اقدام کی ڈی آر اے پی سے باضابطہ منظوری کا انتظار ہے۔ کرونا کی وباء کی وجہ سے وفاقی حکومت کی درخواست پر سال 2020 میں ادویات کی قیمتوں میں سالانہ ردوبدل کے فیصلے پر عمل درآمد دو ماہ کے لیے موخر کر دیا گیا۔

سال 2020 میں جی ایس کے پاکستان کو ٹاپ ایمپلائز انسٹی ٹیوٹ کے ٹاپ ایمپلائز سرٹیفکیٹ کی تحصیل کے لیے ایک سخت طریقہ کار سے بھی گزرنا پڑا۔ ٹاپ ایمپلائز انسٹی ٹیوٹ، ایک بین الاقوامی سرٹیفکیٹ ادارہ ہے جس نے 2021 میں جی ایس کے کو سرفہرست آجر ادارہ قرار دیا۔ سرفہرست آجر ادارہ کا اعزاز جی ایس کے میں کام کے لیے بہترین ماحول کی فراہمی کے لیے ادارہ جاتی لگن کو اجاگر کرتی ہے جو افرادی قوت کی بہترین پالیسیوں اور ان پر عمل درآمد سے ظاہر ہوتی ہے۔ یہ سرٹیفکیٹ افرادی قوت سے متعلق چھ شعبہ جات کا احاطہ کرتا ہے جن میں لوگوں سے متعلق حکم عملی، کام کا ماحول، صلاحیتوں کی تحصیل، سیکنے کا عمل، ورکرز کی بہبود، تنوع اور شمولیت شامل ہیں۔

### مالی کارکردگی کا جائزہ

سال 2020 کے دوران کمپنی نے 35 ارب روپے کی خالص فروخت حاصل کی۔ اس خالص فروخت میں گلیکو اسمتھ کلائن کنزیومر ہیلتھ پاکستان لمیٹڈ (جس کی تیار کردہ

گلیکو اسمتھ کلائن پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشواروں کے ساتھ آپ کو سالانہ رپورٹ پیش کرتے ہیں۔

ڈائریکٹرز کی یہ رپورٹ کمپنیز ایکٹ، 2017 کی دفعہ 227 اور لمیٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہ اخلاق) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 27 اپریل 2021 کو منعقد ہونے والے کمپنی کے چوتھے (74) ویں سالانہ اجلاس عام میں ممبران کو پیش کی جائے گی۔

### معیشت اور کاروبار کا جائزہ:

2020 میں کرونا کے پھیلاؤ نے دنیا بھر کے ملکوں کو سخت لاک ڈاؤن اقدامات پر مجبور کر دیا تاکہ اس عالمی وباء کو کچھلنے سے روکا جاسکے۔ کاروبار کی جبری بندش نے عالمی معیشت کو دباؤ سے دوچار کر دیا۔ پاکستان کی معیشت بھی متاثر ہوئی جس کا نتیجہ مالی سال 2020 میں مجموعی قومی پیداوار کی نمو میں کمی کی شکل میں سامنے آیا۔

حکومت پاکستان نے کرونا کی وباء کے معاشی اثرات کے اس کڑے چیلنج سے نمٹنے کے لیے متحرک کردار ادا کرتے ہوئے سخت معاشی بندش کے بجائے "اسمارٹ لاک ڈاؤن" کی حکمت عملی اختیار کی۔ حکومت اور اسٹیٹ بینک آف پاکستان نے معیشت سے جڑے مختلف شعبوں کے لیے متعدد ریلیف پیکیج متعارف کروائے، پالیسی ریٹ میں کمی لائی گئی اور بیرون ملک مقیم پاکستانیوں کی ترسیلات بڑھانے کے لیے موزوں اقدامات اٹھائے۔

کرونا کی وباء کے باعث پیدا ہونے والی اس غیر متوقع صورتحال کے دوران ہسپتالوں میں کرونا سے متاثرہ مریضوں کی آمد میں نمایاں اضافہ ہو گیا جبکہ کرونا سے محفوظ مریضوں کی تعداد میں نمایاں کمی دیکھنے میں آئی۔ بیرونی مریضوں کے معائنہ کی سہولت (او پی ڈیز) اور کلینکس کی بڑی تعداد بند ہو گئی۔ یہ صورتحال تیسری سہ ماہی تک برقرار رہی جس سے ادویات کا کاروبار عمومی طور پر متاثر ہوا۔

کرونا کی عالمی وباء کی مشکل صورتحال کے باوجود ہیلتھ کیئر کمپنیوں کو بنیادی صنعت کا درجہ دیتے ہوئے ادویات کی پیداوار اور تقسیم کے عمل کو ملک گیر سطح پر جاری رکھنے کی اجازت دی گئی۔ جی ایس کے پاکستان کی توجہ پختہ عزم کے ساتھ صارفین، کاروبار کے تسلسل اور سپورٹ کی فراہمی پر بدستور مرکوز رہی۔

ان مشکل حالات میں کرونا کی وباء کی نگرانی کے ساتھ مستقل رابطوں کے ذریعے بنیادی ادویات کی تیاری اور تقسیم کے عمل کو جاری رکھتے ہوئے کاروباری تسلسل، ملازمین کی بہبود کو یقینی بنانے اور مسائل کے فوری حل کے لیے ایک ایڈووکیٹ منجمنٹ ٹیم (آئی ایم ٹی) فوری طور پر تشکیل دی گئی۔ اس دوران اپنے کلیدی کسٹمرز اور شرکاء داروں کے ساتھ تعلق کو استوار رکھتے ہوئے فاصلوں کے ساتھ کام کے نئے اصول اختیار کرنے پر بھی توجہ مرکوز رکھی گئی۔ کمپنی کے امور کی انجام دہی کے لیے ناگزیر کلیدی عملہ کے علاوہ دیگر ورکرز نے گھروں سے کام شروع کر دیا جس نے کمپنی کے ورچوئل



## Chairman's Review



It gives me great pleasure to present a review report under the requirement of Section 192 of the Companies Act, 2017.

As we all know 2020 was an unprecedented year due to COVID-19 and its impact on the economy, however, GSK Pakistan remained committed in terms of business continuity, employee wellbeing, business delivery and its contribution to support the society. Inspired by our Values of "Trust" and "Respect for People", the Company during COVID -19 took immediate action to implement 'Work from Home' for office and field-based employees and prioritized Supply Chain operations to ensure smooth product supply.

Given the tough economic environment, GSK Pakistan delivered a healthy business performance and continued to maintain market leadership position. The Company continuously focused on cost improvement measures, selling & marketing spend more through digital channel during COVID-19 to ensure sustainable profit delivery, while mitigating the inflationary pressure and the impact of rupee devaluation; which although remained stable in this year. The Company is committed to focus on its strategic priorities of Innovation, Performance and Trust.

## Review of Overall Performance of the Board:

GSK Pakistan's Board of Directors, which comprises of professionals with a profound understanding of the Pharmaceutical industry and sound business acumen, are committed to operate at the highest standards of corporate governance. The Board and its associated Committees during the year ensured compliance with all statutory and regulatory requirements applicable upon the Company.

As per requirement of the Companies Act and Code of Corporate Governance, the Directors have performed their duties diligently and effectively in the best interest of the company. This includes oversight of the company's strategic objectives by active participation in monitoring performance against the defined strategic goals and targets.

In accordance with Code of Corporate Governance, during 2020, the Board carried out an evaluation of performance of the Board and the performance of its Committees.

Board evaluation process is coordinated internally by the Company Secretary who prepares an annual Evaluation Assessment Questionnaire which is circulated amongst the Board Members to provide ratings, insights and perspectives on the performance of the Board.

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

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

## Financial Reporting:

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

During the year, GSK Pakistan successfully went live on SAP in commercial operations. This was an aligned key global deliverable, involving multiple cross functional teams within and above country. The virtual implementation was challenging due to the COVID-19 period, however, the team showed good

resilience and ownership which was a record breaking SAP deployment across GSK global.

GSK Pakistan also won the 1<sup>st</sup> position in the Best corporate report under Pharma category.

## Board Committees

The Company has four committees, as stated below, to assist the Board for its optimal performance.

1. Audit Committee
2. HR and Remuneration Committee
3. Disclosure Committee
4. Risk Management Committee\*

The details about the Committees are provided in detail on page no 78 in Directors' report.

\*RMCB consisting of the management team

## Culture:

At GSK, our aspiration is to achieve a high-performance culture whilst remaining true to our values. Accordingly, we introduced new employee recognition initiatives to encourage and reward high performance. The Board was pleased with these initiatives; the result of which was reflected in the employee engagement score of the GSK survey.

## Board Member Appointment

On April 2, 2020, Mr. Muneer Kamal was appointed Independent Director of the Company. He succeeded Mr. Sohail Ahmed who retired after a successful career with GSK that spanned more than 36 years, including 5 years as CEO of GSK Consumer Healthcare Pakistan Limited. I would like to thank Sohail for his significant contribution and wish him a wonderful retirement.

## Acknowledgment

Finally, I would like to thank all our Board members for their commitment and contribution. I would also like to thank our employees, customers, and suppliers for their support and hard work in 2020 and I look forward to continue working with them to attain success in 2021.



**Dmytro Oliinyk**  
Chairman

March 9<sup>th</sup>, 2021



## Financial Highlights

**Rs. 35,090 M**

Sales Revenue

(2019: Rs. 36,582 M)

Core pharma showed a growth of 6%.

**54.88 times**

Net Assets per Share

2019: 50.67 times

Growth 8.3%

**Rs. 10.6**

Earnings per Share

2019: Rs. 9.55

Growth 9.9%

**19.3%**

Return on Equity

2019: 18.9%

Growth 2.4%

**18.9%**

Return on Capital Employed

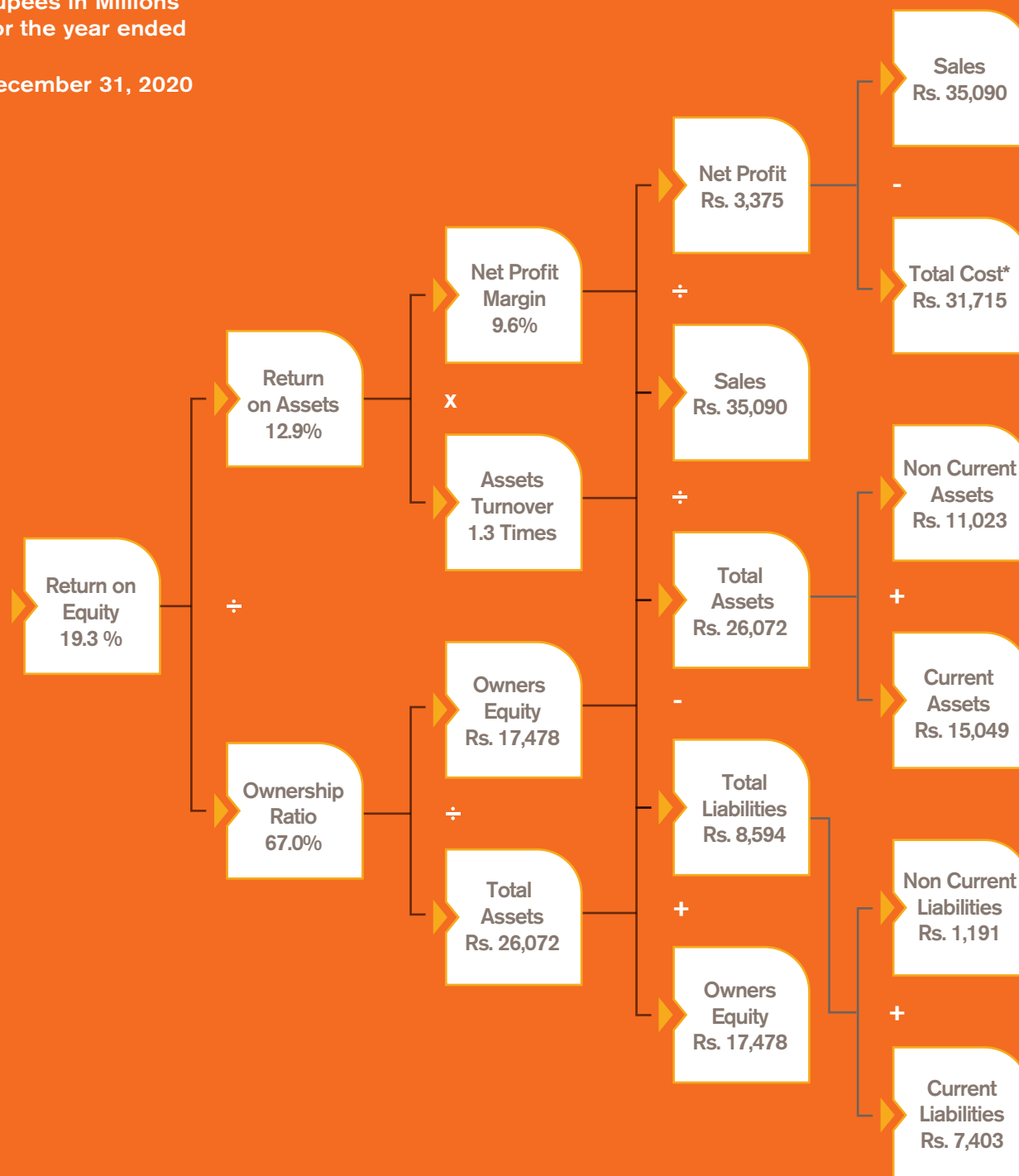
2019: 18.2%

Growth 3.85%

# DuPont Analysis

Rupees in Millions  
For the year ended

December 31, 2020



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

## Financial Commentaries

### COMMENTS ON STATEMENT OF PROFIT OR LOSS

#### Revenue from contract with customers

For the year 2020 the Company achieved net sales of Rs. 35 billion. Core pharma sales (excluding intercompany sales to GSK CHC) showed a growth of 6%. However, excluding Zantac sales from last year, core pharma showed growth of 9%. The key portfolios which contributed towards this growth were Antibiotics, Dermatologicals and Analgesics therapy areas.

#### Cost of Sales

Cost of sales of the Company decreased mainly on account of decline in sales to GSK Consumer Healthcare.

#### Selling and distribution expenses

Selling and distribution expenses during the year decreased by 16.6% mainly attributable to lower spend in promotional activities as we switched to digital engagement in COVID-19.

#### Administrative Expenses

The increase in the admin expense of 21% was mainly on account one off severance cost.

#### Financial Charges

Financial charges in the year decreased by 70%. The decrease in the charges is as result of utilisation of running finance facility last year due to dM-Erp deployment.

### COMMENTS ON 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 enhancement of productivity and improvement of plant efficiency.

#### CURRENT ASSETS

The increase in current assets is mainly attributable to increase in cash and bank balances, due to improved liquidity, which was offset by the decrease in the taxation - provision less payment as result of withholding tax exemption obtained during the year.

#### CURRENT LIABILITIES

Increase in trade and other payables is on account of increase in trade payables as compared to last year as multiple consignments of stock were in transit at year end.

#### EQUITY

Equity increased from prior year primarily due to profits during the year which was off set by dividends and actuarial loss during the year.

## COMMENTS ON CASHFLOWS

### CASHFLOWS FROM OPERATING ACTIVITIES

There is an increase in cash flows from operating activities mainly due to favorable working capital changes as compared to the last year.

### CASHFLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities has remained fairly constant as compared to previous year.

### CASHFLOWS FROM FINANCING ACTIVITIES

Cash outflow from financing activities decreased during the current year primarily on account of lower dividend payout during the year versus last year.

## PROFITABILITY RATIOS

Profitability ratios of the Company, in general, have increased versus last year, mainly on account of change in portfolio mix and saving in operating expenses due to COVID - 19.

Profit after Tax increased by 1.4% compared to prior year.

Gross profit margin improved to 21.5% versus 21.1% last year. Net profit margin improved to 9.6% versus 8.3% 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 better working capital management. The Company remains sufficiently liquid and has Rs. 6,052 million of cash and cash equivalents as of December 31, 2020 to meet its investment and operational cash requirements.

Quick / acid test ratio (2020: 1.22, 2019: 1.02) and cash to current liabilities (2020: 0.82, 2019: 0.44) improved versus last year, whereas, current ratio (2020: 2.02, 2019: 2.03) has remained fairly constant as compared to last year.

## ACTIVITY / TURNOVER RATIOS

Operating cycle has remained fairly constant with last year (2020: 67 days, 2019: 68 days)

Total assets turnover ratio (average assets) and fixed asset turnover ratio decreased in 2020 from as compared to 2019 mainly due to increase in capital expenditure during the year.

## INVESTMENT / MARKET RATIOS

**Earnings per share** jumped to Rs. 10.6 in 2020 from Rs. 9.55 in 2019 as a result of increase in profit after tax by 10.9% as mentioned above.

**Price Earnings ratio** has increased to 17 in 2020 from 16.8 in 2019, mainly due to increase in price per share.

**Dividend yield ratio** has declined from 3.74% to 3.39% as a result of increase in per share price.

**Dividend pay-out ratio** decreased to 0.61 times in 2020 from 0.63 times in 2019, on account of increase in profit after tax as mentioned above.

**Break-up value per share** has increased to Rs. 54.88 in 2020 from Rs. 50.67 in 2019 due to increase in total equity due to lower dividend payout as compared to last year.

**Market capitalisation** has increased to Rs. 57,310 million in 2020 from Rs. 51,061 million in 2019 due to increase in market price per share to Rs. 180.22 in 2020 from Rs. 160.57 in 2019.

### **Analysis of non-financial performance using both qualitative and quantitative indicators.**

#### **Objective: Driving Profitable Growth**

##### **Manufactured Capital**

##### **Standing in Pharmaceutical Sector**

The company is highly successful business with 7.4% of the value and 12% of the volume share of Pakistan's Pharma market.

GlaxoSmithKline Pakistan Limited has continued to maintain leadership position in the Pakistan's Pharma industry.

##### **Sales Growth**

Core Pharma sales showed a growth of 6% from last year.

##### **Cost Reduction Initiatives**

The Company took various initiatives during the year to lower costs including introduction of digital engagement channels to connect with health care professionals and initiatives in warehousing and transportation.

#### **Objective: Maintaining Corporate Image**

##### **Relationship Capital**

##### **Award**

GSK Pakistan won the best corporate and sustainability report 2019 award.

##### **Corporate Briefing**

We held successful corporate briefing session which included giving presentations to shareholders, institutional investors and analysts at the Pakistan Stock Exchange.

#### **Objective: CSR initiatives**

##### **Social capital**

Several CSR initiatives were taken throughout the year to support causes which would have positive impact on the community.

For further details, refer to CSR section of directors report.

## **Objective: To be a Top Employer**

### **Human Capital**

#### **Top Employer Award**

In 2020, the company was certified as a top employer through the Top Employer Institute. This shows the Company's dedication to adopt worldclass HR practices.

#### **Women Leadership Initiative**

The Women Leadership initiative at GSK encourages men and women to work together and supports women in realizing their full potential. It develops and hones the leadership skills of its members.

#### **Improvements in Employee Lifecycle System**

Various initiatives were taken to automate employee assistance including chatbots and robotic processes.

#### **Employee Learning and Development**

Inhouse courses on GSK website are available to all employees to enhance their skills and knowledge.

## **Objective: Health and Safety**

### **Human Capital**

#### **Health and safety during COVID**

The company prioritized employee health and safety by implementing safety measures. The percentage attendance of office-based personnel was monitored.

All employees were given access to online healthcare physician and Ergonomic home office equipment allowance. The employees also had full health insurance coverage which included COVID-19 related hospitalization and expenses.

Field force employees were also given PPE and robust safety training.

#### **Employee Health and wellbeing**

Various online initiatives were introduced during the year for employee health and wellbeing. These included yoga classes, sessions on how to take care of your family and webinars on mindfulness and sleep wellness.

## **Objective: Risk Management**

### **Intellectual capital**

Kindly refer to the risk management section(RMCB) of the annual report.

#### **Conclusion:**

The company has set KPIs to ensure non-financial performance is upto the mark and monitors the same to ensure that objectives are being achieved timely. The company regularly monitors KPIs and works on continuous improvement for measuring performance.

## Market Share and Share Price Sensitivity Analysis

The market capitalization of GSK Pakistan at the end of the year was PKR 57billion. The company is highly successful business with 7.4% of the value and 12% of the volume share of Pakistan's Pharma market. There are many factors which affect GSK market share price. Some of these factors have been discussed below:

### Profit Margins

Increasing production costs can lead to low profit margins which will impact our earnings negatively. This in turn would have a negative impact on our share price.

### Cost of Production

Spike in our costs of productions could negatively impact our earnings which would then cause pressure on our share price to fall.

### Government Policies

Changing government policies which impact the pharmaceutical sector could impact our share prices as well depending on whether the policies are favorable or unfavorable.

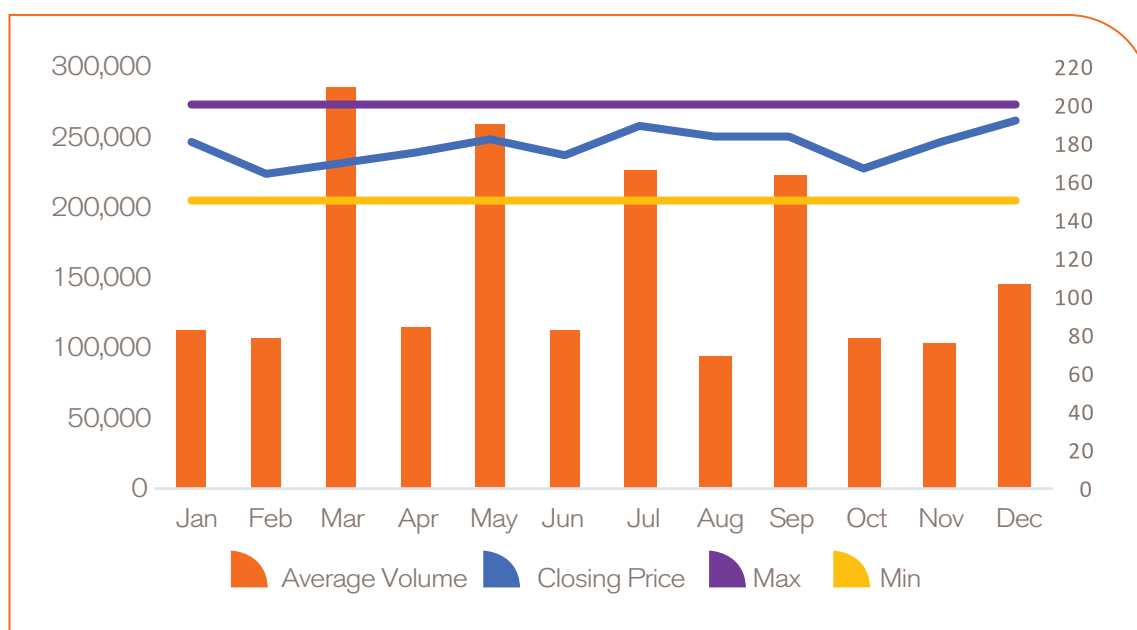
### Foreign Currency fluctuations

The company imports its raw material, hence, devaluations in local currency could negatively impact its margins and earnings. This would negatively impact the share price of the company.

### Goodwill

Based on the news about the company in the market, the market sentiment may be positive or negative. Based on the market sentiment, the company share price may increase or decrease.

### Share Price Sensitivity Analysis







## Business rationale of major capital expenditure projects during the year and for those planned for next year

GlaxoSmithKline Pakistan Limited evaluates its capital expenditure requirements on an annual basis. It takes approvals on the capital expenditure amounts during the year from the board.

**Some of the major capital expenditure projects and their rationales are mentioned below:**

### **CRSF Project**

GSK is a responsible business which is committed to providing the highest level of safety and quality for its patients. In order to deliver on this commitment, GSK globally rolled out Child Resistant and Senior Friendly packaging. Child Resistant technology has proven internationally to reduce deaths by accidental medicine ingestion, this is achieved by modifying the packaging to variants difficult to open by children yet friendly to open by seniors.

For the same investment in F268 site was made. After 5 years of development work, the line conversions were initiated in 2020 and will be completed by 2021 across all the SKUs which are in scope.

### **Solar:**

In line with GSK sustainability agenda of "net zero", significant investment are planned to be made in 2021 to utilize all available roof spaces for solar PV systems at F268 site. Currently, F-268 has 230kW capacity of solar installed and in the future, an additional 800kW.

### **Compression Machine:**

The Company is planning to replace 4 tablet press machines. These 4 will be replaced with 1 high speed state of the art machine to reduce operational complexity and increase process capability.

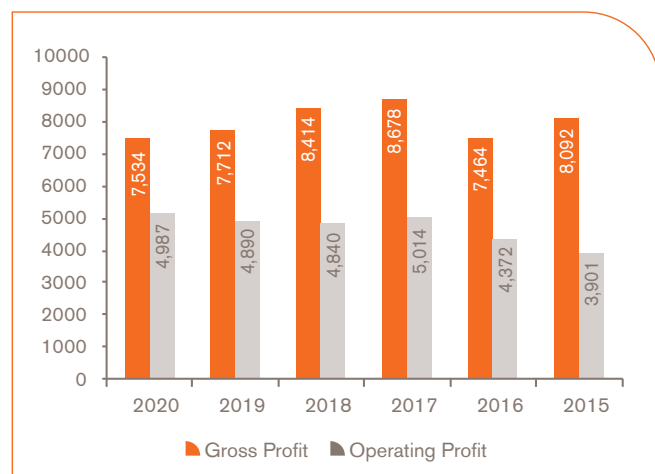
## Financial Performance at a Glance

	2020	2019
Rupees in millions		
Revenue from contract with customers	35,090	36,582
Gross Profit	7,534	7,712
Operating Profit	4,987	4,890
Profit Before Tax	4,903	4,600
Taxation	(1,528)	(1,559)
Profit after taxation	3,375	3,041
Dividend - cash*	2,070	1,911
- per share - Rs.	6.5	6
Paid-up Capital	3,185	3,185

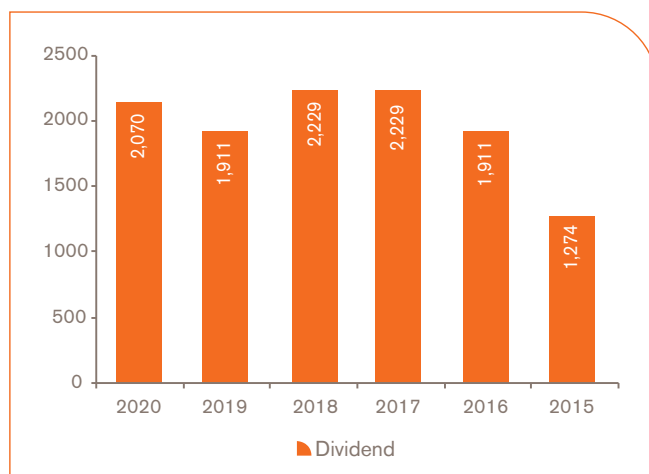
\* This represents final cash dividend of Rs. 6.5 per share, proposed by the Board of Directors subsequent to the year end.

**Note:** FY 2019 represents continuing operations for meaningful comparison.

### Gross and Operating Profit (Rupees in million)



### Payout to Shareholders (Rupees in million)



## Key Performance Indicators

	Unit	2020	2019
Revenue from contract with customers	Rs. in million	35,090	36,582
Return on Equity	%	19.31%	18.85%
Earnings per share	Rs.	10.6	9.55
Shareholders' Equity	Rs. in million	17,479	16,138
Total Assets Turnover Ratio	Times	1.4	1.6
Current Ratio	Times	2.0	2.0
Market Capitalization	Rs. in million	57,310	51,061

## Statement of Value Added

	2020		2019	
	Rupees '000	%	Rupees '000	%
<b>Revenue Generated</b>				
Total revenue *	37,069,622	100.0	38,580,126	100.0
<b>Revenue distributed</b>				
Bought-in-Materials and Services	24,848,321	67.0	26,593,060	68.9
Selling, Marketing and Distribution Expenses	1,464,118	3.9	2,170,791	5.6
Administrative Expenses and Financial Charges	438,117	1.3	661,355	1.7
Income tax	1,527,442	4.1	1,559,173	4.0
Worker's funds and Central research fund	426,320	1.2	393,563	1.0
Sales tax	2,474	0.0	6,915	0.0
<b>To Government</b>	1,956,236	5.3	1,959,651	5.1
Salaries, Wages and Other Benefits	4,983,330	13.4	4,152,065	10.8
<b>To Employees</b>	4,983,330		4,152,065	
Donations	4,260	0.0	2,081	0.0
<b>To Society</b>	4,260		2,081	
Cash Dividend**	2,070,037	5.6	1,910,804	5.0
<b>To Shareholders</b>	2,070,037		1,910,804	
<b>Retained in the Business</b>	1,305,203	3.5	1,130,319	2.9
	37,069,622	100.0	38,580,126	100.0

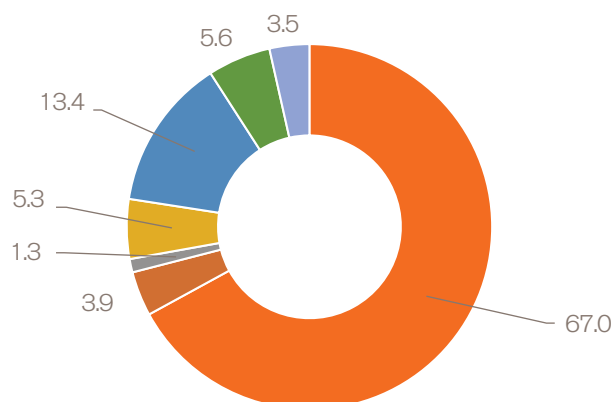
\* This represents revenue gross of sales tax

\*\* This represents final cash dividend of Rs. 6.5 per share, proposed by the Board of Directors subsequent to the year end.

**Note:** FY 2019 represents continuing operations for meaningful comparison.

### Revenue and its Disposal

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



# Key Operating and Financial Data

## Statement of Financial Position

### Assets employed

Fixed Assets - tangible

- property, plant and equipment

Assets - intangible

- Goodwill

Long-term loans and deposits

Net current assets

Non Current Asset Held For Sale

2020	2019	2018	2017*	2016*	2015
Rupees in Millions					
9,936	9,480	8,921	8,865	8,318	7,196
992	1,042	1,082	1,039	1,039	1,039
95	125	99	114	71	72
7,566	6,408	6,304	4,121	4,621	5,404
82	-	-	-	-	-
18,671	17,055	16,406	14,139	14,049	13,711

\* FY 2017 and 2016 representing continuing operations for meaningful comparison.

### Less: Non-Current Liabilities

Staff retirement benefits - Staff gratuity

Long-term portion of lease liabilities

Deferred taxation

509	228	371	294	78	16
8	43	-	-	-	-
675	646	616	537	645	624
1,191	917	987	831	723	640
17,479	16,138	15,420	13,308	13,326	13,071
3,185	3,185	3,185	3,185	3,185	3,185
14,294	12,953	12,235	10,123	10,142	9,886
17,479	16,138	15,420	13,308	13,327	13,071

### Net assets employed

#### Financed by

Issued, subscribed and paid-up capital

Reserves

Shareholders' Equity

## Turnover and Profit

Revenue from contract with customers

Gross profit

Operating profit

Profit before taxation

Taxation

Profit after taxation

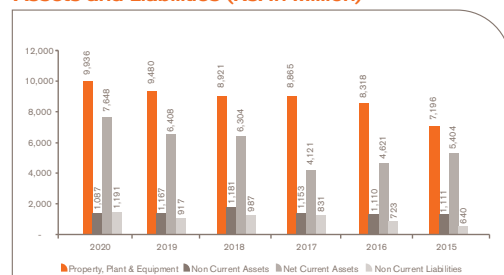
EBITDA

Cash Dividend

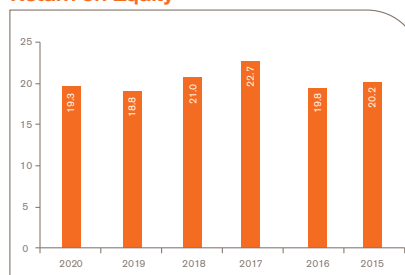
Sales per employees

2020	2019	2018	2017	2016	2015
Rupees in Millions					
35,090	36,582	34,007	32,774	27,564	29,583
7,534	7,712	8,414	8,678	7,464	8,092
4,987	4,890	4,840	5,014	4,372	3,901
4,903	4,600	4,692	4,925	4,353	3,846
(1,527)	(1,559)	(1,460)	(1,898)	(1,708)	(1,203)
3,375	3,041	3,232	3,027	2,645	2,643
5,621	5,464	5,396	5,739	4,929	4,349
2,070	1,911	2,229	2,229	1,911	1,274
18,547	18,532	17,201	15,467	11,865	12,472

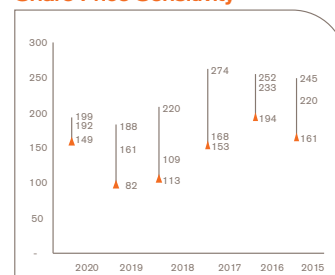
### Assets and Liabilities (Rs. In Million)



### Return on Equity



### Share Price Sensitivity



## Cashflows

	Unit	2020	2019	2018	2017	2016	2015
Operating Activities	Rs. in million	6,295	2,566	3,001	2,135	4,256	3,044
Investing Activities	Rs. in million	(1,029)	(1,081)	(479)	(1,348)	(1,623)	(249)
Financing Activities	Rs. in million	(1,904)	(2,228)	(1,257)	(2,929)	(1,197)	(1,805)
Changes in Cash equivalents	Rs. in million	3,362	(743)	1,265	(2,142)	1,436	990
Cash and equivalents - Year end	Rs. in million	6,052	2,690	3,433	2,168	4,310	3,642

## Financial Highlights

Cash dividend per share	Rupees	6.5	6.0	7.0	7.0	6.0	4.0
Market value per share - year end	Rupees	191.83	160.57	112.68	167.88	233.3	220.0
Market value per share - high	Rupees	199.44	187.73	219.8	274	252	244.8
Market value per share - low	Rupees	149.26	82.04	109.41	153	194	161.0
Market price to book value with surplus	Times	3.5	3.2	2.3	4.0	5.6	5.4
Market capitalization	Rs.in million	57,310	51,061	35,832	53,424	74,189	70,069

## Profitability Ratios

Profit before tax ratio	%	14.0	12.6	13.8	15.0	15.8	13.0
Gross Yield on Earning Assets	%	4.0	5.4	3.8	8.6	4.2	5.4
Gross Spread ratio	Times	0.5	0.4	0.4	0.3	0.4	0.3
Cost / Income ratio	Times	0.5	0.5	0.5	0.5	0.5	0.6
Return on Equity	%	19.3	18.8	21.0	22.7	19.8	20.2
Return on Capital employed	%	18.9	18.2	21.2	21.5	19.1	19.9
Gross Profit ratio	%	21.5	21.1	24.7	26.5	28.0	27.4
Net Profit to Sales	%	9.6	8.3	9.5	9.2	9.6	8.9
EBITDA Margin to Sales	%	16.0	14.9	15.9	17.5	17.9	14.7
Operating leverage ratio	Times	-1.1	0.0	-1.3	0.7	-1.9	5.7

## Investment/Market Ratios

Earnings per share (EPS)	Rupees	10.6	9.5	10.1	9.5	8.3	8.3
Price Earnings ratio	Times	18.1	16.8	11.1	17.7	28.1	26.5
Price to Book ratio	%	0.8	0.7	0.5	0.8	1.2	1.2
Dividend Yield ratio	%	3.4	3.7	6.2	4.2	2.6	1.8
Dividend Payout ratio	Times	0.6	0.6	0.7	0.7	0.7	0.5
Dividend Cover ratio	Times	1.6	1.6	1.5	1.4	1.4	2.1

## Capital Structure Ratios

Earning assets to total assets ratio	%	23.21	11.58	15.48	10.0	20.6	18.1
Net assets per share	Times	54.9	50.7	48.4	41.8	41.8	41.0
Debt to Equity ratio	Times	0.1	0.1	0.1	0.1	0.1	0.0
Financial leverage ratio	Times	0.5	0.4	0.4	0.6	0.6	0.5
Interest Cover ratio	Times	58.4	16.2	31.8	55.8	228.7	70.8

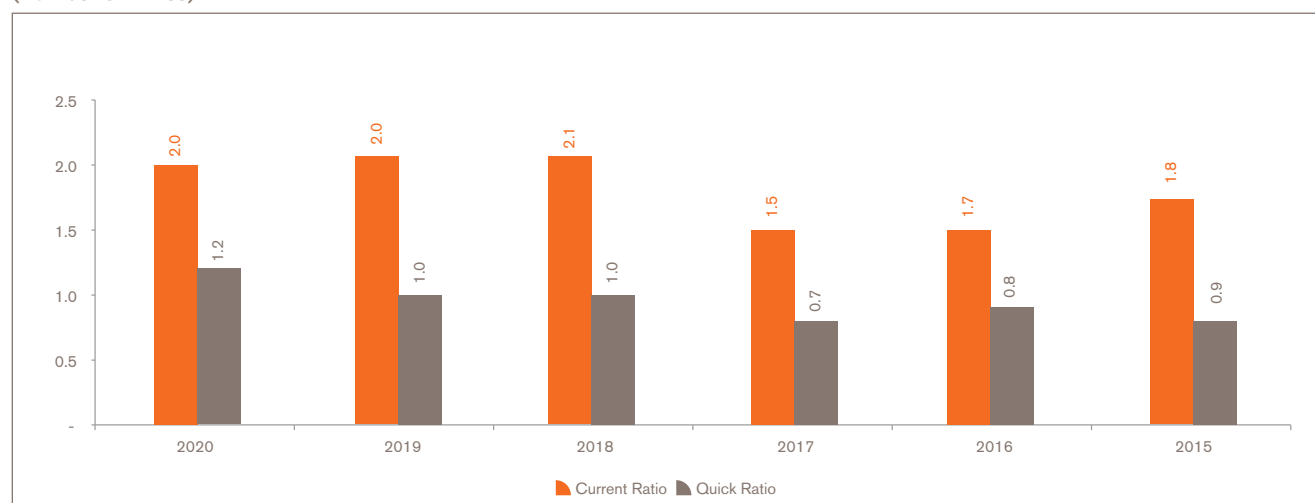
## Liquidity Ratios

		2020	2019	2018	2017	2016	2015
Advances to Deposits ratio	Times	1.2	1.1	1.9	3.4	1.3	3.1
Current ratio	Times	2.0	2.0	2.1	1.5	1.7	1.8
Quick / Acid test ratio	Times	1.2	1.0	1.0	0.7	0.8	0.9
Cash to Current Liabilities	Times	0.8	0.4	0.6	0.3	0.6	0.6
Cash flow from Operations to Sales	%	17.9	7.0	8.8	6.5	15.4	10.3

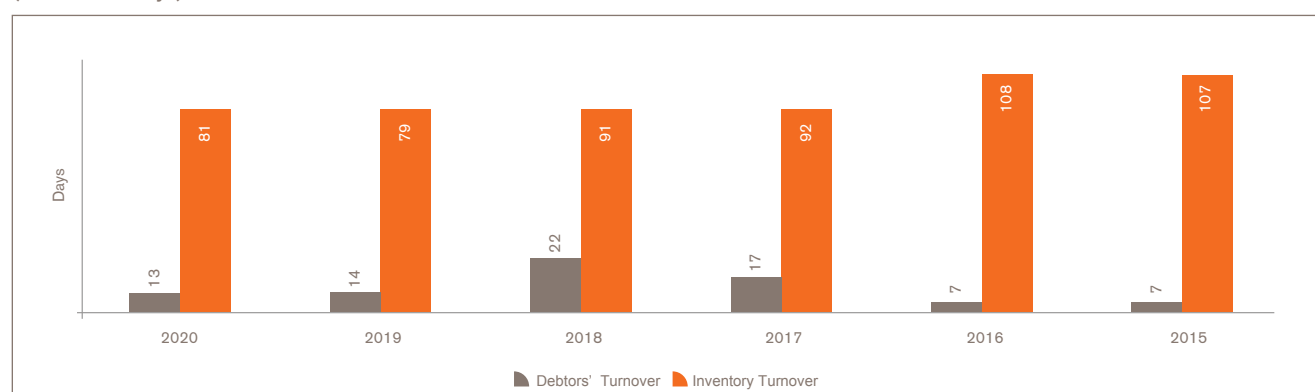
## Activity / Turnover Ratios

Inventory turnover ratio	Times	4.5	4.7	4.0	4.0	3.4	3.4
No. of Days in Inventory	Days	81	79	91	92	108	107
Debtor turnover ratio	Times	30.1	26.9	17.2	22.7	52.5	56.1
No. of Days in Receivables	Days	13	14	22	17	7	7
Creditor turnover ratio	Times	13.6	14.9	13.0	12.0	8.6	10.6
No. of Days in Creditors	Days	27	25	29	31	43	35
Total Assets turnover ratio	Times	1.3	1.6	1.5	1.5	1.32	1.47
Fixed Assets turnover ratio	Times	3.5	3.9	3.8	3.7	3.3	4.1
Operating Cycle	Days	67	68	84	77	73	79

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



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



# Direct Cash Flow Statement

For The Year Ended December 31, 2020

	2020	2019
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	35,012,970	37,185,614
Cash paid to suppliers / service providers	(22,288,103)	(26,926,282)
Cash paid to employees	(4,741,945)	(4,329,181)
Payment of indirect taxes and other statutory duties	(346,790)	(236,325)
Payment of royalty and technical services fee	(417,621)	(467,602)
Payment to Retirement Funds	(104,801)	(447,959)
Financial charges paid	(8,857)	(91,526)
Income tax paid	(809,998)	(2,120,837)
Net cash from operating activities	6,294,855	2,565,902
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed Capital Expenditure	(1,316,019)	(1,343,386)
Proceeds from sale of operating assets	52,992	125,380
Return on investments	234,005	136,952
Net cash used in investing activities	(1,029,022)	(1,081,054)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,891,561)	(2,219,716)
Lease rentals paid	(12,094)	(8,087)
Net cash used in financing activities	(1,903,655)	(2,227,803)
Net increase/(decrease) in cashflow	3,362,178	(742,955)
Cash and cash equivalents at beginning of the year	2,689,896	3,432,851
Cash and cash equivalents at end of the year	6,052,074	2,689,896



## Horizontal Analysis

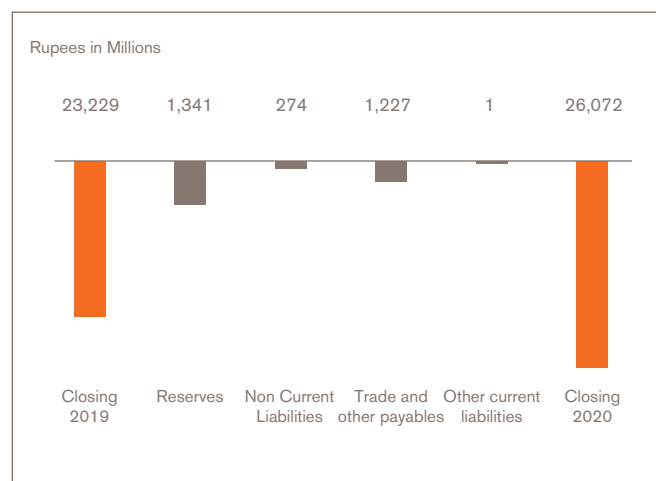
### Statement of Financial Position

	2020	2019	2018	2017	2016	2015
	Change from preceding year					
				%		
Share Capital and Reserves	8.3	4.7	15.9	(0.1)	2.0	9.4
Non Current Liabilities	29.9	(7.1)	18.7	14.9	13.0	(34.4)
Current Liabilities	19.9	7.0	(23.9)	11.0	6.7	3.6
Total Equity and Liabilities	12.2	4.7	2.1	4.0	3.8	5.3
Non Current Assets	3.5	5.4	0.8	6.2	13.5	7.9
Current Assets	19.0	4.2	3.2	2.2	(3.0)	3.8
Total Assets	12.2	4.7	2.1	4.0	3.8	5.3

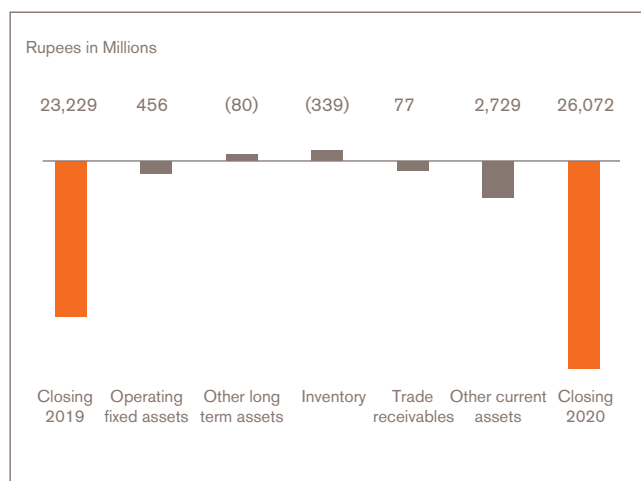
### Profit or Loss Analysis

	2020	2019	2018	2017	2016	2015
	Change from preceding year					
				%		
Net sales	(4.1)	7.6	3.8	18.9	15.7	6.1
Cost of sales	(4.6)	12.8	6.2	19.9	15.5	4.6
Gross profit	(2.3)	(8.3)	(3.1)	16.3	16.2	10.2
Selling, marketing and distribution expenses	(16.7)	(7.0)	8.9	16.4	1.0	8.2
Administrative expenses	21.2	2.1	9.5	4.1	(2.8)	4.7
Other operating expenses	8.3	(1.0)	(9.5)	17.9	45.8	12.0
Other operating income	(0.7)	35.3	42.0	(0.4)	(10.2)	135.9
Operating profit	2.0	1.0	(3.5)	14.7	22.5	36.0
Financial charges	(71.0)	96.5	67.0	363.9	(65.0)	167.0
Profit before taxation	6.6	(2.0)	(4.7)	13.2	23.9	35.0
Taxation	(2.0)	6.8	(23.1)	11.1	70.2	3.6
Profit after taxation	11.0	(5.9)	6.8	14.5	5.3	56.7

### Change in Shareholding and Liability from preceeding year



### Change in Assets from preceeding year



## Vertical Analysis

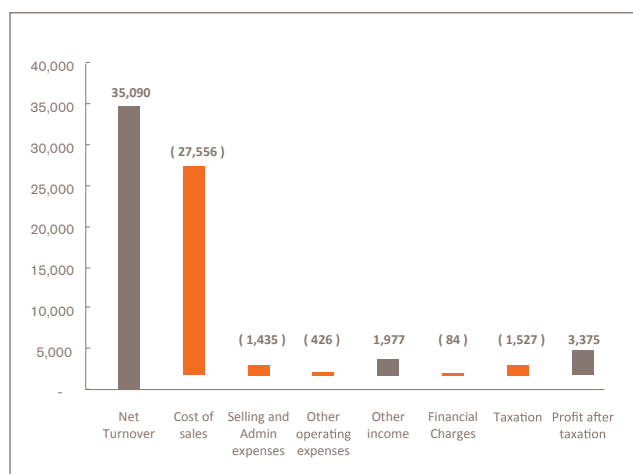
### Statement of Financial Position Analysis (%)

	2020	2019	2018	2017	2016	2015
	%					
Share Capital and Reserves	67.0	69.5	69.5	61.3	63.8	65.0
Non Current Liabilities	4.6	3.9	4.4	3.8	3.5	3.2
Current Liabilities	28.4	26.6	26.0	34.9	32.7	31.8
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
Non Current Assets	42.5	45.8	45.6	46.1	45.2	41.3
Current Assets	57.5	54.2	54.4	53.9	54.8	58.7
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0

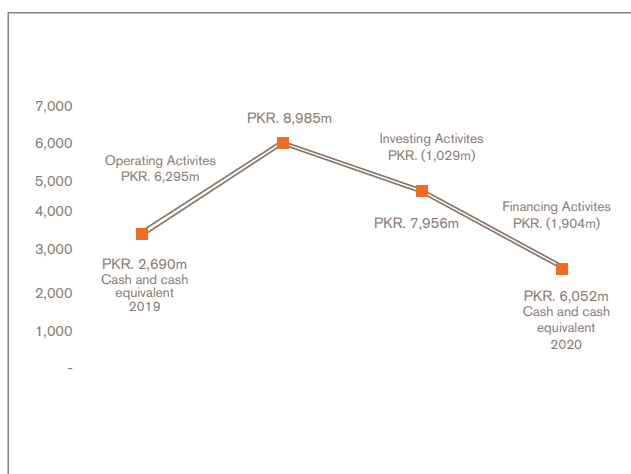
### Profit or Loss Analysis (%)

	2020	2019	2018	2017	2016	2015
	%					
Revenue from contract with customers	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	78.5	78.9	75.3	73.5	72.9	72.6
Gross profit	21.5	21.1	24.7	26.5	27.1	27.4
Selling, marketing and distribution expenses	7.9	9.1	10.5	10.0	10.2	13.5
Administrative expenses	3.8	3.0	3.2	3.0	3.4	3.6
Other operating expenses	1.2	1.1	1.2	1.3	1.4	1.0
Other operating income	5.6	5.4	4.3	3.2	3.8	3.9
Operating profit	14.2	13.4	14.2	15.3	15.9	13.2
Financial charges	0.2	0.8	0.4	0.3	0.1	0.2
Profit before taxation	14.0	12.6	13.8	15.0	15.8	13.0
Taxation	4.4	4.3	4.3	5.8	6.2	4.1
Profit after taxation	9.6	8.3	9.5	9.2	9.6	8.9

### Profit and Loss Statement for the year



### Cash Flow Statement



## Statement of Compliance

### with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year ending December 31, 2020

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

1. The total number of Directors are 7 as per the following:

a) Male:	5
b) Female:	2

2. The composition of the Board is as follows:

Category	Name
*Independent Directors	<ul style="list-style-type: none"><li>● Maheen Rahman</li><li>● Muneer Kamal</li></ul>
Executive Directors	<ul style="list-style-type: none"><li>● Erum Shakir Rahim</li><li>● Abdul Samad</li></ul>
Non-Executive Directors	<ul style="list-style-type: none"><li>● Mehmood Mandviwalla</li><li>● Dmytro Oliinyk</li><li>● Mark Dawson</li></ul>
Female Directors	<ul style="list-style-type: none"><li>● Maheen Rahman</li><li>● Erum Shakir Rahim</li></ul>

*\* The requirement of Independent Directors is at least two or one-third of 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.*

- 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).
- 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.
- 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.
- 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.
- The meetings of the Board were presided over by the Chairman and in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meetings of the Board.
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training Program for the following:

a) Erum Shakir Rahim – CEO and Executive Director

10. There was no fresh appointment of CFO, Company Secretary and Head of Internal Audit during the year ended December 31, 2020. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

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

**a) Audit Committee**

- |                              |            |
|------------------------------|------------|
| i. Mr. Muneer Kamal          | ● Chairman |
| ii. Ms. Maheen Rahman        |            |
| iii. Mr. Mehmood Mandviwalla |            |
| iv. Mr. Mark Dawson          |            |
| v. Mr. Dmytro Oliinyk        |            |

**b) HR and Remuneration Committee**

- |                             |               |
|-----------------------------|---------------|
| i. Ms. Maheen Rahman        | ● Chairperson |
| ii. Mr. Mehmood Mandviwalla |               |
| iii. Mr. Dmytro Oliinyk     |               |
| iv. Mr. Mark Dawson         |               |
| v. Ms. Erum Shakir Rahim    |               |

**c) Risk Management Committee**

- i. RMCB – consisting of GSK Management Team

**d) Disclosure Committee**

- |                          |               |
|--------------------------|---------------|
| i. Ms. Erum Shakir Rahim | ● Chairperson |
| ii. Mr. Dmytro Oliinyk   |               |
| iii. Mr. Abdul Samad     |               |
| iv. Mr. Azeem Naqvi      |               |

NOTE: {Ms. Mehar-e-daraksha Ameer appointed as Legal Director and Company Secretary on 1 January 2021 replacing Syed Azeem Abbas Naqvi as Legal Director and Company Secretary, who resigned on 31 December 2020}

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

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

- |  |   |
|--|---|
| a) Audit Committee                           | Quarterly                                   |
| b) HR and Remuneration Committee             | 1 <sup>st</sup> Quarter and Special Meeting |
| c) Risk Management Committee (if applicable) | Quarterly                                   |
| d) Disclosure Committee                      | November 16, 2020                           |

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



**Dmytro Oliinyk**

Chairman

March 9<sup>th</sup>, 2021

Karachi



**Erum Shakir Rahim**

Chief Executive Officer

# Independent Auditors' Review Report

To the members of GlaxoSmithKline 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 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 25, 2021

# Independent Auditors' Report to the Members of GlaxoSmithKline Pakistan Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of GlaxoSmithKline 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, its changes in equity and 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
01	<p><b>Carrying value of intangible asset - goodwill</b></p> <p>Refer to note 4 to the financial statements.</p> <p>The Company has an intangible asset of goodwill having carrying value of Rs. 955.74 million (2019: Rs.955.74 million) at year end.</p> <p>This arose on acquisition of Bristol-Myers Squibb (BMS) by the Company through local arrangements. BMS had ceased its operations in Pakistan and all of the products received from BMS on acquisition were continued by the Company with the label of GSK in Pakistan.</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></ul>



S. No	Key Audit Matters	How the matter was addressed in our audit
	<p>The Company is required to perform impairment assessment of its goodwill at least annually, as it has an indefinite useful life.</p> <p>For the purpose of performing impairment assessments, 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>	<ul style="list-style-type: none"> <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>
02	<p><b>Valuation of Stock-in-trade</b></p> <p>Refer to note 7 to the financial statements.</p> <p>Inventory forms a significant part of the Company's assets. As at December 31, 2020, the carrying amount of Company's Stock-in-trade amounts to Rs. 6,328.22 million against which adjustment for provision for slow moving / obsolete stock of Rs. 584.71 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 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, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of inventories at year end;</li> </ul>

S. No	Key Audit Matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <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>
03	<p><b>Tax related litigations and contingencies</b></p> <p>Refer to note 22.1 (b) and (c) to the financial statements.</p> <p>The Company has litigation cases in respect of income tax and sales tax matters, which are pending at various forums including Honorable High Court of Sindh, Commissioner Inland Revenue (Appeals) (CIR(A)) and Appellate Tribunal Inland Revenue (ATIR).</p> <p>Matters under litigation require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations, the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such litigation matters. Further, management also has a practice of consulting their legal and tax experts on the matters before deciding on the significant tax matters.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts, we considered litigation matters relating to tax contingencies as a key audit matter.</p>	<p>In this respect, we performed following audit procedures:</p> <ul style="list-style-type: none"> <li>- Obtained and reviewed details of the pending litigations and discussed the same with the Company's management.</li> <li>- Reviewed correspondences, on a sample basis, relating to pending tax assessments of the Company with the relevant authorities including judgments or orders passed by the competent authorities / courts of law in relation to the issues involved or matters which have similarities with the issues involved;</li> <li>- Obtained confirmations from the Company's external legal and tax counsels for their views on open tax assessments and legal cases;</li> <li>- Involved internal tax professionals to assess management's conclusions on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and</li> <li>- Reviewed disclosures made in respect of these litigations in the financial statements.</li> </ul>

## Information Other than the financial statements and the 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 Nadeem Yousuf Adil.



**Chartered Accountants**

**Place:** Karachi

**Date:** March 25, 2021

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

## ASSETS

### Non-current assets

Property, plant and equipment  
Intangibles  
Long-term loans to employees  
Long-term deposits

### Current assets

Stores and spares  
Stock-in-trade  
Trade receivables  
Loans and advances  
Trade deposits and prepayments  
Interest accrued  
Taxation - payments less provision  
Refunds due from Government  
Other receivables  
Investments - at amortised cost  
Cash and bank balances

### Assets of disposal groups classified as held for sale / disposal

### Total assets

## EQUITY AND LIABILITIES

### Equity

Share capital  
Reserves

### Liabilities

### Non-current liabilities

Staff retirement benefits  
Deferred taxation  
Long-term portion of lease liabilities

### Current liabilities

Trade and other payables  
Accrued mark-up  
Provisions  
Current portion of lease liabilities  
Unclaimed dividend

### Total liabilities

### Total equity and liabilities

### Contingencies and commitments

Note	2020	2019
	Rupees in '000	
3	9,936,002	9,480,061
4	991,742	1,041,742
5	72,838	103,224
	22,010	22,010
	11,022,592	10,647,037
6	194,317	206,202
7	5,743,505	6,070,253
8	1,204,143	1,126,700
9	378,482	347,465
10	307,293	313,979
	3,097	1,573
	41,798	679,876
11	38,710	40,623
12	1,004,000	1,105,578
13	447,526	342,863
14	5,604,548	2,347,033
	14,967,419	12,582,145
15	81,985	-
	26,071,996	23,229,182
16	3,184,672	3,184,672
17	14,293,592	12,952,724
	17,478,264	16,137,396
18	508,622	228,437
19	674,967	645,955
	7,778	42,564
	1,191,367	916,956
20	7,215,123	5,987,372
	-	2,353
21	38,964	78,762
	31,559	8,867
	116,719	97,476
	7,402,365	6,174,830
	8,593,732	7,091,786
	26,071,996	23,229,182
22		

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



Chief Executive Officer



Chief Financial Officer



Director



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2020

	Note	2020	2019
		Rupees in '000	
Revenue from contracts with customers	23	35,090,112	36,581,749
Cost of sales	24	(27,555,732)	(28,870,246)
Gross profit		7,534,380	7,711,503
Selling, marketing and distribution expenses	25	(2,766,755)	(3,320,549)
Administrative expenses	26	(1,331,548)	(1,098,946)
Other operating expenses	27	(426,320)	(393,563)
Other income	28	1,977,036	1,991,462
Operating profit		4,986,793	4,889,907
Financial charges	29	(84,111)	(289,611)
Profit before taxation		4,902,682	4,600,296
Taxation	30	(1,527,442)	(1,559,173)
Profit after taxation		3,375,240	3,041,123
<b>Other comprehensive loss</b>			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of staff retirement benefits		(173,922)	(131,078)
Impact of taxation		50,354	37,172
		(123,568)	(93,906)
<b>Total comprehensive income</b>		<b>3,251,672</b>	<b>2,947,217</b>
Earnings per share	31	Rs. 10.6	Rs. 9.55

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

Chief Executive Officer

Chief Financial Officer

Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2020

	Share capital	Capital reserve Reserve arising on Schemes of Arrangements	Revenue reserves		Total
			General reserve	Unappropriated profit	
	Rupees in '000				
Balance as at January 1, 2019	3,184,672	1,126,923	3,999,970	7,107,885	15,419,450
Final dividend for the year ended December 31, 2018 @ Rs. 7 per share	-	-	-	(2,229,271)	(2,229,271)
Profit after taxation for the year ended December 31, 2019	-	-	-	3,041,123	3,041,123
Remeasurement of staff retirement benefits - net of tax	-	-	-	(93,906)	(93,906)
Total comprehensive income for the year ended December 31, 2019	-	-	-	2,947,217	2,947,217
Balance as at December 31, 2019	3,184,672	1,126,923	3,999,970	7,825,831	16,137,396
Final dividend for the year ended December 31, 2019 @ Rs. 6 per share	-	-	-	(1,910,804)	(1,910,804)
Profit after taxation for the year ended December 31, 2020	-	-	-	3,375,240	3,375,240
Remeasurement of staff retirement benefits - net of tax	-	-	-	(123,568)	(123,568)
Total comprehensive income for the year ended December 31, 2020	-	-	-	3,251,672	3,251,672
Balance as at December 31, 2020	3,184,672	1,126,923	3,999,970	9,166,699	17,478,264

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



# STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

Note **2020** 2019  
 ..... Rupees in '000 .....

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations  
 Mark-up paid  
 Staff retirement benefits paid  
 Income taxes paid  
 Decrease / (increase) in long-term loans to employees and long-term deposits

32	7,188,125	5,252,413
	(8,857)	(91,526)
	(104,801)	(447,959)
	(809,998)	(2,120,837)
	30,386	(26,189)

### Net cash generated from operating activities

6,294,855	2,565,902
-----------	-----------

## CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure  
 Proceeds from sale of operating assets  
 Return received

(1,316,019)	(1,343,386)
52,992	125,380
234,005	136,952

### Net cash used in investing activities

(1,029,022)	(1,081,054)
-------------	-------------

## CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid  
 Lease rentals paid

41	(1,891,561)	(2,219,716)
	(12,094)	(8,087)

### Net cash used in financing activities

(1,903,655)	(2,227,803)
-------------	-------------

### Net increase / (decrease) in cash and cash equivalents

3,362,178	(742,955)
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### Cash and cash equivalents at beginning of the year

2,689,896	3,432,851
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### Cash and cash equivalents at end of the year

33	6,052,074	2,689,896
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The annexed notes 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Notes to the Financial Statements

For the year ended December 31, 2020

## 1. THE COMPANY AND ITS OPERATIONS

GlaxoSmithKline Pakistan Limited (the Company) is incorporated in Pakistan as a limited liability company and is listed on the Pakistan Stock Exchange. Registered office of the Company is situated at 35 - Dockyard Road, West Wharf, Karachi, Sindh. It is engaged in manufacturing and marketing of research based ethical specialties and pharmaceutical products.

The Company is a subsidiary of S.R. One International B.V., incorporated in Netherlands, whereas its ultimate parent company is GlaxoSmithKline plc, UK (GSK plc).

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

### 1.2 Impact of COVID - 19 on the financial statements

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, pharmaceutical 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

#### 2.1.1 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 applicable in Pakistan comprise of:

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

Where the provisions of and directives issued under the Act differ with the requirements of IFRSs, the provisions of and directives issued under the Act have been followed.

#### 2.1.2 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 thousand unless otherwise indicated.

### 2.1.3 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) Provision for retirement benefits (note 2.4 and 18)
- ii) Depreciation and impairment of non-current assets (note 2.10 and 2.11)
- iii) Provision for obsolete and slow moving stock (note 2.14 and 7)
- iv) Allowance for impairment of trade receivables (note 2.15 and 8)
- v) Taxation (note 2.6 and 30)

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

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

### 2.2.1 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

### 2.2.2 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 period 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
- 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

**2.2.3 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'

## **2.3 Basis of measurement**

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

## **2.4 Staff retirement benefits**

### **2.4.1** 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.

### **2.4.2** The Company also operates approved contributory provident funds 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.

## **2.5 Compensated absences**

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

## **2.6 Taxation**

### **2.6.1 Current**

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

### **2.6.2 Deferred**

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

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

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

## **2.7 Trade and other payables**

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

## **2.8 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.

## **2.9 Share Capital**

Ordinary shares are classified as equity and are recorded at their face value.

## **2.10 Property, plant and equipment**

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

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

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

Major spare parts and stand-by equipment qualify for recognition as fixed assets when the entity expects to use these for more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

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 income during the year in which they are incurred.

Gains and losses on disposal of fixed assets are included 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 assets are reviewed and adjusted, if appropriate annually.

## **(ii) Capital work-in-progress**

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

## **2.11 Impairment of non-financial assets**

Carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, assets or cash-generating units are tested for impairment. Cash-generating units to which goodwill is allocated are tested for impairment annually. Where the carrying values of assets or cash-generating units exceed the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to statement of profit or loss and other comprehensive income.

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

## **2.12 Intangibles**

### **2.12.1 Goodwill**

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.

### **2.12.2 Market authorisation rights**

Market authorisation rights (the rights) are recognised if it is probable that future economic benefits attributable to the rights will flow to the Company and cost of such rights can be measured reliably. The rights acquired by the Company are initially recognised at cost and are carried at cost less accumulated amortisation and impairment, if any.

## **2.13 Stores and spares**

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

## **2.14 Stock-in-trade**

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

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

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred to make the sale.

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

## **2.15 Assets held for sale / disposal**

Assets are classified as held for sale / disposal if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets are available for sale in their present condition subject only to terms that are usual and customary for sale of such assets and their sale is highly probable.

The Company measures its assets classified as held for sale / disposal at the lower of carrying amount and fair value less costs to sell. Costs to sell signify the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

## **2.16 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, balances with banks on current, savings and deposit accounts, short-term investments and short-term borrowings under running finance, having maturity of upto three months.

## **2.17 Foreign currency transactions and translation**

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

## **2.18 Revenue recognition**

Revenue 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.

## **2.19 Financial assets and liabilities**

### **a) Initial Recognition**

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



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

## **b) Classification**

### **(i) Financial assets**

The Company classifies its financial instruments in the following categories:

- at fair value through profit and 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 the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### **(ii) Financial liabilities**

The Company classifies its financial liabilities in the following categories:

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

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

## **C) Subsequent measurement**

### **Financial assets at FVTOCI**

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

### **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.

### **Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive (loss) income. Currently, there are no financial liabilities designated at FVTPL.

## **d) Impairment of financial assets at amortised cost**

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 receivables. 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 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.

## **e) Derecognition**

### **(i) Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

### **(ii) Financial liabilities**

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

## **2.20 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.

## **2.21 Dividend and appropriation to / from reserves**

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

## **2.22 Share based payments**

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

## **2.23 Segment reporting**

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

## **2.24 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.

## **2.25 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.

### 3. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		Rupees in '000	
Operating assets	3.1	8,706,886	8,673,011
Major spare parts and stand-by equipments	3.3	161,100	155,728
Capital work-in-progress	3.4	1,028,825	599,311
Right-of-use assets	3.5	39,191	52,011
		<u>9,936,002</u>	<u>9,480,061</u>

### 3.1 Operating assets

#### Net carrying value basis

Year ended December 31, 2020

#### Opening net book value (NBV)

Additions (at cost)

Disposals

- Cost

- Accumulated depreciation

- Accumulated impairment

Disposals (at NBV)

Transferred to disposal group classified as held for sale / disposal - note 15.1

- Cost

- Accumulated depreciation

Depreciation charge

- On assets classified as held for sale

- On other assets

Impairment charge

#### Closing net book value

#### Gross carrying value basis

At December 31, 2020

Cost

Accumulated depreciation

Accumulated impairment

Net book value

Depreciation rate % per annum

	Leasehold land	Building on leasehold land	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Total
Rupees in '000							
Opening net book value (NBV)	270,444	2,233,277	5,152,835	135,314	445,883	435,258	8,673,011
Additions (at cost)	-	160,982	306,181	17,942	214,981	180,914	881,000
Disposals							
- Cost	-	(27)	(65,508)	(6,950)	(91,358)	(11,507)	(175,350)
- Accumulated depreciation	-	15	52,934	6,464	59,536	10,017	128,966
- Accumulated impairment	-	12	9,161	486	-	944	10,603
Disposals (at NBV)	-	-	(3,413)	-	(31,822)	(546)	(35,781)
Transferred to disposal group classified as held for sale / disposal - note 15.1							
- Cost	-	(162,883)	-	(12,225)	(2,636)	(41,916)	(219,660)
- Accumulated depreciation	-	85,770	-	12,175	2,636	37,094	137,675
	-	(77,113)	-	(50)	-	(4,822)	(81,985)
Depreciation charge							
- On assets classified as held for sale	-	(3,979)	-	(76)	-	(433)	(4,488)
- On other assets	(4,970)	(79,910)	(356,028)	(23,978)	(129,156)	(100,017)	(694,059)
	(4,970)	(83,889)	(356,028)	(24,054)	(129,156)	(100,450)	(698,547)
Impairment charge	-	(13,497)	(15,714)	(391)	-	(1,210)	(30,812)
Closing net book value	265,474	2,219,760	5,083,861	128,761	499,886	509,144	8,706,886
Gross carrying value basis							
At December 31, 2020							
Cost	331,167	2,903,506	9,129,294	332,582	929,789	1,243,744	14,870,082
Accumulated depreciation	(65,693)	(655,658)	(3,781,518)	(202,893)	(429,903)	(732,185)	(5,867,850)
Accumulated impairment	-	(24,109)	(263,915)	(852)	-	(1,982)	(290,858)
Net book value	265,474	2,223,739	5,083,861	128,837	499,886	509,577	8,711,374
Depreciation rate % per annum	1 to 2.5	2.5	5 to 6.67	10	25	10 to 33.33	

#### Net carrying value basis

Year ended December 31, 2019

Opening net book value (NBV)

Additions (at cost)

Disposals

- Cost

- Accumulated depreciation

- Accumulated impairment

Disposals (at NBV)

Transferred to disposal group classified as held for sale / disposal

Depreciation charge

Impairment charge

#### Closing net book value

#### Gross carrying value basis

At December 31, 2019

Cost

Accumulated depreciation

Accumulated impairment

Net book value

Depreciation rate % per annum

Opening net book value (NBV)	275,513	2,119,441	4,960,477	150,948	408,080	393,942	8,308,401
Additions (at cost)	-	194,296	623,851	17,057	227,144	145,036	1,207,384
Disposals							
- Cost	-	(2,733)	(21,645)	(40,471)	(158,043)	(52,906)	(275,798)
- Accumulated depreciation	-	624	10,445	33,143	97,381	43,924	185,517
- Accumulated impairment	-	-	9,001	-	-	-	9,001
Disposals (at NBV)	-	(2,109)	(2,199)	(7,328)	(60,662)	(8,982)	(81,280)
Transferred to disposal group classified as held for sale / disposal	-	-	-	-	-	-	-
Depreciation charge	(5,069)	(78,351)	(429,294)	(25,363)	(128,679)	(94,738)	(761,494)
Impairment charge	-	-	-	-	-	-	-
Closing net book value	270,444	2,233,277	5,152,835	135,314	445,883	435,258	8,673,011
Gross carrying value basis							
At December 31, 2019							
Cost	331,167	2,905,434	8,888,621	333,815	808,802	1,116,253	14,384,092
Accumulated depreciation	(60,723)	(661,533)	(3,478,424)	(197,554)	(362,919)	(679,279)	(5,440,432)
Accumulated impairment	-	(10,624)	(257,362)	(947)	-	(1,716)	(270,649)
Net book value	270,444	2,233,277	5,152,835	135,314	445,883	435,258	8,673,011
Depreciation rate % per annum	1 to 2.5	2.5	5 to 6.67	10	25	10 to 33.33	

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

Description	Cost	Accumulated depreciation and impairment	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000							
Plant & machinery	1,040	299	741	64	(677)	Tender	M/s Ganatra Salvaging - B - 37, S.I.T.E, Karachi
"	4,602	3,970	632	282	(350)	Tender	"
"	634	19	615	50	(565)	Tender	"
Motor vehicles	2,519	1,889	630	1,906	1,276	Tender	Mr. Maaz Saleem - A32 / 1 First Floor, Scheme 33, Madras Society Gulzar e Hijri, Karachi
"	2,577	1,933	644	628	(16)	Company Policy	Mr. Irfan Qureshi - Executive
"	2,573	1,930	643	643	-	Company Policy	Mr. Abdul Rauf - Ex - Executive
"	1,894	917	977	1,020	43	Company Policy	Mr. Abdul Wahab Qureshi - Ex - Executive
"	2,647	1,448	1,199	2,440	1,241	Tender	M/s Suzuki South - 25/1, Sector 23, Korangi Industrial Area, Karachi
"	1,788	1,201	587	894	307	Company Policy	Mr. Aslam Qureshi - Ex - Executive
"	1,789	1,202	587	984	397	Company Policy	Mr. Faheem Uddin Bhutto - Executive
"	2,647	1,489	1,158	1,200	42	Company Policy	Mr. Imran Amin - Ex - Executive
"	2,093	850	1,243	1,662	419	Company Policy	Mr. Zeeshan Raza Mukhraj - Ex - Executive
"	1,733	939	794	1,040	246	Company Policy	Mr. Khawaja Muhammad Zahid Asghar - Ex - Executive
"	2,154	808	1,346	1,939	593	Company Policy	Mr. M Mairaj Uddin - Ex - Executive
"	6,500	4,875	1,625	1,625	-	Company Policy	Dr. Tariq Farooq - Director
"	2,897	1,177	1,720	2,028	308	Company Policy	Mr. Rafay Ahmed - Ex - Executive
"	2,154	572	1,582	2,138	556	Company Policy	Mr. M Imran Gul - Executive
"	2,647	1,365	1,282	2,875	1,593	Tender	M/s Augmentech Business Solution - 167/3, Sawera Residency Ground Floor, Khalid bin Waleed Rd PECHS Block 3, Karachi
"	1,789	811	978	1,947	969	Tender	Mr. Syed Riaz Ahmed - House No. A-216, Block-3, Gulshan e Iqbal, Karachi
"	4,450	2,086	2,364	3,600	1,236	Company Policy	Dr. Farheen Ali - Ex - Executive
"	2,154	505	1,649	1,831	182	Company Policy	Mr. Adam Anwar - Ex - Executive
"	5,306	3,979	1,327	1,680	353	Company Policy	Mr. M Salman Haider - Ex - Executive
"	2,577	1,933	644	2,000	1,356	Company Policy	Mr. M Salman Haider - Ex - Executive
"	12,575	9,431	3,144	3,200	56	Company Policy	Mr. Aziz Ul Huq - Ex - Chief Executive Officer
"	4,956	3,717	1,239	1,189	(50)	Company Policy	Dr. Gohar Nayab - Director
	78,695	49,345	29,350	38,865	9,515		

### 3.3 Major spare parts and stand-by equipments

Balance at beginning of the year  
Additions during the year  
Transfers made during the year

Balance at end of the year

2020	2019
Rupees in '000	
155,728	111,407
34,558	118,388
(29,186)	(74,067)
161,100	155,728

### 3.4 Capital work-in-progress

Civil work  
Plant and machinery  
Furniture and fixtures  
Office equipments  
Advances to suppliers - note 3.4.2

2020	2019
Rupees in '000	
48,749	77,001
752,683	363,740
5,115	9,590
154,891	108,700
67,387	40,280
1,028,825	599,311

**3.4.1** Capital work-in-progress is net off of accumulated impairment of Rs. 12.15 million (2019: Rs. 12.15 million).

**3.4.2** The advances to suppliers do not carry any interest or mark up.

### 3.5 Right-of-use assets - Land and buildings

Opening  
Depreciation for the year  
Closing

2020	2019
Rupees in '000	
52,011	66,358
(12,820)	(14,347)
39,191	52,011

### 3.6 Particulars of immovable properties in the name of the Company are as follows:

Location	Usage	Total Area (In sq. metres)
- F-268, S.I.T.E., Near Labour Square, Karachi	Manufacturing	43,722
- Plot No. 5, Sector 21, Korangi Industrial Area, Karachi	Manufacturing	31,720
- B-63, Estate Avenue, S.I.T.E., Karachi	Sales office	4,168
- B-65, Estate Avenue, S.I.T.E., Karachi	Sales office	4,127
- Plot No. 77/80, Block-B, Akhuwat Naghar, Airport Road, Sukkur	Not in use	2,479
- Islam-ud-din House, Mehmood Kot, Bosan Road, Multan	Sales office	1,550
- Cordeiro House, Plot No. 27 - Kot Lakhpat Industrial Estate, Kot Lakhpat, Lahore	Sales office	1,895
- Aleem House, Plot No. 409, Sector I-9, Industrial Area, Islamabad	Sales office	4,645
- Nasir Pur, Near Abd Floor Mill, G. T. Road, Peshawar	Not in use	6,576



#### 4. INTANGIBLES

2020

2019

Rupees in '000

Market authorisation rights - notes 4.1 and 4.2

Cost

Less: Provision for impairment

126,330	126,330
(90,330)	(40,330)
36,000	86,000
955,742	955,742
991,742	1,041,742

Goodwill - note 4.2

**4.1** This includes Rs. 40.3 million paid as consideration to Novartis Pharma (Pakistan) Limited (NPPL) in respect of acquiring market authorisation rights in relation to NPPL's vaccine business and Rs. 86 million paid as consideration paid for acquiring market authorisation rights of Traxon from Akhai Pharmaceuticals (Private) Limited. During the year, the Company has provided Rs. 50 million in respect of marketing authorisation of Traxon from Akhai Pharmaceuticals (Private) Limited.

**4.2** The recoverable amount of intangibles 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 intangibles 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:

<b>Valuation basis</b>	Value in use
<b>Key assumptions</b>	Sales growth rates
	Discount rate
<b>Determination of assumptions</b>	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.
<b>Terminal growth rate</b>	2%
<b>Period of specific projected cash flows</b>	5 years
<b>Discount rate</b>	15.5%

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 related intangibles.

#### 5. LONG - TERM LOANS TO EMPLOYEES

2020

2019

Rupees in '000

Secured - considered good - note 5.1

Less: Recoverable within one year - note 9

125,169	162,829
(52,331)	(59,605)
72,838	103,224

- 5.1** These loans have been given in accordance with the terms of employment for purchase of house, motor car, motor cycle, computer and for the purpose of staff welfare and are repayable in 12 to 60 equal monthly installments depending upon the type of the loan. These loans are interest free except certain loans which carry interest ranging from 5% to 8% per annum (2019: 5% to 8% per annum). All loans are secured against the retirement fund balances.

## 6. STORES AND SPARES

Stores and spares  
Less: Provision for slow moving and obsolete stores and spares

2020	2019
Rupees in '000	
221,621 (27,304)	223,090 (16,888)
194,317	206,202

## 7. STOCK-IN-TRADE

Raw and packing materials including in transit Rs. 48.17 million  
(2019: Rs. 252.96 million)

Work-in-process

Finished goods including in transit Rs. 535.91 million  
(2019: Rs. 250.37 million)

Less: Provision for slow moving, obsolete and damaged items - note 7.3

2020	2019
Rupees in '000	
2,738,830	3,311,520
243,699	480,587
3,345,686	2,887,952
6,328,215 (584,710)	6,680,059 (609,806)
5,743,505	6,070,253

- 7.1** Details of stock-in-trade held with the third parties is as follows:

### For use in third party manufacturing

- Akhai Pharmaceuticals (Private) Limited	-	28,345
- Pharmatec Pakistan (Private) Limited	-	248,976

### Stock held with distributors and at third party warehouses

- Emirates Supply Chain Services (Private) Limited	996,103	491,525
- Connect Logistics (Private) Limited	1,634,574	1,431,966

- 7.2** Finished goods include items costing Rs. 0.71 billion (2019: Rs. 1.17 billion) valued at net realisable value of Rs. 0.53 billion (2019: Rs. 0.85 billion). Raw and packing materials have been lowered by Rs. 72.3 million (2019: Rs. 85.9 million) and WIP has been lowered by Rs. 6.6 million (2019: Rs. 13.5 million) respectively to recognise them at Net Realizable Value.

- 7.3** During the year, stock-in-trade of Rs. 159.73 million (2019: Rs. 161.06 million) have been written off against provision.

## 8. TRADE RECEIVABLES

- Associated companies - note 8.1 and 8.3
- Others - note 8.2

Less: Allowance for impairment of trade receivables

2020

2019

Rupees in '000

48,032	8,107
1,363,636	1,365,585
1,411,668	1,373,692
(207,525)	(246,992)
1,204,143	1,126,700

2020

2019

Rupees in '000

### 8.1 Due from associated companies

GlaxoSmithKline Consumer Healthcare Pakistan Limited  
GlaxoSmithKline Trading Services Limited

48,032	-
-	8,107
48,032	8,107

#### 8.1.1 The ageing analysis of due from associated companies is as follows:

Not yet due

48,032 8,107

#### 8.2 The ageing analysis of trade receivables past due but not impaired is as follows:

Upto 3 months  
3 to 6 months  
6 to 12 months  
Over 1 year

2020

2019

Rupees in '000

381,538	49,108
394,896	215,664
27,266	186,291
187,810	352,476
991,510	803,539

#### 8.3 The maximum aggregate amount due from GSK CH at the end of any month during the year was Rs. 48.03 million (2019: Rs. 141.63 million).

2020

2019

Rupees in '000

## 9. LOANS AND ADVANCES

### Considered good

Current portion of long-term loans to employees - note 5  
Advances:

- to employees - note 9.1
- to suppliers
- against letter of credit

52,331	59,605
39,238	31,899
246,284	214,623
40,629	41,338
378,482	347,465

### Considered doubtful

Advances to suppliers

6,387	6,387
384,869	353,852
(6,387)	(6,387)
378,482	347,465

Provision for doubtful advances

- 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

Trade deposits  
- considered good  
- considered doubtful

Provision for doubtful deposits

Prepayments

2020	2019
Rupees in '000	
194,854	176,120
65,039	56,070
259,893	232,190
(65,039)	(56,070)
194,854	176,120
112,439	137,859
307,293	313,979

## 11. REFUNDS DUE FROM GOVERNMENT

Custom duty and sales tax  
- considered good  
- considered doubtful

Provision for doubtful refundables

2020	2019
Rupees in '000	
38,710	40,623
65,556	65,556
104,266	106,179
(65,556)	(65,556)
38,710	40,623

## 12. OTHER RECEIVABLES

### Considered good

Due from related parties  
- Associated companies - note 12.1, 12.2 and 12.3

Workers' Profits Participation Fund - note 12.4

Others

- Considered good  
- Considered doubtful

Provision for doubtful receivables

2020	2019
Rupees in '000	
974,410	1,070,515
20,590	-
9,000	35,063
20,775	20,775
1,024,775	1,126,353
(20,775)	(20,775)
1,004,000	1,105,578

## 12.1 Due from associated companies

	2020	2019
	Rupees in '000	
GlaxoSmithKline Services Unlimited, UK	-	11,406
GlaxoSmithKline Trading Services Limited	706,239	826,490
GlaxoSmithKline Biologicals, S.A.	38,756	-
Stiefel Laboratories (Pte) Limited, Singapore - note 12.1.1	204,818	194,007
GlaxoSmithKline Pte Limited, Singapore	-	15,840
Glaxo Operations UK Limited	13,455	-
GSK Australia Pty Limited	11,142	15,677
P.T. SmithKline Beecham Pharmaceuticals	-	7,095
	974,410	1,070,515

**12.1.1** The Company also has Rs. 204.82 million (2019: Rs. 194.01 million) payable to the same entity that has been classified in trade and other payables.

**12.2** The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 1.02 billion (2019: Rs. 1.07 billion).

**12.3** As at December 31, 2020, the age analysis of these related party receivables is as follows:

	2020	2019
	Rupees in '000	
Not yet due	-	-
Upto 3 months	974,410	1,070,515
Over 3 months	-	-
	974,410	1,070,515

## 12.4 Workers' Profits Participation Fund

	2020	2019
	Rupees in '000	
Opening balance liability	(5,693)	(11,313)
Allocation for the year	(266,450)	(249,693)
Payment to the fund	292,733	255,313
Closing balance asset / (liability)	20,590	(5,693)

## 13. INVESTMENTS - AT AMORTISED COST

These represent two treasury bills (2019: two treasury bills) which are held with Company's banker for safe custody yielding 7.15% to 7.18% per annum (2019: 13.34% to 13.53% per annum) with maturity by January 2021 and February 2021 respectively (2019: by February 2020).

## 14. CASH AND BANK BALANCES

	2020	2019
	Rupees in '000	
With banks		
on deposit accounts (financial asset at amortised cost) - note 14.1	5,000,000	2,200,000
on PLS savings accounts - notes 14.1 and 14.2	400,828	3,247
on current accounts		
[including foreign currency account		
Rs. 41.95 million (2019: Rs. 40.78 million)]	203,541	143,605
Cash and cheques in hand	179	181
	<u>5,604,548</u>	<u>2,347,033</u>

**14.1** At December 31, 2020 the rates of mark-up on PLS savings accounts and on term deposit accounts were 3% to 6.10% (2019: 5.01% to 11.85%) per annum and 6.65% (2019: 13.05%) per annum respectively.

**14.2** These include Rs.1.45 million (2019: Rs. 1.45 million) under lien with bank against bank guarantee issued on behalf of the Company.

## 15. ASSETS HELD FOR SALE

Assets of disposal groups classified as held for sale:

### ASSETS

	2020	2019
	Rupees in '000	
Fixed assets	81,985	-

**15.1** This represents net book value of old and inactive warehouses situated in 6 different locations across the country. The management has initiated necessary procedure for their disposal.

## 16. SHARE CAPITAL

### Authorised share capital

2020	2019		2020	2019
No. of shares			Rupees in '000	
<u>5,000,000</u>	<u>5,000,000</u>	Ordinary shares of Rs.10 each	<u>5,000,000</u>	<u>5,000,000</u>

### Issued, subscribed and paid up capital

2020	2019		2020	2019
No. of shares			Rupees in '000	
5,386,825	5,386,825	Ordinary shares of Rs. 10 each	53,868	53,868
64,339,835	64,339,835	fully paid in cash	643,398	643,398
248,740,618	248,740,618	Ordinary shares of Rs. 10 each	2,487,406	2,487,406
		fully paid for consideration other than cash		
		Ordinary shares of Rs. 10 each		
		issued as fully paid bonus shares		
<u>318,467,278</u>	<u>318,467,278</u>		<u>3,184,672</u>	<u>3,184,672</u>

- 16.1** As at December 31, 2020 S.R. One International B.V., Netherlands and its nominees held 263,029,794 shares (2019: 263,029,794 shares).
- 16.2** 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.

## 17. RESERVES

Capital reserve - note 17.1

### Revenue reserves

General reserve

Unappropriated profit

	2020	2019
	Rupees in '000	
Capital reserve - note 17.1	1,126,923	1,126,923
Revenue reserves		
General reserve	3,999,970	3,999,970
Unappropriated profit	9,166,699	7,825,831
	13,166,669	11,825,801
	14,293,592	12,952,724

- 17.1** This represents reserve created on various schemes of arrangements involving the Company.

## 18. STAFF RETIREMENT BENEFITS

### 18.1 Staff retirement benefit plans

GlaxoSmithKline Pakistan Limited  
Employees' Gratuity Fund - note 18.1.4

	2020	2019
	Rupees in '000	
GlaxoSmithKline Pakistan Limited Employees' Gratuity Fund - note 18.1.4	508,622	228,437

- 18.1.1** The Company operates approved funded gratuity schemes for its permanent employees (the Plan). Actuarial valuation of this Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2020.
- 18.1.2** 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 Plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the Plan. The Company appoints the trustees and all trustees are employees of the Company.
- 18.1.3** The latest actuarial valuation of the Plan as at December 31, 2020 was carried out using the Projected Unit Credit Method. Details of the Plan as per the actuarial valuation are as follows:

### 18.1.4 Statement of financial position - Reconciliation

Present value of defined benefit obligation  
at December 31 - note 18.1.5  
Fair value of plan assets at December 31  
- note 18.1.6  
Deficit

	2020	2019
	Rupees in '000	
Present value of defined benefit obligation at December 31 - note 18.1.5	2,314,763	1,990,687
Fair value of plan assets at December 31 - note 18.1.6	(1,806,141)	(1,762,250)
Deficit	508,622	228,437



### 18.1.5 Movement in the present value of defined benefit obligation

	2020	2019
	Rupees in '000	
Balance at January 1	1,990,687	1,844,848
Benefits paid by the Plans	(280,685)	(282,227)
Transfer to / from GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund due to transfer of employees	8,055	(745)
Current service cost	171,395	125,603
Interest cost	218,781	240,516
Remeasurement loss on obligation	206,530	62,692
Balance at December 31	2,314,763	1,990,687

### 18.1.6 Movement in the fair value of plan assets

	2020	2019
	Rupees in '000	
Balance at January 1	1,762,250	1,474,049
Contributions made to the Plans	104,801	447,959
Benefits paid by the Plans	(280,685)	(282,227)
Transfer from / (to) GSK Consumer Healthcare Pakistan Limited Employees' Gratuity Fund due to / from transfer of employees	8,055	(745)
Interest income	179,112	191,600
Remeasurement gain / (loss) on plan assets	32,608	(68,386)
Balance at December 31	1,806,141	1,762,250

### 18.1.7 Expense recognised in profit or loss

Current service cost	171,395	125,603
Net interest cost	39,669	48,916
Expense recognised in profit or loss account	211,064	174,519

### 18.1.8 Remeasurements recognised in Other Comprehensive Income

Loss from changes in actuarial assumptions	189,853	128,065
Experience loss / (gain)	16,677	(65,373)
Remeasurement (gain) / loss of fair value of plan assets	(32,608)	68,386
	173,922	131,078

### 18.1.9 Net recognised liability

Net liability at the beginning of year	228,437	370,799
Expense recognised in profit or loss account	211,064	174,519
Contribution made to the plan during the year	(104,801)	(447,959)
Remeasurements recognised in other comprehensive income	173,922	131,078
Recognised liability as at December 31	508,622	228,437

#### 18.1.10 Plan assets comprise of the following:

- Equity and mutual funds
- Bonds
- Others

	2020	2019
	%	
	19.39	18.66
	75.13	77.54
	5.48	3.80
	100.00	100.00

#### 18.1.11 Actuarial Assumptions

Discount rate at December 31	9.75	12.00
Future salary increases	9.75	12.00

#### 18.1.12 Pre-retirement and post-retirement mortality was assumed to be SLIC (2001-05) rated down one year.

#### 18.1.13 In case of the funded plans, investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2019 consists of government bonds and listed securities. The Company believes that government bond offers the best returns over the long term with an acceptable level of risk.

The Company's gratuity expense for the year ending December 31, 2021 is expected to be Rs. 232 million.

The actuary conducts separate valuation for calculating contribution rates and the Company contributes to the gratuity plan according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

#### 18.2 Sensitivity analysis 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:

### Impact on defined benefit obligation

	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate at December 31	1%	(161,687)	184,392
Future salary increases	1%	97,686	(88,109)

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.

### 18.3 Historical information

	2020	2019	2018	2017	2016
Historical information	Rupees in '000				
Gratuity plans					
Present value of defined benefit obligation	(2,314,763)	(1,990,687)	(1,844,848)	(1,880,479)	(1,618,862)
Fair value of plan assets	1,806,141	1,762,250	1,474,049	1,586,448	1,677,349
(Deficit) / surplus in the plan	(508,622)	(228,437)	(370,799)	(294,031)	58,487
Experience adjustments					
(Loss) / gain on obligation (as percentage of plan obligation)	(8.92)%	(3.15)%	(1.08)%	(9.43)%	(3.79)%
(Loss) / gain on plan assets (as percentage of plan assets)	(1.81)%	(3.88)%	(3.84)%	(5.71)%	6.67%
Pension plan					
Present value of defined benefit obligation	-	-	-	(23,407)	(123,308)
Fair value of plan assets	-	-	-	23,407	123,308
Deficit in the plan	-	-	-	-	-
Experience adjustments					
Experience loss / (gain) on plan liabilities	-	-	8,020	1,246	4,812
Gain on obligation (as percentage of plan obligation)	N/A	N/A	N/A	N/A	7.04%
Loss on plan assets (as percentage of plan assets)	N/A	N/A	N/A	N/A	(0.34)%

**18.4** The weighted average duration of approved funded gratuity schemes for its permanent employees is 6.99 years

## 18.5 Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	Over 10 years	Total
At December 31, 2020	175,696	218,000	865,738	2,286,415	4,580,299	8,126,148
At December 31, 2019	180,747	194,910	849,107	2,293,588	5,171,728	8,690,080

## 19. DEFERRED TAXATION

	December 31, 2020				December 31, 2019			
	Opening liability / (assets)	Charged / (reversal) to profit or loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)	Opening liability / (assets)	Charged / (reversal) to profit or loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)
	Rupees '000							
Credit balance arising in respect of:								
- Accelerated tax depreciation allowances	998,963	106,270	-	1,105,233	909,174	89,789	-	998,963
- Assets under IFRS 16	14,750	(3,403)	-	11,347	-	14,750	-	14,750
Debit balances arising in respect of:								
- Allowance for impairment of trade receivables, provision for doubtful other receivables and refunds due from government	(92,845)	7,765	-	(85,080)	(74,569)	(18,275)	-	(92,845)
- Liability under IFRS 16	(14,585)	3,196	-	(11,389)	-	(14,585)	-	(14,585)
- Provision for trade deposits and doubtful advances	(17,712)	(2,967)	-	(20,679)	(14,532)	(3,180)	-	(17,712)
- Provision for slow moving & obsolete stocks and stores and spares	(177,833)	626	-	(177,207)	(101,505)	(76,328)	-	(177,833)
- Staff retirement benefits	(64,782)	(32,122)	(50,354)	(147,258)	(102,680)	75,070	(37,172)	(64,782)
	<u>645,956</u>	<u>79,365</u>	<u>(50,354)</u>	<u>674,967</u>	<u>615,888</u>	<u>67,241</u>	<u>(37,172)</u>	<u>645,956</u>

## 20. TRADE AND OTHER PAYABLES

	2020	2019
	Rupees in '000	
Creditors	1,008,882	709,770
Bills payable		
- Associated companies	1,020,114	869,786
- Others	330,866	119,389
Royalty and technical assistance fee payable - note 20.2		
- Associated companies	65,706	84,737
- Others	134,605	124,914
Accrued liabilities - note 20.1	3,015,448	2,522,647
Contract liability - note 20.3	1,125,607	784,799
Contractors' retention money	5,806	9,215
Taxes deducted at source and payable to statutory authorities	17,587	103,180
Workers' Welfare Fund	249,058	434,347
Workers' Profits Participation Fund	-	5,693
Central Research Fund	49,732	49,938
Others	191,712	168,957
	<u>7,215,123</u>	<u>5,987,372</u>

- 20.1** This includes liability for share based compensation amounting to Rs. 202.93 million (2019: Rs. 202.21 million).
- 20.2** The Royalty pertains to GlaxoSmithKline Consumer Trading Services Limited and GlaxoSmithKline Intellectual Property Limited which are situated in England. The registered address of these Companies is 980 Great West Road, Brentford, Middlesex, TW8 9GS. These Companies are associated companies of the Company.
- 20.3** This include Rs. 243 million (2019: Rs. 242 million) as advance from customers and Rs. 883 million (2019: Rs. 543 million) as accrual for return and allowance.
- 20.4** The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

	2020	2019
	Rupees in '000	
<b>21. PROVISIONS</b>		
Balance as at January 1	78,762	74,602
Charge for the year	404,528	452,606
Payments during the year	(444,326)	(448,446)
Balance as at December 31	38,964	78,762

- 21.1** Provisions include restructuring costs and government levies of Rs. 21.57 million and Rs. 17.39 million (2019: Rs. 27.53 and Rs. 51.23 million) respectively.

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 Contingencies

- (a) Claims against the Company not acknowledged as debt for reinstatement of employment and other labour cases amount to Rs. 76.82 million (2019: Rs. 93.65 million) as at December 31, 2020.
- (b) **Income tax**
- (i) While finalizing income tax assessments in various years, assessing officers (AO) made certain additions to income raising tax demands on the contention that the Company allegedly paid excessive amounts on account of royalty and certain imported raw materials. The Company has been contesting these additions at various appellate forums. Details of such cases are as under:

S.no	Tax/ Assessment Year	Tax Impact (Rs. in million)	Description / Further Comments	Current Appellate Forum
a.	1991-92 to 2002-03	302.11	Proceedings in said assessment years are related to former GlaxoSmithKline Pharmaceutical (Private) Limited [formerly Bristol-Myers Squibb Pakistan (Private) Limited]. These years are still pending adjudication, under departmental appeal.	Sindh High Court

S.no	Tax/ Assessment Year	Tax Impact (Rs. in million)	Description / Further Comments	Current Appellate Forum
b.	1999-2000 to 2002-2003	73.6	Against the additions made by AO, Commissioner Inland Revenue Appeals (CIRA) gave decision in favour of the Company for tax years 2001-02 and 2002-03 whereas against the Company for tax years 1999-2000 and 2000-2001. Both department and the Company filed appeal against the respective orders before Appellate Tribunal Inland Revenue (ATIR). Decision by ATIR, in 2008, was made for fresh assessments of all said years. AO passed the fresh orders with same amount of additions. The Company filed the appeal against fresh orders to CIRA where, through CIRA's order for tax years 2000-01 to 2002-03, certain additions were deleted which resulted in reduction of demand to the extent of Rs. 26.8 million. Subsequently, order for 1999-2000 was also issued by CIRA's whereby tax demand of Rs. 13.01 million was deleted. Appeals against CIRA's order for tax years 2000-01 to 2002-03 were filed both by the Company and the department before ATIR which maintained CIRA's order. Company has filed appeal against ATIR's order which is pending adjudication.	Sindh High Court
c.	2002-03	4.03	Proceedings in said assessment year are related to former SmithKline and French of Pakistan Limited. The initial demand was set aside by ATIR for fresh consideration. AO, however, maintained the same demand which was also confirmed by CIRA's order. The Company has filed appeal, on 21 June 2012, against the order of CIRA which is pending adjudication.	ATIR
d.	2006	10.04	Demand raised by the AO was annulled by CIRA. This assessment is related to former GlaxoSmithKline Pharmaceuticals (Private) Limited [formerly Bristol-Myers Squibb Pakistan (Private) Limited]. The department has filed appeal against CIRA's order.	ATIR
e.	2005 to 2008 and 2011	243.69	Against the demand raised in tax years 2005 to 2008, CIRA has granted certain relief (for tax years 2005 and 2008) while in tax year 2011 CIRA maintained the demand raised by AO. Against the remaining additions in tax years 2005 to 2008 and against order of CIRA for tax year 2011 (including addition on account of stock written off), appeal has been filed by the Company, on 19 November 2014, which is pending adjudication.	ATIR and CIRA (for tax years 2006 & 2007)
f.	2009	68.23	CIRA's order confirmed the demand raised by AO. Appeal has been filed by the Company, on 19 December 2018, which is pending adjudication.	ATIR
g.	2012	82.5	Against the order of the AO, appeal was filed before CIRA which deleted the additions made by AO under section 122(5A) of Income Tax Ordinance, 2001 (Ordinance). The department has filed the appeal against the order of CIRA which is pending adjudication.	ATIR

S.no	Tax/ Assessment Year	Tax Impact (Rs. in million)	Description / Further Comments	Current Appellate Forum
h.	2014	146.4	Against the order of the AO which raised tax demand of Rs. 124.9 million, CIRA decided the royalty additions in favour of the Company whereas the raw materials' additions in favour of the department. The Company has filed appeal on 05 May 2017 against the decision of CIRA on account of raw materials' addition whereas the department has also filed appeal on account of royalty, which are pending adjudication. Subsequently, further demand of Rs. 21.42 million was also raised against which the Company has filed appeal, on 19 November 2018, which is pending adjudication.	ATIR
i.	2013 to 2016	230.5	Against the tax demand raised by AO, the CIRA decided the case in favour of the department. Appeal has been filed, on 19 November 2018, by the Company which is pending adjudication.	ATIR
(ii) In case of Stiefel Laboratories Pakistan (Private) Limited (Now GlaxoSmithKline Pakistan Limited) the AO raised demand of Rs. 17.70 million in financial year 2009 under section 161/205 of the Ordinance by applying arbitrary withholding tax rates on the expenses in the audited accounts as compared to tax paid as per monthly withholding statements. The CIRA remanded back the order, against which the Company has filed appeal before ATIR on 04 February 2019 which is pending for hearing. Further remanded back proceedings are yet to be initiated by the department.				
(iii) As a result of monitoring of withholding tax for the tax years 2012 and 2017, AO issued orders raising tax demands amounting to Rs. 80 million (subsequently reduced to Rs. 15.5 million) and Rs. 38.7 million respectively. Such demands have been made on the contention that the company did not deduct tax at the rate of 20% on payments for meetings and symposia and gifts and giveaways under section 156 of the Ordinance. In both years, CIRA issued the decisions in favour of the Company. The department's appeals are pending before ATIR.				
(iv) During year ended December 31, 2018, the AO raised aggregate demand of Rs. 31.39 million in tax years 2014, 2015 and 2016 on the issue of non-withholding of tax on sale by auction / tender. Against the orders of AO, the Company has filed an appeal before CIRA. The CIRA confirmed the order of AO against which the Company filed appeal before the ATIR, which maintained CIRA's order. The Company filed an appeal before Honourable High Court against ATIR's order on 22 September 2020 which is pending adjudication.				
(c) Sales tax				
(i) Effective July 1, 2013, Sindh Revenue Board (SRB) has levied Sindh Sales Tax at the rate of 16% on toll manufacturing activities under Sindh Sales Tax on Services Act, 2011 treating such activity as a 'service'. Historically, such activity had been treated as 'manufacturing' of goods and were taxable within the domain of Sales Tax Act, 1990. No sales tax was payable under the Federal law on toll manufacturing charges paid by the Company owing to the fact that the Company is engaged in manufacturing of pharmaceutical products which are exempt from Federal sales tax.				
In view of this, the Company has jointly filed a constitutional petition with M/s Pharmatec Pakistan (Private) Limited (toll manufacturer of the Company) before the Sindh High Court (SHC) contending that toll manufacturing is a process and not a service; therefore comes under the legislative authority of the Federal Government; hence, Sindh Sales Tax is not chargeable on toll manufacturing charges billed to the Company. SHC has issued a stay against the proceedings and restrained Sindh Revenue Board (SRB) from collection of sales tax on toll manufacturing charges which estimates to the amount of Rs. 603.36 million (2019: Rs. 603.36 million).				



- (ii) During financial years 2014 and 2016, CIRA raised demands of Rs. 36.4 million and Rs. 48.3 million respectively in respect of few products of the Company on the ground that the products are neither medicines nor drugs which are exempt from the levy of sales tax under SRO 551(I)/ 2008. Company's appeals are pending before ATIR and SHC for financial years 2014 and 2016 respectively.
- (iii) During the year ended December 31, 2016, the Company had received a show cause notice from Punjab Revenue Authority for the payment of Rs. 121.80 million on account of Punjab Sales Tax on Royalty accrued from 2012 to 2015. Currently, the Company is depositing sales tax on royalties entirely with SRB's exchequer. The Company has filed an appeal in Lahore High Court, who granted stay against the show cause notice.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence no provision has been made in respect of the aforementioned tax demands.

## 22.2 Commitments

Commitments for capital expenditure outstanding as at December 31, 2020 amount to Rs. 252.91 million (2019: Rs. 594.37 million).

## 23. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020	2019
	Rupees in '000	
Gross sales		
Local - note 23.1	36,399,368	37,630,245
Export	16,895	57,716
	36,416,263	37,687,961
Less: Commissions, returns and discounts	1,323,677	1,099,297
Less: Sales tax	2,474	6,915
	35,090,112	36,581,749

- 23.1** This includes sales of OTC Products amounting to Rs. 1.2 billion (2019: Rs. 4.71 billion) to GSK CH being manufactured by the Company due to pending transfer of marketing authorisations by Drug Regulatory Authority of Pakistan ('DRAP').
- 23.2** Sales of major product categories i.e. antibiotics, dermatologicals and respiratory during the year amounted to Rs. 15.83 billion, Rs. 5.18 billion and Rs. 1.54 billion (2019: Rs. 15.38 billion, Rs. 4.39 billion and Rs. 1.54 billion) respectively.
- 23.3** Company sells its products through a network of distribution channels involving various distributors / sub-distributors and also directly to government and other institutions. Sales to two distributors (2019: two distributors) exceed 10 percent of the net sales during the year, amounting to Rs. 5.5 billion and Rs. 6.64 billion (2019: 5.15 billion and Rs. 5.95 billion).

**24. COST OF SALES**

Raw and packing materials consumed	19,163,019	19,019,851
Manufacturing charges to third parties	-	977,079
Stores and spares consumed	152,103	129,322
Salaries, wages and other benefits - note 24.1	2,549,242	2,229,837
Fuel and power	819,284	649,281
Rent, rates and taxes	5,076	2,722
Royalty and technical assistance fee - note 20.2	408,281	347,697
Insurance	108,105	104,607
Publication and subscriptions	19,839	4,438
Repairs and maintenance	378,930	319,031
Training expenses	1,433	952
Travelling and entertainment	40,498	41,635
Vehicle running	6,138	7,678
Depreciation	515,105	610,586
Provision for impairment on fixed assets	30,812	-
Provision for impairment on intangibles - note 4.2	50,000	40,330
Provision of slow moving, obsolete and damaged stock-in-trade	134,633	360,749
Provision / (Reversal) of slow moving and obsolete stores and spares	10,416	(259)
Canteen expenses	150,679	102,825
Laboratory expenses	44,290	39,138
Communication and stationery	7,315	6,841
Security expenses	15,058	20,195
Stock written off	12,817	5,570
Stores and spares written off	-	7,836
Restructuring cost - note 24.2	158,169	47,349
Other expenses	70,213	61,003
	<b>24,851,455</b>	<b>25,136,293</b>
Opening stock of work-in-process	480,587	535,881
Closing stock of work-in-process	(243,699)	(480,587)
	<b>25,088,343</b>	<b>25,191,587</b>
Opening stock of finished goods	2,887,952	2,877,193
Purchase of finished goods	2,925,123	3,689,418
	<b>30,901,418</b>	<b>31,758,198</b>
Closing stock of finished goods	(3,345,686)	(2,887,952)
	<b>27,555,732</b>	<b>28,870,246</b>

**24.1** Salaries, wages and other benefits include Rs. 92.87 million and Rs. 60.67 million (2019: Rs. 79.86 million and Rs. 53.22 million) in respect of charge for defined benefit plans and contributory provident fund.

**24.2** This represents charge for severance costs recognised in respect of cost savings initiatives.

**25. SELLING, MARKETING AND DISTRIBUTION EXPENSES**

Salaries, wages and other benefits - note 25.1	1,302,637	1,130,665
Sales promotion and symposiums	312,707	571,948
Advertising	12,917	21,606
Restructuring cost - note 24.2	-	19,093
Handling, freight and transportation	727,769	923,975
Travelling and entertainment	124,370	270,053
Depreciation	130,069	93,982
Vehicle running	81,411	67,744
Publication and subscriptions	52,719	54,187
Fuel and power	11,484	32,232
Communication	6,292	8,589
(Reversal) / charge for impairment of trade receivables	(39,467)	44,033
Provision for doubtful deposits	8,969	-
Repairs and maintenance	13,583	36,953
Insurance	7,553	15,792
Printing and stationery	10,744	9,444
Security expenses	14,908	15,791
Rent, rates and taxes	3,089	514
Canteen expenses	3,714	3,214
Training expenses	164	5,169
Other expenses	36,823	47,984
	<hr/>	<hr/>
	2,822,455	3,372,968
Less: Recovery of expenses - note 25.2	55,700	52,419
	<hr/>	<hr/>
	2,766,755	3,320,549

**25.1** Salaries, wages and other benefits include Rs. 69.38 million and Rs. 48.46 million (2019: Rs. 57.91 million and Rs. 44.74 million) in respect of defined benefit plans and contributory provident fund respectively.

**25.2** These represent cost reimbursements from GSK CH against various functions / services provided under cost sharing agreements.

2020

2019

Rupees in '000

**26. ADMINISTRATIVE EXPENSES**

Salaries, wages and other benefits - note 26.1	973,282	723,203
Depreciation	66,326	65,041
Communication	7,352	7,430
Training expenses	-	422
Legal and professional charges	80,331	57,853
Travelling and entertainment	17,022	42,603
Repairs and maintenance	20,687	53,938
Printing and stationery	4,579	8,583
Auditors' remuneration - note 26.2	9,825	10,650
Vehicle running	18,590	21,251
Security expenses	61,312	44,350
Publication and subscriptions	16,272	13,738
Rent, rates and taxes	20,670	1,520
Insurance	9,185	10,570
Canteen expenses	18,682	29,431
Restructuring cost - note 24.2	-	1,918
Donations - note 26.3	4,260	2,081
Other expenses	53,572	53,261
	<b>1,381,947</b>	<b>1,147,843</b>
Less: Recovery of expenses - note 25.2	50,399	48,897
	<b>1,331,548</b>	<b>1,098,946</b>

**26.1** Salaries, wages and other benefits include Rs. 31.33 million and Rs. 20.41 million (2019: Rs. 23.83 million and Rs. 17.62 million) in respect of charge for defined benefit plans and contributory provident fund respectively.

2020

2019

Rupees in '000

**26.2 Auditors' remuneration**

Audit fee	5,736	5,736
Fee for review of half yearly financial statements, special certifications and others	3,446	3,996
Out-of-pocket expenses	643	918
	<b>9,825</b>	<b>10,650</b>

**26.3** Donations to single party exceeding 10% of total donations are as follows:

The Indus Hospital	1,000	-
Academy of Family Physicians Pakistan	1,000	-
Dr. Ruth K.M. Pfau Civil Hospital Karachi	1,000	-
	<b>3,000</b>	<b>-</b>

**27. OTHER OPERATING EXPENSES**

Workers' Profits Participation Fund - note 20.2	266,450	249,693
Workers' Welfare Fund	106,580	93,931
Central Research Fund	53,290	49,939
	<b>426,320</b>	<b>393,563</b>

## 28. OTHER INCOME

**2020**

2019

Rupees in '000

### Income from financial assets

Return on Treasury Bills  
Income on savings and deposit accounts

20,131	13,377
215,398	123,827

235,529	137,204
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### Income from non-financial assets

Gain on disposal of operating assets

17,211	44,101
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### Others

Liabilities no longer required written back

63,871	-
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Scrap sales

71,597	47,839
--------	--------

Insurance commission

-	19,642
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Promotional allowance - note 28.1

1,532,175	1,513,772
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Insurance claim recovery

-	6,646
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Allowance from intercompany - note 28.2

-	150,033
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Service fee - note 1.1

12,000	12,000
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Others

44,653	60,225
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1,977,036	1,991,462
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**28.1** This represents allowance from GSK Group against various promotional activities for brand building and sustainable investments.

**28.2** This represents allowance from GSK Group against product re-call for Zantac (tablets and injections).

## 29. FINANCIAL CHARGES

**2020**

2019

Rupees in '000

Exchange loss - net

75,855	191,022
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Bank charges

1,752	4,710
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Interest on short-term borrowings

1,145	87,648
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Interest on lease liability

5,359	6,231
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84,111	289,611
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## 30. TAXATION

**2020**

2019

Rupees in '000

Current

- for the year

1,716,667	1,564,797
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- for prior year

(268,590)	(72,865)
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Deferred

79,365	67,241
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1,527,442	1,559,173
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2020

2019

Rupees in '000

**30.1 Relationship between tax expense and accounting profit**

Profit before taxation	4,902,682	4,600,296
Applicable tax rate	29%	29%
Tax calculated at applicable tax rate	1,421,778	1,334,086
Impact of taxability at different rate and Final Tax Regime	159,378	197,305
Effect of prior year charge	(268,590)	(72,865)
Effect of tax credits	(290)	(8,568)
Tax effect of other than temporary differences	215,166	109,215
	1,527,442	1,559,173

**31. EARNINGS PER SHARE**

Profit after taxation	3,375,240	3,041,123
Weighted average number of outstanding shares (in thousand)	318,467	318,467
Earnings per share - basic	Rs. 10.6	Rs. 9.55

**31.1** A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2019 and 2020 which would have any effect on the earnings per share if the option to convert is exercised.

2020

2019

Rupees in '000

**32. CASH GENERATED FROM OPERATIONS**

Profit before taxation	4,902,682	4,600,296
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation and impairment	792,312	809,939
Gain on disposal of assets	(17,211)	(44,101)
Interest income	(235,529)	(137,204)
Provision for slow moving, obsolete and damaged stock-in-trade net of stock written off	147,450	366,319
Liabilities no longer required written back	(63,871)	-
Provision for slow moving and obsolete stores and spares	10,416	7,577
Mark-up expense	6,504	93,879
(Reversal) / charge for impairment of trade receivables	(39,467)	44,033
Provision for doubtful deposits	8,969	-
Provision for staff retirement benefits	211,064	174,519
	820,637	1,314,961
Profit before working capital changes	5,723,319	5,915,257

## Effect on cash flow due to working capital changes

2020

2019

Rupees in '000

### Decrease / (increase) in current assets

Stores and spares	1,469	56,672
Stock-in-trade	179,298	(492,522)
Trade receivables	(37,976)	424,167
Loans and advances	(31,017)	(99,677)
Trade deposits and prepayments	(2,283)	(187,932)
Refunds due from Government	1,913	13,728
Other receivables	101,578	(751,044)
	212,982	(1,036,608)

### Increase / (decrease) in current liabilities

Trade and other payables	1,291,622	369,604
Provisions	(39,798)	4,160
	1,464,806	(662,844)
	7,188,125	5,252,413

## 33. CASH AND CASH EQUIVALENTS

Cash and bank balances - note 14	5,604,548	2,347,033
Investments - at amortised cost - note 13	447,526	342,863
	6,052,074	2,689,896

## 34. SEGMENT INFORMATION

For management purposes, the activities of the Company are organised into one operating segment i.e. pharmaceutical 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. In 2016, pursuant to the Scheme of arrangement, the Consumer Healthcare Business was transferred to GSK Consumer Healthcare Pakistan Limited. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

## 35. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executives, Directors and Executives are as follows:

	Chief Executives		Director		Executives	
	2020	2019	2020	2019	2020	2019
	Rupees '000					
Management remuneration	17,303	18,153	9,877	8,361	423,740	334,020
Bonus - note 35.1	25,812	21,407	6,449	6,003	165,708	207,017
Retirement benefits *	4,331	3,932	2,210	1,962	85,975	72,201
House rent	7,987	8,169	4,445	3,777	183,348	142,752
Utilities	1,775	1,815	988	806	40,744	31,723
Medical expenses	32	164	36	82	12,523	15,425
Others	422	401	1,494	1,747	105,909	97,027
	57,662	54,041	25,499	22,738	1,017,947	900,165
Number of person(s)	2**	1	1	1	191	153

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

\*\* During the year, Ms. Erum Shakir was appointed as Chief Executive Officer on March 1, 2020.



- 35.1** Bonus includes share based payments as Share Appreciation Rights (SARs) given to the Chief Executive, Executive Directors and certain executives amounting to Rs. 117.64 million (2019: Rs. 182.55 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.

In addition to the above, fee to three (2019: two) non-executive Directors during the year amounted to Rs. 1.3 million (2019: Rs. 1.15 million).

Chief Executive, Executive Directors and certain executives are also provided with free use of the Company maintained cars in accordance with the Company policy.

- 35.2** In addition to the above, the outgoing Chief Executive Officer has been paid severance amounting to Rs. 118.78 million during the year.

### 36. TRANSACTIONS WITH RELATED PARTIES

The related parties include associated companies, directors and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. The receivables and payables are mainly unsecured in nature. Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2020	2019
		Rupees in '000	
Holding Company:			
	a. Dividend paid	1,578,179	1,841,209
Associated companies / undertakings:			
	a. Purchase of goods	6,487,089	6,679,695
	b. Sale of goods	1,221,818	4,762,967
	c. Royalty expense charged	396,490	339,301
	d. Recovery of expenses	633,648	1,158,057
	e. Service fee	12,000	12,000
	f. Promotional allowance	1,532,175	1,513,772
Staff retirement funds:			
	a. Payments to retirement benefit plans	251,401	580,496
Key management personnel:			
	a. Salaries and other employee benefits	441,959	254,607
	b. Post employment benefits	26,743	20,511
	c. Sale of assets - sales proceeds	6,014	15,327

- 36.1** Following are the related parties including associated companies with whom the Company had entered into transactions or had arrangements / agreements in place during the year:

S.No	Company Name	Country of incorporation	Basis of association	Aggregate % of shareholding
1	S.R. One International B.V., Netherlands	Netherlands	Holding Company	82.59%
2	GlaxoSmithKline Trading Services Limited	Ireland	Associated company	N/A
3	GlaxoSmithKline Biologicals SA	Belgium	Associated company	N/A
4	GlaxoSmithKline Intellectual Property (No.2) Limited	England	Associated company	N/A
5	GlaxoSmithKline Consumer Trading Services Limited	England	Associated company	N/A
6	Glaxo Operations UK Limited	England	Associated company	N/A
7	GlaxoSmithKline Pte Limited	Singapore	Associated company	N/A
8	GlaxoSmithKline Export Limited	England	Associated company	N/A
9	P.T. SmithKline Beecham Pharmaceuticals	Indonesia	Associated company	N/A
10	GlaxoSmithKline Services Unlimited	England	Associated company	N/A
11	GlaxoSmithKline Inc.	Canada	Associated company	N/A
12	Glaxo Wellcome Production S.A.S.	France	Associated company	N/A
13	GlaxoSmithKline Research and Development Limited	England	Associated company	N/A
14	Glaxo Saudi Arabia Limited	Saudi Arabia	Associated company	N/A
15	GlaxoSmithKline South Africa (Pty) Limited	South Africa	Associated company	N/A
16	GlaxoSmithKline Consumer Healthcare Pakistan Limited	Pakistan	Associated company	N/A
17	GlaxoSmithKline Holdings Pty Limited.	Australia	Associated company	N/A

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

The facility for running finance available from banks amounted to Rs. 2.81 billion (2019: Rs. 2.77 billion). Rate of mark-up ranges from one / three month KIBOR plus 0.3% to one month KIBOR plus 1% (2019: one month KIBOR plus 0.3% to one month KIBOR plus 1%) per annum. The arrangements are secured by Intra Group Guarantee.

The facilities for opening letters of credit and guarantees as at December 31, 2020 amounted to Rs. 2.6 billion (2019: Rs. 3.4 billion) of which unutilised balances at the year end amounted to Rs. 1.9 billion (2019: Rs. 3.04 billion).

**2020**

**2019**

----- Rupees in '000 -----

### 38. FINANCIAL INSTRUMENTS BY CATEGORY

#### 38.1 Financial assets as per statement of financial position

##### Financial assets measured at amortised cost

- Investments - at amortised cost	447,526	342,863
- Loans to employees	125,169	162,829
- Advances and deposits	296,731	271,367
- Trade receivables	1,204,143	1,126,700
- Interest accrued	3,097	1,573
- Other receivables - net of provision	983,410	1,105,578
- Cash and bank balances	5,604,548	2,347,033
	<b>8,664,624</b>	<b>5,357,943</b>

## 38.2 Financial liabilities as per statement of financial position

### Financial liabilities measured at amortised cost

- Trade and other payables
- Unclaimed dividend

5,773,139	4,599,335
116,719	97,476
<u>5,889,858</u>	<u>4,696,811</u>

## 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.

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

## 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 represents 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) / receivables exposed to foreign currency risk as at December 31, 2020 amount to Rs. (376.57) million (2019: Rs. 89.447 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 higher / lower by Rs. 18.83 million (2019: Rs. 4.47 million), mainly as a result of foreign exchange gains or losses on translation of US Dollar-denominated trade payables and trade receivables.

##### (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 primarily from balances held in savings account with banks. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	2020	2019
	Rupees in '000	
<b>Variable rate instruments - carrying amount</b>		
Financial assets		
- profit and loss sharing accounts	400,828	3,247

#### 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. 4.01 million (2019: Rs. 0.03 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 and financial institutions, trade receivables, loans, advances, deposits and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit rating.

	2020	2019
	Rupees in '000	
Trade receivables	1,204,143	1,126,700
Loans to employees, interest accrued and other receivables	1,111,676	1,269,980
Advances and deposits	296,731	271,367
Investments - at amortised cost	447,526	342,863
Bank balances	5,604,369	2,346,852
	8,664,445	5,357,762

Trade receivables of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade receivables of Rs. 1.20 billion (2019: Rs. 1.05 billion) are past due of which Rs. 207.53 million (2019: Rs. 246.99 million) have been impaired. Past due but not impaired balances include Rs. 609.97 million (2019: Rs. 754.43 million) outstanding for more than three months.

Loans to employees are secured against their retirement benefits.

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

### 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 except for long term lease liabilities.

#### 40. NUMBER OF EMPLOYEES

	2020	2019
Number of employees including contractual employees at the end of year	1892	1974
Average number of employees including contractual employees during the year	1952	1840

2020

2019

Rupees in '000

#### 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Balance as at January 01	97,476	87,921
Non cash changes - dividend declared	1,910,804	2,229,271
Financing cash outflows	(1,891,561)	(2,219,716)
Balance as on December 31	116,719	97,476

#### 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 return on capital employed. The current capital structure of the Company is equity based with no financing through borrowings except for long - term lease liabilities.

#### 43. CAPACITY AND PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

#### 44. BUSINESS UNITS - GEOGRAPHICAL LOCATIONS AND ADDRESSES

Business units	Addresses
Factories	<ul style="list-style-type: none"> <li>- 35, Dockyard Road, West Wharf, Karachi</li> <li>- F-268, S.I.T.E., Near Labour Square, Karachi</li> <li>- Plot No. 5, Sector 21, Korangi Industrial Area, Karachi</li> </ul>
Distribution / Sales offices	<ul style="list-style-type: none"> <li>- B-63, 65, Estate Avenue, S.I.T.E., Karachi</li> <li>- Islam-ud-din House, Mehmood Kot, Bosan Road, Multan</li> <li>- Cordeiro House, Plot No. 27 - Kot Lakhpat Industrial Estate, Kot Lakhpat, Lahore</li> <li>- Aleem House, Plot No. 409, Sector I - 9, Industrial Area, Islamabad</li> <li>- Peshawar sales office, opposite Grand Hotel, behind ECS Tehkal Payan, University road Peshawar</li> <li>- 3<sup>rd</sup> Floor, The Enterprise Building, Thokar Niaz Baig, Multan Road, Lahore</li> </ul>
Warehouses and storage facilities	<ul style="list-style-type: none"> <li>- Emirates Supply chain services, Head office 46 KM Multan Road, Lahore</li> <li>- Connect Logistics Karachi, Plot No. 73, Block K-28, Hawksbay Road, Karachi</li> <li>- Connect Logistics Warehouse at main Multan Bahawalpur road, 2 km from motorway interchange, Multan</li> </ul>

#### 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. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on proposed a final cash dividend of Rs. 6.5 per share (2019: Rs. 6 per share) amounting to Rs. 2.07 billion (2019: Rs. 1.91 billion) subject to the approval of the members in the forthcoming annual general meeting of the Company.

#### 47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on March 09, 2021.



Chief Executive Officer



Chief Financial Officer



Director

## Forward Looking Statement

At GSK, our goal is to be one of the world's most innovative, best-performing and trusted healthcare companies. We are continuously investing in scientific and technical excellence to launch medicines which meet the needs of the patients and the payers. GSK's framework is designed to deliver on its main objectives that include increased growth, delivery of results and long-term value creation for shareholders.

The Company realizes that COVID will be there for the foreseeable future and is altering its current processes to ensure business growth in 2021. However, the situation is still evolving and will need to be continuously monitored for impact.

We anticipate the recent economic stabilization measures introduced by the government during the COVID pandemic will gradually improve the economic momentum and growth outlook in upcoming financial year.

The Drug Regulatory Authority has a crucial role to play in the pharmaceutical industry in ensuring availability of medicines to the consumer at reasonable prices. The authority will continue to play a crucial role in making policies in relation to currency devaluation and hardship prices. Certain amendments have been made to the Drug Pricing Policy, whereby the automatic annual CPI price mechanism now requires the formal approval of DRAP. This is also something that needs to be closely gauged for impact and mitigation in the coming year.

The Company will continue to invest in production facilities and infrastructure in line with current good manufacturing practices (cGMP) to drive efficiencies and manage costs.

GSK Pakistan continues to be one of the key countries within the Emerging Markets Region. The company continues to focus on efficiencies across the organization to mitigate the inflationary impact. The management of GSK Pakistan is fully committed to deliver the expectation amidst a volatile and challenging working environment.

### **Sources of information and assumptions used in Forecasts:**

The forecasts are prepared in accordance with the future direction and strategic objectives of the company. The board of directors review these plans and forecasts and ensures close monitoring of the result.

There are many factors which are considered in preparing these forecasts. This mainly includes trend analysis, macro-economic indicators, inflation rates and future assumptions like expected growth rates are also considered.

Different scenario analyses are conducted to mitigate the risk of any potential impact on the forecast. These assumptions are documented and tracked on an ongoing basis.



**Explanation as to how the performance of the entity meets the forward-looking disclosures made in the previous year:**

Reported in Annual Report last year	Actual Performance
Monitoring of the coronavirus situation including the market demand, supply continuity and wellbeing of our employees.	<p>In the initial stages of the pandemic, there was complete lockdown and businesses were affected. However, healthcare companies were identified as an essential industry and were given permission to continue working.</p> <p>In the second wave, the company adapted to new ways of working after the outbreak of the coronavirus last year. An Issues Management Team was formed to deal with issues related to the ongoing pandemic. Furthermore, only business critical employees were required to come to office, whereas others worked remotely. Additionally, the company used digital ways of engagement with healthcare professionals.</p> <p>After the lockdown, the GSK Sales team commenced face to face interaction with HCPs in August 2020, and other teams (Commercial and Medical) also followed suit from September onwards. The Head office also resumed with strict COVID precautions.</p>
ONE ERP implementation.	The company has implemented One ERP in Commercial organization. This was a completely remote deployment managed in conjunction with in country and above country teams. This was a successful deployment with timely go-live of the system despite the ongoing pandemic situation.
Take steps to mitigate inflationary impact.	<p>The company took cost saving initiatives during the year. For instance, initiative was taken in warehousing and transportation areas. Additionally, we introduced digital engagement channels to connect with healthcare professionals which resulted in cost savings.</p> <p>Furthermore, regular monitoring of cash flows ensured liquidity and led to reduction in running finance cost compared to last year.</p>

**How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise**

The organization is well-equipped to deal with critical challenges and uncertainties which may arise. The organization has strong leadership team which takes timely action in times of crisis. During the pandemic, the Company created the Issues Management Team (IMT) which helped to ensure business as usual and employee safety and well-being.

Furthermore, we try to mitigate the risks in our supply base by monitoring the compliance of manufacturing external suppliers. We try to ensure alternate sources of supply where possible.

Additionally, we have effective business continuity plans in place in case of any natural disasters or calamities. We also have support from our Corporate Security team which takes various initiatives such as facilitation of simulation exercises, assessing our preparedness and recoverability capability and provides oversight of our plans supporting our business critical processes.

## Integrated Reporting:

Integrated Report is prepared in accordance with the Integrated Reporting Framework (the framework) which is issued by the International Integrated Reporting Council (IIRC). This report gives visibility to providers of financial capital about how organization creates, preserves or erodes value over time.

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.

## Pattern of Shareholding

### Form-34

NUMBER OF SHAREHOLDERS	From	SHARES HOLDING To	TOTAL SHARES HELD
2008	1	100	68,927
1579	101	500	482,275
1180	501	1000	907,480
1364	1001	5000	3,391,976
365	5001	10000	2,707,861
141	10001	15000	1,773,229
76	15001	20000	1,364,451
59	20001	25000	1,363,760
42	25001	30000	1,184,193
17	30001	35000	552,924
17	35001	40000	647,829
11	40001	45000	467,200
11	45001	50000	524,272
11	50001	55000	575,383
7	55001	60000	404,740
4	60001	65000	246,005
4	65001	70000	271,832
11	70001	75000	802,869
1	75001	80000	79,700
2	80001	85000	168,383
3	85001	90000	263,303
4	90001	95000	365,455
3	95001	100000	300,000
2	100001	105000	201,262
3	105001	110000	326,376
1	110001	115000	110,800
3	115001	120000	351,700
1	120001	125000	122,987
1	125001	130000	125,191
2	130001	135000	260,300
2	140001	145000	283,248
1	155001	160000	155,700
1	160001	165000	164,930
1	165001	170000	169,700
2	180001	185000	362,975
1	185001	190000	189,500
1	190001	195000	191,719
2	195001	200000	399,172
1	205001	210000	208,000
1	215001	220000	219,800
1	220001	225000	221,700
1	240001	245000	244,538
1	250001	255000	253,800
1	280001	285000	282,700
2	295001	300000	599,100
1	300001	305000	302,580
1	310001	315000	312,500
1	315001	320000	316,300
1	320001	325000	321,099
1	325001	330000	326,000
1	335001	340000	340,000
1	345001	350000	349,100
1	375001	380000	375,800
1	570001	575000	575,000
1	730001	735000	732,700
1	735001	740000	739,100
1	845001	850000	846,818
1	2050001	2055000	2,052,200
1	2160001	2165000	2,160,900
1	4555001	4560000	4,556,500
1	7590001	7595000	7,594,956
1	9175001	9180000	9,176,686
1	263025001	263030000	263,029,794
<b>6970</b>			<b>318,467,278</b>

# Shareholding Information

As at December 31, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
MR. MUNEEER KAMAL	1	2	0.00
MAHEEN RAHMAN	1	1	0.00
<b>Associated Companies, undertakings and related parties</b>			
S.R.ONE INTERNATIONAL B.V.	1	263,029,794	82.59
<b>NIT and ICP</b>	2	51,766	0.02
<b>Bank Development, Financial Institution, Non-Banking Financial Institution</b>	19	11,241,361	3.53
<b>Insurance Companies</b>	18	10,280,719	3.23
<b>Modarabas and Mutual Funds</b>			
FIRST ALNOOR MODARABA	1	2,500	0.00
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	375,800	0.12
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	21,000	0.01
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	100,400	0.03
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	326,000	0.10
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	12,000	0.00
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	12,873	0.00
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	10,000	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	100,000	0.03
B.R.R. GUARDIAN MODARABA	1	164,930	0.05
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	89,900	0.03
CDC - TRUSTEE NBP STOCK FUND	1	219,800	0.07
CDC - TRUSTEE APF-EQUITY SUB FUND	1	12,000	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	118,000	0.04
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	25,500	0.01
MC FSL - TRUSTEE JS GROWTH FUND	1	55,600	0.02
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	70,000	0.02
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	70,000	0.02
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	31,600	0.01
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	208,000	0.07
CDC - TRUSTEE ABL STOCK FUND	1	312,500	0.10
CDC - TRUSTEE LAKSON EQUITY FUND	1	72,000	0.02
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	155,700	0.05
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	169,700	0.05
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	1	7,000	0.00
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	1	41,000	0.01
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	1	33,300	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	7,594,956	2.38
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	10,800	0.00
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	14,800	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	1	28,000	0.01
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	35,000	0.01
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	316,300	0.10
CDC - TRUSTEE AWT STOCK FUND	1	25,000	0.01
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	282,700	0.09
CDC-TRUSTEE NITPF EQUITY SUB-FUND	1	7,500	0.00
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	29,700	0.01
CDC - TRUSTEE LAKSON TACTICAL FUND	1	12,046	0.00
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	10,550	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	31,000	0.01
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	1	15,000	0.00
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	59,100	0.02
<b>General Public</b>			
<b>a. Local</b>	6,729	18,968,095	5.96
<b>b. Foreign</b>	12	206,520	0.06
Foreign Companies	4	400,200	0.13
Others	141	2,999,265	0.94
<b>Total</b>	<b>6,970</b>	<b>318,467,278</b>	<b>100.00</b>
<b>Share holders holding 10% or more</b>			
S.R.ONE INTERNATIONAL B.V.		263,029,794	82.59

## Members Having

### 10% OR MORE OF VOTING RIGHTS

Name of Shareholder(s)	No. of Shares Held	Percentage (%)
S.RONE INTERNATIONAL B.V.	263,029,794	82.59

### SHARES TRADED BY DIRECTORS / EXECUTIVES

Only Two share of GSKPL, were traded by the Director during the financial year from January 1, 2020 to December 31, 2020.

SHAREHOLDING POSITION / IBAN	No. of Shareholders	No. of Shares Held	Percentage (%)
Shares in Physical Register	1,998	266,590,452.00	83.71
Shares Deposited in Central Depository System	4,972	51,876,826.00	16.29
<b>Total</b>	<u>6,970</u>	<u>318,467,278.00</u>	<u>100.00</u>
IBAN / Account No. Updated (Physical)	525	1,207,988.00	7.53
IBAN / Account No. Updated (CDS)	4,607	51,655,707.00	66.10
<b>Total</b>	<u>5,132</u>	<u>52,863,695.00</u>	<u>73.63</u>

### Free Float Shares

Free Float Shares of the Company 51,876,825 i.e. (16.29%) Shares out of total 318,467,278 Shares as on December 31, 2020.

## Key Shareholding

As at December 31, 2020

Name of Shareholders	Number of Shares	Percentage
<b>Directors, Spouses and their Childrens</b>		
MR. MUNEEER KAMAL	2	0.00
MRS. MAHEEN RAHMAN	1	0.00
<b>Total</b>	<b>3</b>	<b>0.00</b>
<b>Associates Companies</b>		
S.R.ONE INTERNATIONAL B.V.	263,029,794	82.59
<b>Modarabas and Mutual Fund</b>		
FIRST ALNOOR MODARABA	2,500	0.00
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	375,800	0.12
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	21,000	0.01
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	100,400	0.03
CDC - TRUSTEE ATLAS STOCK MARKET FUND	326,000	0.10
CDC - TRUSTEE ALFALAH GHP VALUE FUND	12,000	0.00
CDC - TRUSTEE AKD INDEX TRACKER FUND	12,873	0.00
CDC - TRUSTEE AKD OPPORTUNITY FUND	10,000	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	100,000	0.03
B.R.R. GUARDIAN MODARABA	164,930	0.05
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	89,900	0.03
CDC - TRUSTEE NBP STOCK FUND	219,800	0.07
CDC - TRUSTEE APF-EQUITY SUB FUND	12,000	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	118,000	0.04
CDC - TRUSTEE APIF - EQUITY SUB FUND	25,500	0.01
MC FSL - TRUSTEE JS GROWTH FUND	55,600	0.02
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	70,000	0.02
CDC - TRUSTEE ALFALAH GHP STOCK FUND	70,000	0.02
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	31,600	0.01
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	208,000	0.07
CDC - TRUSTEE ABL STOCK FUND	312,500	0.10
CDC - TRUSTEE LAKSON EQUITY FUND	72,000	0.02
CDC - TRUSTEE KSE MEEZAN INDEX FUND	155,700	0.05
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	169,700	0.05
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	7,000	0.00
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	41,000	0.01
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	33,300	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	7,594,956	2.38
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	10,800	0.00
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	14,800	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	28,000	0.01
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	35,000	0.01
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	316,300	0.10
CDC - TRUSTEE AWT STOCK FUND	25,000	0.01
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	282,700	0.09
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	7,500	0.00
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	29,700	0.01
CDC - TRUSTEE LAKSON TACTICAL FUND	12,046	0.00
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	10,550	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	31,000	0.01
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	15,000	0.00
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	59,100	0.02
<b>Total</b>	<b>11,289,555</b>	<b>3.54</b>
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	<b>11,241,361</b>	<b>3.53</b>
<b>Foreign Companies</b>		
MCKINLEY CAPITAL MEASA FUND OEIC LIMITED	221,700	0.07
LAERERNES PENSION FORSIKRINGSAKTIESELSKAB	90,200	0.03
AZIMUT PAKISTAN EQUITY FUND (OEIC) PLC	86,100	0.03
Habib Bank AG Zurich, Zurich, Switzerland	2,200	0.00
<b>Total</b>	<b>400,200</b>	<b>0.13</b>

## Notice of Annual General Meeting

Notice is hereby given to the members that the 74<sup>th</sup> Annual General Meeting of GlaxoSmithKline Pakistan Limited will be held on Tuesday, 27 April 2021 at 11:30 a.m. through/ via WEBEX video link from GSK Pakistan head office at 35 Dockyard Road West Wharf, Karachi 74000 in compliance with Circular No 5 of 2020 of SECP dated March 17, 2020, Circular No. 4 of 2021 of SECP dated February 15, 2021 and subsequent Circular No. 6 of 2021 issued by Corporate Supervision Department of SECP dated March 03, 2021, 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 65% (Rs.6.50 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<sup>st</sup> December 2021.

### ANY OTHER BUSINESS:

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

Karachi  
April 6, 2021

By Order of the Board

  
**MEHAR-E-DARAKSHA AMEER**  
Company Secretary

### Notes:

1. In pursuance of SECP Circular No. 5 dated March 17, 2020 and subsequent Circulars No. 25 of 2020 dated August 31, 2020, No. 33 of 2020 dated November 5, 2020, No. 4 of 2021 dated February 15, 2021 and No. 6 of 2021, issued by Corporate Supervision Department of SECP, dated March 03, 2021 respectively regarding Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector (194), the proceedings of the AGM shall be held online through WEBEX only. The shareholders attending the AGM through WEBEX, are requested to post/send their respective questions/comments/suggestions along with their Name and Folio Number on the following Vevox link OR email address according to their convenience.

For posting your questions please use the Vevox link below:

**You can use the Vevox link: <https://vevox.app/#/m/151639936>**

**Email Address: [PK.Shareinfo@gsk.com](mailto:PK.Shareinfo@gsk.com)**

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

### Event address for attendees:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ee9f3fdda1fd59550d17a059090128a80>

2. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of Final Dividend from 21 April 2021 to 27 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. Society, Main Shahrah-e-Faisal, Karachi at the close of business on 20 April 2021 (Tuesday) will be treated in time for the purposes of Annual General Meeting and entitlement to the transferees.
3. A member entitled to attend and vote at the Meeting may appoint another member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. The instrument appointing Proxy must be deposited at the Registered office of the Company duly stamped and signed, not later than 48 hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the Form. For any other relevant aspects, contents of section 137 of the Companies Act, 2017 will apply. The instrument appointing Proxy is available on the Company's website (<http://www.pk.gsk.com>)
4. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
5. In pursuance of SECP Circular No. 10 dated April 1, 2020 regarding Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector (194), the Annual Report shall be circulated via email to those shareholders whose email addresses are present in the records/database of the CDC. The Annual Report has also been uploaded at the Company's website and is readily accessible to the shareholders (<http://www.pk.gsk.com>).
6. CDC Account Holders will further have to follow the undermentioned guidelines as laid down in circular no. 1 of 2000 dated 26 January 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

**A. For Attending the Meeting:**

- i. In view of Circular No. 6 of 2021 issued by the Corporate Supervision Department dated March 03, 2021 in continuation of office Circular No. 4 dated February 15, 2021 and in view of the prevalent COVID-19 pandemic situation in the country, due to the practical difficulties faced by listed companies to hold the meeting physically; the Company has decided to hold the meeting through electronic mode only.
- ii. In case of individuals, the Account Holder or Sub-Account Holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall attend live proceedings of the AGM via log-in on the following link:

**Event address for attendees:**

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ee9f3fdda1fd59550d17a059090128a80>

You will be able to view the Directors and hear the live proceedings of the AGM but your connection will be on mute, to avoid any connectivity disruptions. The shareholders attending the AGM through WEBEX, may post/send their respective questions/comments/suggestions along with their Name and Folio Number on the Vevox link/email address, provided above in this notice.

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



## **B. For Appointing Proxies:**

- i. In case of individuals, the Account Holder or Sub-Account Holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.
- ii. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- iv. The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' Resolution /Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy Form to the Company
- vi. The Proxy is available on the Company Website (<http://www.pk.gsk.com>)

The Company continues to monitor the impact of COVID-19 and any relevant updates regarding the Meetings, including any changes to the arrangements outlined in the Notice of AGM, will be announced via a Regulatory Information Service (PUCAR) and will be available on <http://www.pk.gsk.com>

## **7. Submission of CNIC/NTN Number on 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 January 10, 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. As per Regulation No. 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, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN, 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<sup>st</sup> 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<sup>st</sup> November 2017, the 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 and address and (vi) Mobile number to Company's Share Registrar M/s. CDC Share Registrar Services Limited. 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, Company are entitled to withhold payment of dividend, if necessary information is not provided by the Shareholders.
- c. For the Convenience of shareholders e-Dividend Mandate Form is available on the Company's website i.e. <http://www.pk.gsk.com>.

Status of IBAN as on December 31, 2020 of GlaxoSmithKline Pakistan Limited Shareholders (Physical and CDS) as follows:

Current Total Number of Shareholders as on December 31, 2020			Current Number of IBAN updated as on December 31, 2020			Ratio/Percentage of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	%
1998	4,972	6,970	525	4,607	5,132	73.67

#### 9. Availability of Annual Audited Financial Statements:

- In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended December 31, 2020, are available on the Company's website {<http://www.pk.gsk.com>}.
- Any shareholder desires to get the hard copy of the Annual Audited Financial Statements 2020, the same shall be provided free of cost within seven working days of receipt of such request.
- In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a "Standard Request Form".
- For convenience of shareholders, a "Standard Request Form" for provision of Annual Audited Financial Statements is available on the Company's website [<http://www.pk.gsk.com>].

#### 10. Deduction of Income Tax from Dividend:

- This is with reference to final cash dividend announced by GlaxoSmithKline Pakistan Limited at the rate of Rs. 6.50 per share to the shareholders for the year ended December 31, 2020.
- 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.
- 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.
- 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 the Company's Share Registrar by 20 April 2021; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and tax will be deducted accordingly.
- II. The 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. The Shareholders, while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.
- III. 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 20 April 2021.

## 11. 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 Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them 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.

## 12. Unclaimed Dividend / Shares:

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

## 13. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of Election of Directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members holding in aggregate 10% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid Regulations.

## 14. Code of Conduct for Shareholders in General Meeting:

- I. Pursuant to the provision of Section 215 of Companies Act, 2017 (the "Act")
  - a) Without prejudice to his rights under this Act, a member of the company shall not exert influence or approach the management directly for decisions which may lead to create hurdle in the smooth functioning of management.
  - b) Any shareholder who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.
- II. In compliance with Section 185 of Companies Act, 2017 Corporation shall not distribute gifts in any form to its members in its meeting.

## 15. Consent for Video Conference Facility:

- a. In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.
- b. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.
- c. The Company will intimate to members regarding the venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of GlaxoSmithKline Pakistan Limited, holder of \_\_\_\_\_ ordinary share (s) as per Registered Folio/CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

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

## 14. اجلاس عام میں شیئر ہولڈرز کے لیے ضابطہ اخلاق:

i. کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 205 کی دفعہ کے مطابق:

ا۔ اس ایکٹ کے تحت اپنے حقوق پر بغیر کسی تعصب کے، کمپنی کا کوئی بھی ممبر نہ ہی اپنے اثر و رسوخ کا مظاہرہ کرے گا اور نہ ہی فیصلوں کے لیے براہ راست انتظامیہ سے رجوع کرے گا، کسی بھی ایسے عمل کی وجہ سے انتظامیہ کے تسلی بخش کام میں رکاوٹ پیدا ہو سکتی ہے۔

ب۔ کوئی بھی شیئر ہولڈر جو اس سیکشن میں فراہم کردہ اور کمیشن کی جانب سے واضح کردہ طرز عمل کی تعمیل میں ناکام ہو جاتا ہے تو اس سیکشن کے تحت وہ قصور وار ٹھہرایا جائے گا اور معیاری پیمانے کے درجہ 1 سے زائد نہ ہونے کی صورت میں اُس پر جرمانہ عائد ہوگا۔

ii. کمپنیز ایکٹ 2017 کے سیکشن 185 کی تعمیل میں ادارہ/ کارپوریشن اپنے ممبران کو اجلاس میں کسی بھی قسم کے تحائف کی تقسیم نہیں کرے گا۔

## 15. وڈیو کانفرنس کی سہولت کے لیے رضامندی:

ا۔ کمپنیز ایکٹ 2017 کے سیکشن 132 اور 134 کے تحت ممبران وڈیو کانفرنس کی سہولت سے بھی مستفید ہو سکتے ہیں۔

ب۔ اگر کمپنی کو اجلاس کے شہر کے علاوہ مجموعی طور پر کسی جغرافیائی علاقے میں رہائش پذیر 10 فیصد یا اس سے زائد شیئرز کے مالک ممبران کی جانب سے وڈیو کانفرنس کے ذریعے سالانہ اجلاس عام میں شمولیت کے لیے کم از کم سات (7) دن پہلے رضامندی موصول ہوگی تو کمپنی پھر اُس شہر میں میسر سہولیات کے مطابق وڈیو کانفرنس کی سہولت فراہم کرنے کا انعقاد کرے گی۔ اس بات کو مدنظر رکھتے ہوئے براہ مہربانی درج ذیل فارم کو مکمل کریں اور کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام سے سات (7) دن پہلے ارسال کریں۔

پ۔ کمپنی ممبران کو سالانہ اجلاس عام کی تاریخ کے پانچ (5) دن پہلے وڈیو کانفرنس کی سہولت کے مقام کے حوالے سے آگاہ کرے گی اور ساتھ ہی وہ تمام ضروری معلومات فراہم کرے گی جس کے ذریعے ممبران سہولت سے فائدہ اٹھا سکیں گے۔

میں/ہم \_\_\_\_\_ کے \_\_\_\_\_ بطور ممبر، گلیکسو اسمتھ کلائن پاکستان  
لمیٹڈ \_\_\_\_\_ عمومی شیئرز کے مالک کی حیثیت سے بمطابق رجسٹرڈ فیلو/ICDC کاؤنٹ  
نمبر \_\_\_\_\_ بذریعہ وڈیو کانفرنس منعقدہ بمقام \_\_\_\_\_  
میں شرکت کرنا چاہتا/چاہتی ہوں/چاہتے ہیں۔

دستخط ممبر

## نوٹس:

- i. مطلوبہ معلومات کمپنی کے شیئرجسٹرار کے پاس 20 اپریل 2021 تک لازمی پہنچ جانی چاہئیں، وگرنہ بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئرز ہولڈرز اور مشترکہ شیئرز ہولڈرز (ہولڈرز) دونوں مساوی شیئرز کے مالک ہیں اور ٹیکس کی کٹوتی بھی اسی مناسبت سے کی جائے گی۔
- ii. وہ کارپوریٹ شیئرز ہولڈرز جو سی ڈی سی اکاؤنٹس کے حامل ہیں، اُن سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ شراکت داروں کے ساتھ اپنے نیشنل ٹیکس نمبر (NTN) کو اپ ڈیٹ کریں۔ کارپوریٹ فزیکل شیئرز ہولڈرز کو چاہیے کہ وہ اپنے نیشنل ٹیکس نمبر (NTN) کے سرٹیفیکیٹ کی ایک نقل کمپنی کے شیئرجسٹرار کو ضرور ارسال کریں۔ شیئرز ہولڈرز اپنے نیشنل ٹیکس نمبر (NTN) اور نیشنل ٹیکس نمبر سرٹیفیکیٹ ارسال کرتے ہوئے، جو کہ ضروری ہو سکتا ہے، اُس پر کمپنی کا نام اور اپنے متعلقہ فوئیو نمبرز ضرور تحریر کریں۔
- iii. منافع منقسمہ کی آمدنی پر ٹیکس کٹوتی سے استثنیٰ صرف اُسی صورت میں دیا جائے گا اگر 20 اپریل 2021 تک موثر ٹیکس استثنیٰ سرٹیفیکیٹ کی نقل کمپنی شیئرجسٹرار کو فراہم کر دی جاتی ہے۔

## 11. سی ڈی سی اکاؤنٹ میں فزیکل شیئرز جمع/ڈپازٹ کروانا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، کمیشن کی جانب سے اعلان کردہ تاریخ 30 مئی 2017 کے ایکٹ کے آغاز سے چار سال کی زائد مدت کے ساتھ کمپنی کو اپنے فزیکل شیئرز بک انٹری فارم/اندرج کتب کے فارم کے ساتھ مخصوص طریقہ کار کے مطابق تبدیل کرنے کی ضرورت ہوگی۔ فزیکل ملکیتی شیئرز والے شیئرز ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ کسی بھی بروکرز کے ساتھ اپنا سی ڈی سی ذیلی اکاؤنٹ یا براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ کھول کر اپنے فزیکل شیئرز کو اسکرپ لیس فارم کی شکل میں رکھ سکتے ہیں، اس سے انھیں کئی طرح کی سہولت حاصل ہو سکتی ہیں، جس میں شیئرز کی فروخت اور اُن کی محفوظ تحویل جس وقت بھی وہ چاہیں، شامل ہے، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

## 12. غیر دعویٰ شدہ منافع منقسمہ / شیئرز:

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق، کمپنی کی جانب سے جاری کردہ کوئی بھی شیئرز یا اعلان کردہ منافع منقسمہ، جو اپنی واجب الادا اور قابل ادا تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ/نا قابل ادارہ ہیں تو اُن کے حوالے سے شیئرز ہولڈرز کو اپنے دعوے جمع کروانے کے نوٹس جاری کرنے کے بعد وفاقی حکومت کو سپرد کرنے کے لیے سکیورٹیز اینڈ ایکسچینج کمیشن میں جمع/ڈپازٹ کروانے کی ضرورت ہوگی۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ اور شیئرز کے دعوے کو فوری طور پر درج کروائیں۔ کسی دعویٰ کے درج نہ ہونے کی صورت میں کمپنیز ایکٹ 2017 کے سیکشن 244 کی شق 2 کے مطابق، جیسا کہ تجویز کیا گیا ہے کمپنی غیر دعویٰ شدہ/نا قابل ادارہ اور شیئرز کو وفاقی حکومت کو جمع/ڈپازٹ کروائے گی۔

## 13. پوسٹل بیلت/ای۔ووٹنگ:

کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے مطابق ڈائریکٹرز کے انتخاب کے مقصد کے لیے اوکینیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط کسی اور ایجنڈے کے آئٹم کے لیے، مذکورہ بالا قواعد و ضوابط میں شامل شرائط کے تحت، قانون کے مطابق مجموعی طور پر 10 فیصد یا اس سے زائد شیئرز رکھنے والے ممبران کو پوسٹل بیلت کے ذریعے یعنی ڈاک کے ذریعے یا ای۔ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔

- ا۔ کمپنیز ایکٹ 2017 کے سیکشن 223 کی شق کے مطابق، 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر دستیاب ہیں۔
- ب۔ اگر کوئی شیئر ہولڈر سالانہ آڈٹ شدہ مالیاتی گوشوارے 2020 کی ہارڈ کاپی حاصل کرنا چاہتا ہے تو اسے وہ دستاویز درخواست کی وصولی کے ساتھ (7) کاروباری دنوں کے اندر بلا معاوضہ فراہم کر دی جائے گی۔
- پ۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے مورخہ 8 ستمبر 2014 ایس آر او 2014(1) 787 کے تحت دی گئی ہدایات کے مطابق، وہ شیئر ہولڈرز جو مستقبل میں ڈاک کے بجائے ای میل کے ذریعے سالانہ مالیاتی گوشوارے حاصل کرنے کی خواہش رکھتے ہیں، انہیں ہدایت دی جاتی ہے کہ وہ اپنی باضابطہ رضامندی، مستند ای میل ایڈریس کے ہمراہ ”اسٹینڈرڈ درخواست فارم“ پر فراہم کریں۔
- ت۔ شیئر ہولڈرز کی سہولت کے لیے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی فراہمی کے لیے کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر ”اسٹینڈرڈ ریکوئسٹ فارم“ دستیاب ہے۔

## 10. منافع منقسمہ سے انکم ٹیکس کی کوٹنی:

10.

- ا۔ یہ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے شیئر ہولڈرز کو، گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کی جانب سے اعلان کردہ فی شیئر 6.50 روپے حتمی نقد منافع منقسمہ کے حوالے سے دیا گیا ہے۔
- ب۔ جن شیئر ہولڈرز کے نام فعال ٹیکس دہندگان کی فہرست (ATL) میں موجود نہیں ہیں انہیں فوری طور پر فعال کروانے کے لیے ضروری انتظامات کرنے کی تجویز دی جاتی ہے۔ بصورت دیگر، ان کے نقد منافع منقسمہ پر قانون کے مطابق ٹیکس کی کوٹنی ہے۔
- پ۔ مزید یہ کہ فیڈرل بورڈ آف ریونیو (FBR) سے موصول شدہ تصدیق کے مطابق، وہ ہولڈنگ ٹیکس کا تعین پرپل شیئر ہولڈر کے جوائنٹ ہولڈر (ہولڈرز) اور اس کے ساتھ ساتھ جوائنٹ اکاؤنٹ ہونے کی صورت میں ان کے شیئر ہولڈنگ کے تناسب کی بنیاد پر فعال / غیر فعال حیثیت پر ہوگا۔
- ت۔ اس حوالے سے وہ تمام شیئر ہولڈرز جن کے شیئرز مشترکہ شیئر ہولڈرز کے ساتھ ہیں، ان سے درخواست کی جاتی ہے کہ وہ جو شیئرز رکھتے ہیں ان کے بارے میں ہمارے شیئر رجسٹر اکورڈر ج ذیل تحریری طریقہ کار کے ذریعے پرپل شیئر ہولڈر اور مشترکہ شیئر ہولڈر (ہولڈرز) کے شیئرز کے ملکیتی تناسب کو فراہم کریں:

فولیو / CDS اکاؤنٹ نمبر	مجموعی شیئرز	پرپل شیئر ہولڈر		مشترکہ شیئر ہولڈر	
		نام اور CNIC نمبر	شیئرز کا ملکیتی تناسب (شیئرز کی تعداد)	نام اور CNIC نمبر	شیئرز کا ملکیتی تناسب (شیئرز کی تعداد)

## 7. الیکٹرونک ڈیویڈنڈ پر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) / نیشنل ٹیکس نمبر (NTN) فراہم کرنا (لازمی):

ا۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ایس آر او 2012/831(1) بتاریخ 5 جولائی 2012 کو ایس آر او 2014/19(1) بتاریخ 10 جولائی 2014 کے ساتھ پڑھیں گے اور اس کے علاوہ دیگر متعلقہ قواعد کے مطابق سوائے نابالغ اور کارپوریٹ شیئر ہولڈرز کے، الیکٹرونک ڈیویڈنڈ کوریڈرڈ شیئر ہولڈر یا مجاز فرد کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کا حامل بھی ہونا چاہیے۔

ب۔ کمپنیز (ڈیویڈنڈ) منافع کی تقسیم ریگولیشنز 2017 کے ریگولیشن نمبر 4 اور 6 کے مطابق شیئر ہولڈر یا مجاز فرد کے شناختی نمبر (کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا نیشنل ٹیکس نمبر) کی عدم دستیابی کی صورت میں کمپنی شیئر ہولڈرز کی ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

پ۔ لہذا وہ شیئر ہولڈرز جنہوں نے تاحال اپنے مؤثر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) کی نقل جمع نہیں کروائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ فوری طور پر اپنے مؤثر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) کی نقل کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک - B، ایس ایم سی ایچ ایس مین شاہراہ فیصل، کراچی پر ارسال کر دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) اور فوئیو نمبر بشمول نمائندہ فرد کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل فراہم کریں۔

## 8. نقد منافع منقسمہ کی الیکٹرونک طریقہ کار سے ادائیگی (لازمی):

ا۔ 2017 کے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 18، مورخہ یکم اگست 2017 اور کمپنیز ریگولیشنز (منافع منقسمہ کی تقسیم) 2017 اور کمپنی ایکٹ کے سیکشن 242 میں واضح کردہ ڈیویڈنڈ کی تقسیم سے متعلق ہدایات کے تحت تمام فہرست شدہ ایجنسیز کو یہ عمل یقینی بنانا ہوگا کہ یکم نومبر 2017 سے لاگو ہونے والے کیش ڈیویڈنڈ کی ادائیگی صرف الیکٹرونک طریقہ کار کے ذریعے کی جائے گی۔ لہذا تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے بینک کی تفصیلات جس میں بالخصوص (i) اکاؤنٹ کا نام، (ii) اکاؤنٹ نمبر، (iii) آئی بی اے این نمبر (IBAN)، (iv) بینک کا نام اور (v) برانچ کا نام، کوڈ اور پتہ اور (vi) موبائل نمبر شامل ہے، کمپنی کے شیئر رجسٹرار، میسرز، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کر دیں۔ شراکت داروں / سینٹرل ڈپازٹری کمپنی (CDC) کے حاملین شیئر ہولڈرز کو ہدایت دی جاتی ہے کہ وہ یہ تفصیلات اپنے متعلقہ شراکت دار / سی ڈی سی (CDC) کو فراہم کریں۔

ب۔ براہ مہربانی نوٹ فرمائیں کہ کمپنیز ایکٹ 2017 کے سیکشن (3) 243 کے مطابق، اگر شیئر ہولڈرز کی جانب سے ضروری معلومات فراہم نہ کی گئیں تو کمپنیز ڈیویڈنڈ کی ادائیگی روکنے کا استحقاق رکھتی ہیں۔

پ۔ شیئر ہولڈرز کی آسانی کے لیے ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ <http://www.pk.gsk.com> پر دستیاب ہے۔

31 دسمبر 2021 تک گلیکو اسمتھ کلائن پاکستان لمیٹڈ کے شیئر ہولڈرز (فزیکل اور سی ڈی ایس) کے آئی بی اے این (IBAN) کا اسٹیٹس درج ذیل ہے:

31 دسمبر 2020 تک شیئر ہولڈرز کی موجودہ کل تعداد	31 دسمبر 2020 تک IBAN کی تازہ ترین موجودہ تعداد	شرح / اپ ڈیٹ ہونے والے IBAN کا تناسب
فزیکل	سی ڈی ایس	%
1,998	4,972	74.67
6,970	525	
	4,607	
	5,132	



ii. افراد ہونے کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور / یا وہ فرد جس کی سیکورٹیز، گروپ اکاؤنٹ میں ہیں اور جن کے اندراج کی تفصیلات ضابطے کے مطابق آپ لوڈ کی جا چکی ہیں، درج ذیل میں دیے گئے لنک کے ذریعے لاگ ان کر کے سالانہ اجلاس عام کی کاروائی میں براہ راست شرکت کریں گے۔

شرکاء کے لیے اجلاس کا پتہ:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ee9f3fdda1fd59550d17a059090128a80>

آپ ڈائریکٹرز کو دیکھ سکیں گے اور سالانہ اجلاس عام کی کاروائی براہ راست سن سکیں گے لیکن رابطے میں پیدا ہوجانے والی ممکنہ کاؤٹوں سے بچنے کے لیے آپ کے کنکیشن کو خاموش رکھا جائے گا۔ WEBEX کے ذریعے سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز اپنے نام اور فوٹیو نمبر کے ساتھ اپنے متعلقہ سوالات / تبصرے / تجاویز درج بالا فراہم کیے گئے ویوکس (Vevox) لنک / ای میل ایڈریس پر پوسٹ / ارسال کر سکتے ہیں۔

iii. کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نامزد کردہ فرد کے نمونہ دستخط کے ساتھ اجلاس کے وقت پیش کرنا ہوگا (تاوقتیکہ قبل ازیں پیش نہ کیے گئے ہوں)۔

## ب۔ پراسیز کے تقرر کے لیے:

i۔ افراد ہونے کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور / یا وہ فرد جس کی سیکورٹیز، گروپ اکاؤنٹ میں ہیں اور جن کے اندراج کی تفصیلات ضابطے کے مطابق آپ لوڈ کی جا چکی ہیں، مندرجہ بالا ضرورت کے مطابق انھیں پراسیز فارم پیش کرنا ہوگا۔

ii۔ پراسیز فارم پر دو گواہوں کے دستخط ہونے چاہئیں جن کے نام، پتے اور کمپیوٹر انز ڈیجیٹل شناختی کارڈ (CNIC) نمبرز، فارم پر درج ہوں گے۔

iii۔ پراسیز فارم کے ساتھ پراسیز اور بیفیشل اونرز / مالکان کے کمپیوٹر انز ڈیجیٹل شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقل منسلک کرنی ہوگی۔

iv۔ اجلاس کے وقت پراسیز اپنا اصل کمپیوٹر انز ڈیجیٹل شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرے گا / کرے گی۔

v۔ کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نامزد کردہ فرد کے نمونہ دستخط کو کمپنی کے پراسیز فارم کے ساتھ پیش کرنا ہوگا (تاوقتیکہ قبل ازیں پیش نہ کیے گئے ہوں)۔

vi۔ پراسیز کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر دستیاب ہے۔

کمپنی کو رونا وائرس (Covid-19) کے اثرات کا جائزہ لیتی رہے گی اور میٹنگز سے متعلق کسی بھی قسم کی متعلقہ آپ ڈیٹس بشمول سالانہ اجلاس عام کے انتظامات کے حوالے سے ہونے والی کسی بھی قسم کی تبدیلیوں کا اعلان ریگولیٹری انفارمیشن سروس (PUCAR) کے ذریعے اور ویب سائٹ <http://www.pk.gsk.com> پر کرے گی۔

شرکاء کے لیے اجلاس کا پتہ:

<https://gskmeeting.webex.com/gskmeeting/onstage/g.php?MTID=ee9f3fdda1fd59550d17a059090128a80>

2. کمپنی کی شیئر منتقلی کتب، حتمی منافع منقسمہ کی ادائیگی کے استحقاقی تعین کے مقصد کے لیے 21 اپریل 2021 سے 27 اپریل 2021 (بشمول دونوں دن) بند رہیں گی۔ وہ تمام منتقلیاں جو کمپنی کے شیئر رجسٹر اری، سی ڈی سی شیئر رجسٹر اری، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ سوسائٹی، مین شاہراہ فیصل، کراچی میں 20 اپریل 2021 (منگل) کو کاروباری اوقات ختم ہونے سے قبل موصول ہوں گی، انھیں سالانہ اجلاس عام کے مقاصد اور منتقل کرنے والوں کے استحقاق کے لیے بروقت موصول شدہ تصور کیا جائے گا۔

3. وہ ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حق رکھتا ہے، اپنی جانب سے کسی دوسرے ممبر کو اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے پراکسی مقرر کر سکتا ہے/ کر سکتی ہے۔ پراکسی کے تقرر کی دستاویز باقاعدہ طور پر دستخط اور مہر لگانے کے بعد کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازمی جمع کرادی جائے۔ ایک ممبر، ایک سے زائد پراکسی مقرر نہیں کر سکتا ہے۔ شیئر ہولڈر کے کمپیوٹر ایزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ نقل فارم کے ساتھ لازماً منسلک کرنی ہوگی۔ دیگر کسی متعلقہ پہلو کے لیے کمپنیز ایکٹ 2017 کی دفعہ 137 کے مندرجات کا اطلاق ہوگا۔ پراکسی کے تقرر کی دستاویز کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر موجود ہے۔

4. شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر ان کے اندراج شدہ پوسٹل پتوں میں کسی بھی قسم کی تبدیلی ہو تو وہ فوراً کمپنی کے شیئر رجسٹر اری کو ضرور آگاہ کریں۔

5. کارپوریٹ سیکٹر (194) کے لیے کورونا وائرس (COVID-19) کے اثرات کو کم کرنے کے لیے باقاعدہ ریلیف کے حوالے سے 1 اپریل 2020 کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 10 کی پیروی کرتے ہوئے، سالانہ رپورٹ ان شیئر ہولڈرز کو ارسال کی جائے گی جن کے (ای میل ایڈریسز سی ڈی سی کے ڈیٹابیس / ریکارڈز میں موجود ہیں۔ سالانہ رپورٹ کمپنی کی ویب سائٹ (<http://www.pk.gsk.com>) پر بھی اپ لوڈ کر دی گئی ہے اور شیئر ہولڈرز کے لیے وہاں تک رسائی آسان ہے۔

6. سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 کے تحت واضح کردہ ہدایات پر بھی عمل کرنا ہوگا۔

الف۔ اجلاس میں شرکت کے لیے:

i. کارپوریٹ سپروژن ڈپارٹمنٹ کی جانب سے 3 مارچ 2021 کو جاری کیے گئے سرکلر کو پیش نظر رکھتے ہوئے، 15 فروری 2021 کو جاری کردہ دفتری سرکلر نمبر 4 کے تسلسل میں اور ملک میں موجودہ کورونا وائرس (Covid-19) کی وبائی صورتحال کے پیش نظر فہرست شدہ کمپنیوں کو جسمانی طور پر / فزیکل اجلاس منعقد کرنے میں درپیش آنے والی مشکلات کی وجہ سے کمپنی نے اجلاس کو صرف الیکٹرونک طریقہ کار کے ذریعے کرنے کا فیصلہ کیا ہے۔

## اطلاع عام برائے سالانہ اجلاس عام

بذریعہ ہذا ممبران کو اطلاع دی جاتی ہے کہ درج ذیل امور کی انجام دہی کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ سپروائزر ڈپارٹمنٹ کی جانب سے 17 مارچ 2020 کو جاری کردہ سرکلر نمبر 5، 15 فروری 2021 کو جاری کردہ سرکلر نمبر 4 اور بعد ازاں 3 مارچ 2021 کو جاری کردہ سرکلر نمبر 6 کی تعمیل میں، گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کا چوتھ (74) واں سالانہ اجلاس عام بتاریخ 27 اپریل 2021 بروز منگل، صبح 11:30 بجے بذریعہ /براستہ WEBX وڈیولنک گلیکسو اسمتھ کلائن پاکستان کے ہیڈ آفس، 35 ڈاک ہاؤس روڈ، ویسٹ وہارف، کراچی-74000 میں منعقد کیا جائے گا:

### عمومی کاروباری امور:

1. 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، اُن پر غور و خوض اور نفاذ کرنا۔
2. کمپنی کے عام شیئرز پر غور و خوض، منظوری اور منافع منقسمہ کا اعلان۔ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے ڈائریکٹرز 65% (ہر 10 روپے والے شیئر پر 6.50 روپے فی عام شیئر) کے حتمی منافع منقسمہ کی سفارش کر چکے ہیں۔
3. آئندہ سال کے لیے کمپنی کے ایکسٹرنل آڈیٹرز کی تقرری اور اُن کے مشاہرے کا تعین کرنا۔ 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے میسرز عادل چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

### دیگر کاروباری امور:

حسب الحکم بورڈ

مہر درخشاں امیر  
کمپنی سیکریٹری

کراچی

6 اپریل 2021

1. صدر اجلاس کی اجازت سے دیگر امور پر کارروائی کے عمل کو انجام دینا۔

### نوٹس:

1. کارپوریٹ سیکٹر (194) کے لیے کوآرڈینیشن (COVID-19) کے اثرات کو کم کرنے کے لیے باقاعدہ ریلیف کے حوالے سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ سپروائزر ڈپارٹمنٹ کی جانب سے بالترتیب 17 مارچ 2020 کو جاری کردہ سرکلر نمبر 5 اور بعد ازاں 31 اگست 2020 کو جاری کردہ سرکلر نمبر 25، 5 نومبر 2020 کو جاری کردہ سرکلر نمبر 33، 15 فروری 2021 کو جاری کردہ سرکلر نمبر 4 اور 3 مارچ 2021 کو جاری کردہ سرکلر نمبر 6 کی تعمیل کرتے ہوئے سالانہ اجلاس عام کی کارروائی صرف WEBEX کے ذریعے انجام دی جائے گی۔ WEBEX کے ذریعے سالانہ اجلاس عام میں شریک ہونے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی سہولت کے مطابق درج ذیل دیے گئے ویوکس (Vevox) لنک یا ای میل ایڈریس پر اپنے نام اور فون نمبر کے ساتھ اپنے متعلقہ سالانہ اجلاس عام کی براہ راست کارروائی میں شرکت کے لیے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ درج ذیل دیے گئے لنک پر لاگ آن کریں:

سوالات / تبصرے / تجاویز ہمیں بھیجیں۔

اپنے سوالات پوسٹ کرنے کے لیے براہ مہربانی نیچے دیے گئے لنک پر کلک کریں:

آپ ویوکس (Vevox) کا یہ لنک استعمال کر سکتے ہیں <http://vevox.app/#/m/151639936>

ای میل ایڈریس: PK.Shareinfo@gsk.com

## **Factories and Offices**

### **Offices**

#### **FACTORIES**

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

F-268, S.I.T.E.,  
Karachi.  
Tel: +92 21 32570665 - 69  
Fax: +92-21 32572613

Plot # 5, Sector 21,  
Kornagi Industrial Area,  
Karachi.  
Fax: +92 21 35015800  
UAN: +92 21 111 000 267

#### **DISTRIBUTION/SALES OFFICES**

##### **Karachi**

GlaxoSmithKline Pakistan Limited  
B-63, 65, Estate Avenue, S.I.T.E.,  
Karachi.  
Tel: +92 21 32561200 - 07  
Fax: +92 21 32564908

##### **Sukkur**

GlaxoSmithKline Pakistan Limited  
Plot No. 77/80, Block B,  
Friends Cooperative Housing Society.  
Akhwul Nagar, Airport Road,  
Sukkur.  
Tel: +92 71 5630668, +92 71 5630144  
Fax: +92 71 5631665

##### **Multan**

GlaxoSmithKline Pakistan Limited  
Islam-ud-din House, Mehmood Kot, Bosan Road,  
Multan.  
Tel: +92 61 6222061 - 64  
Fax: +90 61 6222064

##### **Lahore**

GlaxoSmithKline Pakistan Limited  
3<sup>rd</sup> Floor, The Enterprise Building,  
Thokar Niaz Baig, Multan Road,  
Lahore.  
Tel: +92 42 37512755-60

##### **Islamabad**

GlaxoSmithKline Pakistan Limited  
Aleem House, Plot No. 409, Sector I - 9, Industrial Area,  
Islamabad.  
Tel: +92 51 4433589, +92 51 4433598  
Fax: +92 51 4433706

##### **Peshawar**

GlaxoSmithKline Pakistan Limited  
Opposite Grand Hotel, Behind ECS, Tehkal Payan,  
University Road,  
Peshawar.  
Tel: +92 91 5703641

# Form of Proxy

## GlaxoSmithKline Pakistan Limited

I/We \_\_\_\_\_ of \_\_\_\_\_, being a Member of GlaxoSmithKline Pakistan Limited holding \_\_\_\_\_ ordinary shares as per Folio No. / CDC Participant ID and A/c No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_, another Member of the Company, failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at GSK Pakistan head office at 35 Dockyard Road West Wharf, Karachi 74000 at 11:30 a.m. on Tuesday, April 27, 2021 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Signed in the presence of:

Affix  
revenue  
stamp of  
Rs. 5/-

\_\_\_\_\_  
(Signature of Witness 1)

Name of Witness:

CNIC No.:

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


\_\_\_\_\_  
(Name in Block letters)

Folio No.

\_\_\_\_\_  
(Signature of Witness 2)

Name of Witness:

CNIC No.:

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


\_\_\_\_\_  
Signature of the Shareholder

### Notes:

- The Member is requested:
  - to affix Revenue Stamp of Rs. 5/- at the place indicated above;
  - to sign in the same style of signature as is registered with the Company;
  - to write down his/her Folio Number.
- For the appointment of the above Proxy to be valid, this instrument of proxy must be received at the Registered Office of the Company at 35, Dockyard Road, West Wharf, Karachi-74000, at least 48 hours before the time fixed for the Meeting.
- Any alteration made in this instrument of proxy should be initialled by the person who signs it.
- In the case of joint holders, the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
- No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.

### For CDC Account Holders / Corporate Entities:

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

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



Affix  
Correct  
Postage

**Share Registrar Department:**

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahr-e-Faisal,  
Karachi - 74400, Pakistan

گلیکسو اسمتھ کلائن پاکستان لمیٹڈ

(مہینے کا دن) \_\_\_\_\_ مہینہ \_\_\_\_\_ 2021 کو میری/ہماری تحریر اور دستخط/دستخطوں کے ساتھ۔

(گواہ نمبر 1 کے دستخط)

گواہ کا نام:

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

\_\_\_\_\_

\_\_\_\_\_

(نام بڑے حروف میں)  
فولیو نمبر

(1) رکن سے درخواست کی جاتی ہے کہ:

(a) اوپر نشاندہی کی گئی جگہ پر 5 روپے کا ریونیوٹ چسپاں کیا جائے؛

(b) ہو بہو وہی دستخط کیے جائیں جو سکیٹی میں رجسٹرڈ ہیں؛

(c) ایٹا فیلو نمبر درج کیا جائے۔

- (2) درج بالا نمائندے کی تقریری کا مکمل ٹیکسٹ ہونے کے لیے ضروری ہے کہ ہر اس کی تقریر کی دستاویز یا قاعدہ طور پر دھتلا اور صبر گانے کے بعد کھینچ کر رجسٹرڈ آفیس کے دفتر میں 35، ڈاکاڑو روڈ، وسٹ وارڈ، کراچی۔ 74000- پراجا اس وقت شروع ہونے سے کم از کم 48 تکٹیں مکمل وصول ہو جانی چاہیے۔
- (3) اس دستاویز بارے نمائندگی میں کسی تبدیلی کی صورت میں اس سرپرست کو خطی کے ساتھ رجسٹرڈ ڈھتلا شیت ہونے چاہئیں۔
- (4) مشترکہ پولورڈز ہونے کی صورت میں، سبٹر فریق کا کیا دیوا، خواہ وہ خود جسے ایس کے نمائندے کی جانب سے دیا جائے، دیگر مشترکہ پولورڈز کے مقابلے میں قبول کیا جائے گا، اور اس مقصد کے لیے پیشہ ہونے کا تعین ان کان کے رجسٹر ناموں کی ترتیب سے کیا جائے گا۔
- (5) کوئی بھی شخص یا کسی نہیں ہو سکتا اگر وہ خود کو پیشہ بہنوئے کے کارپوریشن کی ایک شخصیات کو تقرر کر کے بہنوئے کا مشرب نہ ہو۔

درج بالا کے علاوہ، درج ذیل لوازمات کی تکمیل بھی ضروری ہوگی:

- (i) فارم برائے نمائندگی پر دو افراد کی کوالٹی مل جائے گی جن کے نام CNIC فارم نمبر اور پوری جگہ کا جائیں گے۔
- (ii) مقتضیہ ہونے والے مالکان اور نمائندے کی CNIC اپلاپوٹ کی تصدیق شدہ فتویل، فارم برائے نمائندگی کے ساتھ لازماً منسلک کی جائیں گی۔
- (iii) اجلاس کے وقت نمائندے کو اپنا اصل CNIC فارم اصل یا سپورٹ ڈائریکٹرز کے پاس رکھنا ہوگا۔
- (iv) کارپوریٹ اداروں کی صورت میں، پورے ڈائریکٹرز کی تقریر اور اختتام نامہ اور نمونے کے طور پر کے خط، فارم برائے نمائندگی کے ساتھ بشمول جزائر کے اس ڈائریکٹرز کو ہواں کے (کارپوریشن میں جمع کر دیا جائے گا)۔



Affix  
Correct  
Postage

**Share Registrar Department:**

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahr-e-Faisal,  
Karachi - 74400, Pakistan



# Standard Request Form

## For Annual Financial Statements through Email/Hard Copy

### Dear Shareholder(s)

The Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 has allowed the circulation of Company's annual balance sheet and profit and loss account, auditor's report and directors' report etc. (Audited Annual Financial Statements) to the Shareholders along with notice of Annual General Meeting (AGM) through CD/DVD/USB/Email instead of transmitting the hard copies at their registered address.

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

Folio / CDC Account Number: \_\_\_\_\_

Name of the Members / Shareholders: \_\_\_\_\_

CNIC / Passport #: \_\_\_\_\_

Valid Email Address: \_\_\_\_\_

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

### Please tick one:

☐ Yes, I wish to receive an emailed version of the GSK Annual Financial Statements every year.

☐ Yes, I wish to receive a printed version of the GSK Annual Financial Statements every year.

### Please return this form to:

CDC Share Registrar Services Limited  
CDC House, 99-B, Block – B, S.M.C.H. Society,  
Main Shahrah-e-Faisal,  
Karachi-74400.

\*Please note: if you do not respond, we are not required to send copies of our Annual Financial Statements (although you will always be able to access the report at the website specified above). You may change your preference to receive and Financial Statements at any time by notifying us in writing at the above address.

### Declaration

! I declare that the above – mentioned information is correct and in case of any change therein, I will immediately intimate to the Company's Share Registrar.

\_\_\_\_\_  
Signature

Date / /

## اسٹینڈرڈ درخواست فارم سالانہ آڈٹ شدہ اکاؤنٹس کا مراسلہ بذریعہ ای میل / دستاویزی نقل

معزز شیئر ہولڈرز

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بذریعہ 2014/787 (1) SRO مورخہ 8 ستمبر، 2014 اور 2016/470 (1) SRO مورخہ 31 مئی، 2016 دی جانے والی ہدایات کے بموجب، کمپنیوں کو اپنے (سالانہ آڈٹ شدہ اکاؤنٹس) یعنی سالانہ بیلنس شیٹ اور پرافٹ اینڈ لوس اکاؤنٹس، آڈیٹر راورڈ اینریکٹری رپورٹ وغیرہ اپنے حصص مالکان کو مع ٹوٹس برائے سالانہ عمومی اجلاس (AGM) دستاویزی نقل کے بجائے بذریعہ ای میل CD/DVD/USB سے ان کے رجسٹرڈ پتے پر ارسال کرنے کی اجازت دی گئی ہے۔

چنانچہ، اگر آپ کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس بمع AGM ٹوٹس بذریعہ ای میل یا دستاویزی نقل وصول کرنا چاہتے ہیں تو آپ سے درخواست ہے کہ درج ذیل فارم پُر کر کے نیچے دیے گئے ہمارے شیئر رجسٹرار کے پتے پر روانہ کریں:

فولیو / CDC اکاؤنٹ نمبر: \_\_\_\_\_  
 اراکین / حصص مالکان کا نام: \_\_\_\_\_  
 CNIC / پاسپورٹ نمبر: \_\_\_\_\_  
 فعال ای میل ایڈریس: \_\_\_\_\_  
 پتہ: \_\_\_\_\_

براہ مہربانی کسی ایک کا انتخاب کریں:

☐ جی ہاں، میں / ہم ہر سال GSK سالانہ آڈٹ شدہ اکاؤنٹس ای میل کے طور پر وصول کرنا چاہتا / چاہتی ہوں / چاہتے ہیں۔

☐ جی ہاں، میں / ہم ہر سال GSK دستاویزی نقل کے طور پر وصول کرنا چاہتا / چاہتی ہوں / چاہتے ہیں۔

براہ مہربانی یہ فارم درج ذیل پتے پر ارسال کریں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس، B-99، بلاک B، ایس۔ ایم۔ سی۔ ایچ، سوسائٹی،

مین شاہراہ فیصل، کراچی - 74400

\* براہ مہربانی نوٹ فرمائیں: آپ کی جانب سے جواب نہ ملنے کی صورت میں ہم پر لازم نہیں کہ ہم آپ کو سالانہ آڈٹ شدہ اکاؤنٹس کی نقل ارسال کریں (اگرچہ آپ مندرجہ بالا ویب سائٹ پر آپ جب چاہیں رپورٹ تک رسائی حاصل کر سکیں گے)۔ آپ کسی بھی وقت مندرجہ بالا پتے پر تحریری درخواست کے ذریعے اپنی پسند کے طریقے سے سالانہ آڈٹ شدہ اکاؤنٹس وصول کر سکتے ہیں۔

دستبرداری:

- بذریعہ ہذا میں / ہم تصدیق کرتا / کرتی ہوں / کرتے ہیں کہ متذکرہ بالا معلومات درست ہیں اور ان میں کسی قسم کی تبدیلی ہونے کی صورت میں، میں / ہم فوری طور پر کمپنی کے رجسٹرار کو مطلع کروں گا / گی / کریں گے۔

تاریخ / /

دستخط

# Electronic Dividend Mandate Form

## GlaxoSmithKline Pakistan Limited

**DIVIDEND MANDATE (MANDATORY)** In accordance with the provisions of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders **only through electronic mode by remitting directly into the designated bank account ("the Bank Account") as provided by the entitled shareholders.**

In order to receive your dividends directly into your Bank Account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your valid CNIC to the Shares Registrar of GlaxoSmithKline Pakistan Limited ("the Company") CDC Share Registrar Services Limited CDC House, 99-B, Block – B, S.M.C.H. Society, Main Shahrah-e-Faisal, Karachi-74400.

**IF YOU DO NOT PROVIDE BANK ACCOUNT DETAILS, THE COMPANY WILL WITHHOLD DIVIDEND PAYMENT AS REQUIRED BY LAW.**

My Bank account details for credit of dividend are as below:

Name of shareholder : \_\_\_\_\_

Folio Number/CDC Account No. : \_\_\_\_\_ of GlaxoSmithKline Pakistan Limited

Mobile number of shareholder : \_\_\_\_\_

Title of Account (\*) : \_\_\_\_\_

Account Number : \_\_\_\_\_

IBAN Number (24 digits) (\*\*) : \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Bank branch and Code : \_\_\_\_\_

Mailing Address of Branch : \_\_\_\_\_

CNIC No. (attach attested copy) : \_\_\_\_\_

NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature

\_\_\_\_\_  
Date

[As per specimen signature registered with the GlaxoSmithKline Pakistan Limited/Shares Registrar]

### NOTES:

\*Joint account holders shall specify complete Title of Account, including shareholders name.

\*\*Please provide complete IBAN Number, after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

## الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم

گلیکسو اسمتھ کلائن پاکستان لمیٹڈ

ڈیویڈنڈ مینڈیٹ (لازم) کمپنیز ایکٹ 2017 اور کمپنیز (ڈیویڈنڈز کی ڈسٹری بیوشن) ریگولیشنز 2017 کے قوانین کے مطابق یہ ایک لسٹڈ کمپنی کے لئے لازم ہے کہ وہ اپنے حصص یافتہ گان کو نقد ڈیویڈنڈ صرف الیکٹرانک طریقے کے ذریعے حقدار حصص یافتہ گان کی جانب سے فراہم کردہ متعین بینک اکاؤنٹ (بینک اکاؤنٹ) میں براہ راست جمع کرائے۔

آپ کے ڈیویڈنڈز کی وصولی براہ راست آپ کے بینک اکاؤنٹ میں منتقلی کے لئے برائے کرم ذیل میں درکار معلومات فراہم کریں اور اپنے فعال سی این آئی سی کی نقل کے ساتھ اس دستخط شدہ لیٹر کو شیئرز رجسٹرار آف گلیکسو اسمتھ کلائن پاکستان لمیٹڈ ("دی کمپنی") سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس-ایم-سی-انج سوسائٹی، مین شاہراہ فیصل، کراچی۔ 74400 پر واپس لوٹائیں۔ اگر آپ بینک اکاؤنٹ کی تفصیلات فراہم نہیں کرتے تو کمپنی مطلوبہ قانون کے مطابق ڈیویڈنڈ کی ادائیگی روک دے گی۔

ڈیویڈنڈ کی وصولی کے لئے ذیل میں میرے بینک اکاؤنٹ کی تفصیلات ہیں:

حصص یافتہ شخص کا نام:

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر: گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کا

حصص یافتہ شخص کا موبائل نمبر:

اکاؤنٹ کا ٹائٹل (\*):

اکاؤنٹ نمبر:

آئی بی اے این نمبر (۲۴ ہندسے) (\*):

بینک کا نام:

بینک کی برانچ اور کوڈ:

برانچ کا پتہ:

سی این آئی سی نمبر (تصدیق شدہ کاپی منسلک کریں):

این ٹی این (کاروباری ادارہ ہونے کی صورت میں):

یہ واضح کیا جاتا ہے کہ میری طرف سے فراہم کردہ درج بالا معلومات بالکل درست ہیں؛ مستقبل میں ان فراہم کردہ معلومات میں کسی تبدیلی کی صورت پر میں کمپنی کو آگاہ کروں گا۔

تاریخ

حصص یافتہ شخص کے دستخط

[گلیکسو اسمتھ کلائن پاکستان لمیٹڈ / شیئرز رجسٹرار کے ساتھ رجسٹرڈ شدہ مثالی دستخط کے مطابق]

نوٹس:

\* جوائنٹ اکاؤنٹ ہولڈرز اکاؤنٹ کا ٹائٹل بشمول حصص یافتہ گان کے نام سے متعلق مکمل تفصیلات فراہم کریں۔  
\*\* برائے کرم، آپ کی متعلقہ بینک کی برانچ سے تصدیق کے بعد الیکٹرانک طریقے سے آپ کے اکاؤنٹ میں رقم کی منتقلی کی سہولت فعال کرنے کے لئے مکمل آئی بی این نمبر فراہم کریں۔

## Term Definition

ABAC	Anti-Bribery And Corruption
AGM	Annual General Meeting
AMR	Antimicrobial Resistance
AOM	Acute Otitis Media
ATL	Active Taxpayer List
BPH	Benign Prostatic Hyperplasia
CDC	Central Depository Company
CDC SRSL	Central Depository Company Shares Registrar Services Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGA	Communication and Government Affairs
CIME	Centre of Innovation in Medical Education
CoCG	Code of Corporate Governance
COPD	Chronic Obstructive Pulmonary Disease
CSR	Corporate Social Responsibility
EAFA	European Aluminum Foil Association
EOGM	Extra Ordinary General Meeting
EMC	Emerging Markets Central
EPS	Earning Per Share
ERP	Enterprise Resource Planning
F2F	Face-to-Face
HCP	Health Care Professional
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IMT	Issues Management Team
ISO	International Organization for Standardization
KPI	Key Performance Indicator
MENA	Middle East North Africa
OIT	Order Intelligence Tool
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistani Rupee
PPE	Personal Protective Equipment
PSX	Pakistan Stock Exchange
SECP	Securities and Exchange Commission of Pakistan
SOAR	Survey of Antibiotic Resistance
SSTI	Selective Serotonin Reuptake Inhibitor
TCS	Topical Corticosteroid



**GlaxoSmithKline Pakistan Limited**

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