



GlaxoSmithKline Consumer  
Healthcare Pakistan Limited  
35-Dockyard Road,  
West Wharf,  
Karachi -74000,  
Pakistan

UAN +92 21 111 475 725  
Fax +92 21 3220 1855  
[www.gsk.com.pk](http://www.gsk.com.pk)

29 April 2021

The General Manager  
Pakistan Stock Exchange Limited Stock Exchange Building  
Stock Exchange Road,  
Karachi.

**Subject: Transmission of Quarterly report for the Period Ended 31 March 2021**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended 31 March 2021 has been transmitted through PUCARS and is also available on the Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thank you.  
For and on behalf of  
GlaxoSmithKline Consumer Healthcare Pakistan Limited

**Mashal Mohammad**  
Company Secretary





do more  
feel better  
live longer

# First Quarter Report 2021

---

Glaxosmithkline Consumer  
Healthcare Pakistan Limited

# the extra mile

# Corporate information

## Board of Directors

Mr. M.Z. Moin Mohajir  
(Chairperson)

Mr. Farhan Muhammad Haroon

Syed Anwar Mahmood

Mr. Dilawar Meghani

Ms. Erum Shakir Rahim

Mr. Oussama Abbas

Ms. Ayesha Aziz

## Management Committee

Mr. Farhan Muhammad Haroon  
(Chief Executive Officer)

Mr. Dilawar Meghani  
(Finance Director /Chief Financial Officer)

Syed Abrar Ali  
(Sales Director)

Mr. Faisal Rafiq  
(Head of Expert)

Mr. Khurram H. Khan  
(Head of Commercial Excellence)

Mr. Moien Ahmed Khan  
(Pakistan E2E SC and Jamshoro Site Lead)

Mr. Mazhar Shams  
(Regulatory Affairs Head)

Ms. Mashal Mohammad  
(Legal Director and Company Secretary)

## Integration Supply and Network Optimization Committee

Mr. Oussama Abbas  
(Chairperson)

Mr. Farhan Muhammad Haroon

Mr. Dilawar Meghani

## Secretary

Mr. Irfan Qureshi

## Human Resource and Remuneration Committee

Syed Anwar Mahmood  
(Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz

## Secretary

Mr. Farqaleet Iqbal

## Board Audit Committee

Syed Anwar Mahmood  
(Chairperson)

Mr. M.Z. Moin Mohajir

Ms. Ayesha Aziz

## Secretary

Ms. Mariam Maqsood

## Company Secretary

Ms. Mashal Mohammad

## Chief Financial Officer

Mr. Dilawar Meghani

## Chief Internal Auditor

Ms. Mariam Maqsood

## Bankers

Citibank N.A  
Standard Chartered Bank  
(Pakistan) Limited

## Auditors

Yousuf Adil,  
Chartered Accountants

## Legal Advisors

Hashmi & Hashmi

## GSKCH Shares Department:

35 Dockyard Road, West Wharf, Karachi-74000

Email:  
chc.shareinfo@gsk.com

Website:  
www.pk-consumerhealthcare.gsk.com

Registered Office:  
35 Dockyard Road, West Wharf,  
Karachi-74000

# Directors' Report to the Shareholders

Dear Shareholders,

We are pleased to present your Company's un-audited financial information for the three months ended 31 March 2021.

## Composition of the Board:

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

- **Male:** 5
- **Female:** 2

The composition of the Board as at 31 March 2021 is as follows:

Name	Category
Mr. M. Z. Moin Mohajir	Independent Directors
Syed Anwar Mehmood	
Ms. Ayesha Aziz	
Mr. Farhan Muhammad Haroon	Executive Directors
Mr. Dilawar Meghani	
Mr. Oussama Abbas	Non - Executive Directors
Ms. Erum Shakir Rahim	

## Business Overview

Underlying consumption trends and higher demand for our brands, in all the categories we operate in, continued during the first quarter of the year. Our best in class Supply Chain and in market execution teams ensured that we were able to meet the consumer needs.

In response to the pandemic, strict SOPs were followed focusing on the safety and protection of our employees, well-being of our business partners and adapting to new ways of working. Our Expert team operated through hybrid detailing model to engage with Healthcare Professionals.



## Review of Operating Results

Your Company posted a net turnover of Rs. 5,235 million during Q1 2021, being 22% higher than the corresponding period last year. The core business (excluding toll and exports) witnessed healthy growths of 23% in Over the Counter (OTC) portfolio and 20% in Fast-Moving Consumer Goods (FMCG) portfolio. In terms of categories; Nutrition and Digestive Health delivered 42% growth over last year, Pain and Oral Healthcare registered 14% and 28% growth respectively. Moreover, a growth of 13% was witnessed in our toll manufacturing revenues.



Gross profit for the quarter ended was reported at Rs. 1,517 million. Due to closure of a major Chinese source, prices of paracetamol (para-aminophenol – PAP) significantly increased during this quarter. Further, compared to the corresponding period last year, unfavorable volatility of Pakistani Rupee against currencies in which our key imports are made led to a decline in gross margins.

Advertising and Sales Promotion (A&P) expenses amounted to Rs. 348 million during this quarter. We aim to fuel our growth momentum through sustained A&P investment. During the quarter under review, the investment behind our brands were reassessed and were phased across the year. This resulted in the decrease of A&P expenses by Rs. 241 million as compared to Q1 2020; which however will be invested during 2021. Further, other income of the Company registered an increase of Rs. 129 million versus the same period last year mainly on account of unrealized exchange income on foreign currency liabilities and interest earned on savings account.

Your Company posted a net profit after tax of Rs. 615 million, amounting to an Earnings Per Share (EPS) of Rs. 5.25 compared to Rs. 2.57 per share during Q1-2020. As explained above, the higher EPS is not only attributed to better sales performance but is also due to phasing of your Company's investments in the later part of the year, enhanced interest income due to improved fund management and favourable exchange rate movement.



## Future Outlook and Challenges

COVID-19 pandemic continues to pose significant challenges and disrupt business operations. We remain cognizant of the situation and continue to monitor the risks closely and are engaged in commercial activities focused on both demand generation and order fulfillment. This would help us in generating good underlying demand for our products which will be reflected in our future performance.

The situation of the closure of major Chinese source and increased prices of paracetamol (para-aminophenol – PAP) remains uncertain in the rest of the year. The Company is also facing an increase in logistics cost due to the logistic congestion across the globe. In order to ensure smooth supplies of our essential products to the consumers, we are proactively engaged in supply chain initiatives including lifting the material through air. Strong emphasis is placed on increased productivity, cost optimization and improved technology to be able to sustain long-term profitability and fulfil the dynamic needs of our consumers and healthcare professionals.

Your Company's liquidity position remains strong and we manage our working capital in the most efficient manner. We have enough cash for our current operational needs and access to additional undrawn committed sources of finance.

To achieve our long-term high growth ambition, it is imperative that the Company continues to invest in the established brands as well as strengthen the innovation pipeline. With an increased focus on commercial excellence and Net Revenue Management, we intend to identify opportunity areas to bring in efficiencies on trade investment & promotions.

We are focused to stay resilient in delivering our long-term priorities of Innovation, Performance and Trust. We intend to keep following our core values of keeping consumers first, demonstrating respect for people, acting with integrity, and operating with transparency.



## Remuneration Policy

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



## Acknowledgment

The Board of Directors take this opportunity to thank all our employees for their outstanding, untiring work and dedication which has ensured that our vital & everyday health products continue to be available to the people who need them. We would like to further extend our appreciation to our suppliers and partners for their continued support and dedication in the achievement of the Company's results.

### On Behalf of the Board.

Sincerely,

**Farhan Muhammad Haroon**

Chief Executive Officer

23 April 2021

**Dilawar Meghani**

Chief Financial Officer

## شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز،

ہم نہایت مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والی کمپنی کی پہلی سہ ماہی کی غیر پڑتال شدہ مالیاتی معلومات پیش کر رہے ہیں۔

### بورڈ کی کمپوزیشن:

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

• مرد حضرات: 5

• خواتین: 2

31 مارچ 2021 تک بورڈ کی کمپوزیشن ذیل کے مطابق ہے:

نام	کینیگری
جناب ایم زیڈ معین مہاجر	خود مختار ڈائریکٹرز
سید انور محمود	
محترمہ عائشہ عزیز	
جناب فرحان ہارون	ایگزیکٹو ڈائریکٹرز
جناب دلاور میگھانی	
جناب اُسامہ عباس	نان ایگزیکٹو ڈائریکٹرز
محترمہ ارم شاکر رحیم	

### کاروباری جائزہ

سال کی پہلی سہ ماہی کے دوران اُن تمام کینیگریز کی طلب میں اضافہ ہوا ہے جن میں ہم آپریٹ کرتے ہیں اور اس کی وجہ استعمال میں اضافے کا بڑھتا ہوا رجحان ہے۔ ہماری موثر سپلائی چین اور مارکیٹ ایگزیکٹو ٹیموں نے اس بات کو یقینی بنایا کہ صارفین کی طلب کو ہر صورت پورا کیا جائے۔

عالمی وبا کے سبب سخت حفاظتی اقدامات پر عمل کو یقینی بنایا گیا تاکہ ہمارے ملازمین اور کاروباری شراکت داروں کی اچھی صحت اور فلاح و بہبود کو محفوظ رکھا جاسکے اور اس سلسلے میں کام کرنے کے نئے طریقوں کو بھی اختیار کیا گیا۔ ہمارے ماہرین کی ٹیموں نے ہائبرڈ ڈیٹیلنگ ماڈل کے ذریعے ہیلتھ کیئر پروفیشنلز کے ساتھ روابط بحال رکھے۔



## آپریٹنگ نتائج کا جائزہ

آپ کی کمپنی نے مالی سال 2021 کی پہلی سہ ماہی میں 5,235 ملین روپے کا خالص کاروبار کیا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 22 فیصد زیادہ ہے۔ بنیادی کاروبار (بشمول ٹول اور ایکسپورٹس) نے اووردی کاؤنٹر (OTC) پورٹ فولیو میں 23 فیصد اور فاسٹ مووونگ کنزیومر گڈز (FMCG) پورٹ فولیو میں 20 فیصد کی صحت افزاء ترقی کی۔ کیٹیگریز کے حساب سے، غذائیت اور ہاضمہ صحت میں گزشتہ سال سال کے مقابلے میں 42 فیصد ترقی ہوئی، درد اور اوورل ہیلتھ کیئر میں 14 فیصد اور 28 فیصد ترقی بالترتیب ریکارڈ کی گئی۔ اسی طرح سے ہمارے ٹول مینوفیکچرنگ کی آمدنی میں 13 فیصد اضافہ ریکارڈ کیا گیا۔

اس سہ ماہی کا مجموعی منافع 1,517 ملین روپے رہا۔ ایک بڑے چینی وسائل کی بندش کی وجہ سے اس سہ ماہی کے دوران پیراسیٹامول (para-aminophenol-PAS) کی قیمتوں میں نمایاں اضافہ ہوا۔ مزید یہ کہ دیگر کرنسی کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے سبب ہمیں خام مال کی درآمد میں اضافی قیمت ادا کرنی پڑی، جس سے ہمارے مجموعی منافع میں کمی واقع ہوئی۔

ایڈورٹائزنگ اور سیلز پر موشن کے اخراجات اس سہ ماہی کے دوران 348 ملین روپے رہے۔ ہم A&P میں پائیدار سرمایہ کاری کے ذریعے اپنی ترقی کی رفتار بڑھانا چاہتے ہیں۔ زیر جائزہ سہ ماہی کے دوران، ہمارے برانڈز پر کی جانے والی سرمایہ کاری کا جائزہ لیا گیا، جس کے نتیجے میں A&P کے اخراجات میں سال 2020 کی پہلی سہ ماہی کے مقابلے میں 241 ملین روپے کمی واقع ہوئی، جس کی سرمایہ کاری سال 2021 میں کی جائے گی۔ مزید یہ کہ کمپنی کی دیگر ذرائع سے آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 129 ملین روپے اضافہ ہوا، جس کی بنیادی طور پر وجہ غیر ملکی کرنسی کی واجبات اور سیونگز کاؤنٹ پر حاصل ہونے والا شرح سود ہے۔

آپ کی کمپنی کا بعد از ٹیکس نیٹ منافع 615 ملین روپے رہا، جس سے آمدنی فی حصص 5.25 روپے رہی جو کہ مالی سال 2020 کی پہلی سہ ماہی کے دوران 2.57 روپے تھی۔ جیسا کہ اوپر بیان کیا گیا ہے کہ اچھی آمدنی فی حصص کو نہ صرف فروخت کی بہتر کارکردگی سے منسوب کیا جاتا ہے بلکہ یہ آپ کی کمپنی کی جانب سے سال کے اگلے حصے میں درست منصوبوں میں سرمایہ کاری کرنے کا نتیجہ بھی ہے، فنڈ منجمنٹ اور سازگار شرح تبادلہ کی بدولت سود سے حاصل آمدنی میں خاطر خواہ اضافہ ہوا۔

## مستقبل کے خدو خال اور مشکلات:

COVID-19 وبائی مرض کی ابھرتی ہوئی صورتحال کے سبب کاروباری امور کی انجام دہی میں خلل اور مشکلات کا سامنا جاری ہے۔ ہم خطرات کا قریب سے مشاہدہ کرتے رہتے ہیں اور طلب کے مطابق پیداوار اور آرڈرز کی برقت تکمیل کے لیے تجارتی سرگرمیوں پر توجہ مرکوز رکھتے ہیں۔ تاہم، وبائی مرض کے باعث سال کے باقی حصے پر بھی رکاوٹیں اور مشکلات اثر انداز ہو سکتی ہیں۔ ہم مجموعی طور پر اپنی مصنوعات کے لیے بہتر طلب کا مشاہدہ کر رہے ہیں اور یقین رکھتے ہیں کہ اس کی جھلک ہماری مستقبل کی کارکردگی سے ظاہر ہوگی۔

چین کے بڑے ماخذ کی بندش اور پیراسیٹامول (para-aminophenol-PAP) کی قیمتوں میں اضافے کی صورتحال باقی ماندہ سال بھی اسی طرح غیر یقینی رہے گی۔ پوری دنیا میں رسد کے مسائل کے سبب کمپنی کو لاجسٹک کی لاگت میں اضافے کا سامنا کرنا پڑ رہا ہے۔ ہم نہایت مستعدی اور فعالیت کے ساتھ اپنے سپلائی چین کے امور کو بخوبی انجام دینے کے لیے فضائی وسائل بھی استعمال کر رہے ہیں۔ طویل المدتی منافع کو برقرار رکھنے اور ہمارے صارفین اور ہیلتھ کیئر پرفیشنلز کی متحرک ضروریات کو پورا کرنے کے لیے بڑھتی ہوئی پیداواری صلاحیت، لاگت کی اصلاح، اور بہتر ٹیکنالوجی پر زور دیا جاتا ہے۔



آپ کی کمپنی کی لیکویڈیٹی کی پوزیشن مستحکم ہے اور ہم اپنے ورکنگ سرمایہ کو انتہائی موثر انداز میں منظم کرتے ہیں۔ ہمارے پاس اپنی موجودہ آپریشنل ضروریات کو پورا کرنے کے لیے مناسب سرمایہ موجود ہے۔

ہماری طویل المدتی اعلیٰ نمو کے ہدف کو حاصل کرنے کے لیے، یہ ضروری ہے کہ کمپنی اپنے برانڈز میں سرمایہ کاری کو جاری و ساری رکھے اور ساتھ ہی جدت طرازی کے عمل کو بھی ساتھ رکھے۔ تجارتی فضیلت اور نیٹ ریونیو منجمنٹ پر بڑھتی ہوئی توجہ کے ساتھ، ہم تجارت میں سرمایہ کاری اور ترقیوں میں افادیت لانے کے لیے مواقع کی نشاندہی کرنا چاہتے ہیں۔

ہم جدت طرازی، کارکردگی اور اعتماد کو اپنی طویل المدتی ترجیحات کی فراہمی میں شامل رکھنے پر مرکوز ہیں۔ ہم صارفین کو اولین ترجیح دینے، لوگوں کے لیے احترام کا مظاہرہ کرنے، دیانتداری کے ساتھ کام کرنے اور شفافیت کے ساتھ اپنی بنیادی اقدار پر عمل پیرا ہونے کا ارادہ رکھتے ہیں۔

## مشاہرے کی پالیسی

کمپنی کے نان ایگزیکٹو خود مختار بورڈ آف ڈائریکٹرز ہیومن ریسورس اور مشاہرے کی کمیٹی کی منظوری سے اُس مشاہرے کے حقدار ہیں جو کنزیومر ہیلتھ کیئر انڈسٹری اور اسی طرح کے دوسرے کاروباری اداروں میں مارکیٹ کی مناسبت سے رائج الوقت ہے۔

## اظہارِ تشکر

بورڈ آف ڈائریکٹرز اس موقع پر کمپنی کے تمام ملازمین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے اپنی انتھک اور مسلسل محنت کے ذریعے اس بات کو یقینی بنایا کہ وائٹل اور روزمرہ استعمال کی پروڈکٹس ہمیشہ لوگوں کو ضرورت پڑنے کی صورت میں دستیاب رہیں۔ اس کے علاوہ، ہم کمپنی کے بہترین نتائج کے حصول میں اپنے سپلائرز اور پارٹنرز کا مسلسل سپورٹ مہیا کرنے پر پر تہہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے،

نیک تمناؤں کے ساتھ



دلاور میگھانی

چیف فنانسئل آفیسر



فرحان محمد ہارون

چیف ایگزیکٹو آفیسر

23 اپریل 2021

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

**AT MARCH 31, 2021**

Un-audited  
March 31,  
2021

December 31,  
2020

Note ----- Rupees -----

## ASSETS

### Non-current assets

Property, plant and equipment	5	3,494,554,459	3,493,313,411
Intangible		127,674,000	127,674,000
Long-term loans to employees		7,531,000	9,259,701
Long-term deposits		8,069,898	8,069,898
		<b>3,637,829,357</b>	<b>3,638,317,010</b>

### Current assets

Stores and spares		70,044,177	61,955,626
Inventories		3,860,034,460	2,902,221,833
Trade debts		932,684,107	669,584,857
Loans and advances		301,350,646	491,187,380
Trade deposits and prepayments		40,758,804	42,947,491
Interest accrued		5,108,050	640,574
Refunds due from Government		22,428,944	32,391,291
Other receivables		229,427,131	333,738,818
Taxation - payments less provision		481,172,893	668,936,184
Bank balances		2,220,440,902	2,132,049,617

### Total assets

	<b>8,163,450,114</b>	<b>7,335,653,671</b>
	<b>11,801,279,471</b>	<b>10,973,970,681</b>

## EQUITY AND LIABILITIES

### Share capital and reserves

Share capital		1,170,545,080	1,170,545,080
Reserves		4,608,392,717	3,993,383,399
		<b>5,778,937,797</b>	<b>5,163,928,479</b>

### Liabilities

#### Non-current liabilities

Staff retirement benefits		81,329,340	88,029,023
Deferred taxation		157,873,633	151,724,857
		<b>239,202,973</b>	<b>239,753,880</b>

#### Current liabilities

Trade and other payables	6	4,371,610,160	4,155,521,907
Accrued mark-up		727,604	2,768,521
Unpaid dividend		1,409,697,057	1,409,697,057
Current portion of lease liability		1,103,880	2,300,837
		<b>5,783,138,701</b>	<b>5,570,288,322</b>

### Total liabilities

	<b>6,022,341,674</b>	<b>5,810,042,202</b>
--	----------------------	----------------------

### Total equity and liabilities

	<b>11,801,279,471</b>	<b>10,973,970,681</b>
--	-----------------------	-----------------------

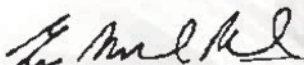
Contingencies and commitments

7

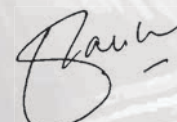
The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



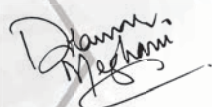
Chief Executive Officer

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**FOR THE QUARTER ENDED  
MARCH 31, 2021 (UN-AUDITED)**

	Note	March 31, 2021	March 31, 2020
		Rupees	
Revenue from contracts with customers - net		5,234,828,254	4,308,054,833
Cost of sales		(3,718,056,810)	(2,903,678,819)
<b>Gross profit</b>		<b>1,516,771,444</b>	<b>1,404,376,014</b>
Selling, marketing and distribution expenses	8	(611,845,950)	(879,110,703)
Administrative expenses		(61,037,048)	(59,016,735)
Other operating expenses		(77,925,235)	(34,942,188)
Other income		136,683,517	7,454,355
<b>Operating profit</b>		<b>902,646,728</b>	<b>438,760,743</b>
Financial charges		(6,506,674)	(21,405,568)
<b>Profit before taxation</b>		<b>896,140,054</b>	<b>417,355,175</b>
Taxation - net		(281,130,736)	(116,693,901)
<b>Profit after taxation</b>		<b>615,009,318</b>	<b>300,661,274</b>
<b>Other comprehensive loss</b>			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of staff retirement benefits		-	-
Impact of taxation		-	-
		-	-
<b>Total comprehensive income</b>		<b>615,009,318</b>	<b>300,661,274</b>
Earnings per share	9	5.25	2.57

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

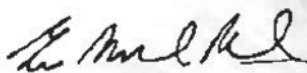
**FOR THE QUARTER ENDED  
MARCH 31, 2021 (UN-AUDITED)**

		Capital Reserves		Revenue Reserve	
	Share capital	Reserve arising under the Scheme of Arrangement note 1.1	Reserve arising on Amalgamation under the Scheme of Merger note 1.4	Unappropriated profit	Total
		Rupees			
Balance as at December 31, 2019	1,170,545,080	101,913,533	728,725,969	2,499,419,353	4,500,603,935
Total comprehensive income for the quarter ended March 31, 2020	-	-	-	300,661,274	300,661,274
Balance as at March 31, 2020	1,170,545,080	101,913,533	728,725,969	2,800,080,627	4,801,265,209
<b>Balance as at January 01, 2021</b>	<b>1,170,545,080</b>	<b>101,913,533</b>	<b>728,725,969</b>	<b>3,162,743,897</b>	<b>5,163,928,479</b>
<b>Total comprehensive income for the quarter ended March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615,009,318</b>	<b>615,009,318</b>
<b>Balance as at March 31, 2021</b>	<b>1,170,545,080</b>	<b>101,913,533</b>	<b>728,725,969</b>	<b>3,777,753,215</b>	<b>5,778,937,797</b>

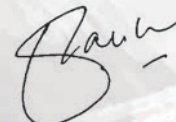
The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



# CONDENSED INTERIM STATEMENT OF CASH FLOWS

**FOR THE QUARTER ENDED  
MARCH 31, 2021 (UN-AUDITED)**

	Note	March 31, 2021	March 31, 2020
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	57,868,582	602,118,399
Staff retirement benefits paid		(28,074,516)	(17,443,343)
Interest paid		(6,473,787)	(25,875,757)
Income taxes paid		(87,218,669)	(193,528,949)
Decrease in long-term loans to employees		1,728,701	5,440,687
<b>Net cash generated from operating activities</b>		<b>(62,169,689)</b>	<b>370,711,037</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(82,075,006)	(52,043,733)
Proceeds from disposal of operating assets		15,132,949	-
Return received		37,863,832	6,626,622
<b>Net cash used in investing activities</b>		<b>(29,078,225)</b>	<b>(45,417,111)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(210,290)
Lease rental paid		(1,229,844)	-
<b>Net cash used in financing activities</b>		<b>(1,229,844)</b>	<b>(210,290)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(92,477,758)</b>	<b>325,083,636</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,897,774,302</b>	<b>(120,338,720)</b>
<b>Cash and cash equivalents at end of the period</b>	11	<b>1,805,296,544</b>	<b>204,744,916</b>

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE QUARTER ENDED MARCH 31, 2021 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

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

**1.2** Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GSK Pakistan, for and on behalf of the Company was engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GSK Pakistan. During the financial year 2020, the marketing authorisations and permissions for certain OTC products have been transferred to the Company, therefore, the Company has been involved in procurement, manufacturing and management of such products since the approval date.

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

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

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

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

The condensed interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2020.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2020.

**3.1** Taxes on income are accrued using tax rate that would be applicable to the full financial year.

**3.2** Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on December 31, 2020, therefore, no impact has been calculated for the current period and comparative condensed financial information has also not been adjusted for the same reason.

### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements for the year ended December 31, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

	Un-audited March 31, 2021	Audited December 31, 2020
	----- Rupees -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	2,641,112,109	2,655,046,783
Capital work-in-progress	851,954,828	836,283,266
Right-of-use assets - building	1,487,522	1,983,362
	<b>3,494,554,459</b>	<b>3,493,313,411</b>



5.1 Details of additions to and disposals of fixed assets are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees		Rupees	
Building and improvements on				
Leasehold improvements	851,081	2,319,880	-	-
Plant and machinery	34,603,290	165,082,047	-	-
Furniture and fixtures	344,323	5,898,695	-	-
Vehicle	10,525,000	7,447,000	9,224,609	-
Office equipments	20,575,590	-	-	285,062
	<u>66,899,284</u>	<u>180,747,622</u>	<u>9,224,609</u>	<u>285,062</u>
			Un-audited March 31, 2021	Audited December 31, 2020
			Rupees	

## 6. TRADE AND OTHER PAYABLES

Creditors and bills payable	1,141,460,574	752,424,873
Accrued liabilities	2,045,174,560	2,502,990,755
Book overdraft	415,144,358	234,275,315
Contract liabilities	487,537,553	442,748,225
Others	282,293,115	223,082,739
	<u>4,371,610,160</u>	<u>4,155,521,907</u>

## 7. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2021, amounted to Rs. 181.39 million (December 31, 2020: Rs. 400.07 million).

## 8. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses amounting to Rs. 347.7 million (March 31, 2020: Rs. 588.86 million)

	Un-audited March 31, 2021	Un-audited March 31, 2020
	Rupees	
<b>9. EARNINGS PER SHARE</b>		
Profit after taxation (Rupees)	615,009,318	300,661,274
Weighted average number of outstanding shares (Numbers)	117,054,508	117,054,508
Earnings per share (Rupees)	5.25	2.57

A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue which would have any effect on the earnings per share if the option to convert is exercised.



	Un-audited March 31, 2021	Un-audited March 31, 2020
	Rupees	
<b>10. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	896,140,054	417,355,175
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortization	71,609,349	64,029,126
Interest expense	4,465,757	8,930,387
(Gain) / loss on disposal of operating assets	(5,908,340)	285,062
Interest income	(42,331,308)	(6,448,540)
Provision for slow moving, obsolete and damaged stock - net of stock written off	18,558,083	86,516,710
Provision for staff retirement benefits	21,374,833	20,161,644
Profit before working capital changes	963,908,428	590,829,564
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(8,088,551)	2,532,662
Inventories	(976,370,710)	(836,850,155)
Trade debts	(263,099,250)	77,105,898
Loans and advances	189,836,734	(50,234,863)
Trade deposits and prepayments	2,188,687	(2,789,140)
Refunds due from Government	9,962,347	(2,178,233)
Other receivables	104,311,687	198,379,400
	(941,259,056)	(614,034,431)
Increase in current liabilities		
Trade and other payables	35,219,210	625,323,266
	57,868,582	602,118,399
	Un-audited March 31, 2021	Un-audited March 31, 2020
	Rupees	
<b>11. CASH AND CASH EQUIVALENTS</b>		
Bank balances	2,220,440,902	420,093,394
Running finance	-	(215,348,478)
Book overdraft	(415,144,358)	-
	1,805,296,544	204,744,916

Note

**11.1** This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments to these cheques will be made by transferring balance from the savings account as and when presented.

## 12. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, Directors of the Company, companies where Directors also hold Directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them are as follows:

		Un-audited March 31, 2021	Un-audited March 31, 2020
		Rupees	
Relationship	Nature of transactions		
Associated companies:	a. Purchase of goods	832,108,557	626,955,096
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	3,000,000	3,000,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	14,057,483	22,854,297
Staff retirement funds:	a. Payments to retirement benefit plans	28,074,516	17,443,343
Key management personnel:	a. Salaries and other employee benefits	61,758,821	46,841,630
	b. Post employment benefits	2,972,426	1,792,364
	c. Proceeds from sale of fixed assets	8,271,350	-

## 13. CORRESPONDING FIGURES

Corresponding figures have been reclassified in these condensed interim financial information, wherever necessary, to facilitate the comparison and to conform with changes and presentation in the current period. However, no significant reclassifications were made in the condensed interim financial information.

## 14. SUBSEQUENT EVENTS

The members of the Company, in the Annual General Meeting held on April 21, 2021, approved a cash dividend of Rs. 5 per share (2019: Rs. 5 per share) amounting to Rs. 585.27 million (2019: Rs. 585.27 million).

## 15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on April 23, 2021.



Chief Financial Officer



Director



Chief Executive Officer



do more  
feel better  
live longer

GlaxoSmithKline Consumer Healthcare Pakistan Limited  
35 - Dockyard Road, West Wharf, Karachi - 74000  
GlaxoSmithKline Consumer Healthcare Pakistan Limited  
is a member of GlaxoSmithKline group of companies.  
© GlaxoSmithKline Consumer Healthcare Pakistan Limited