



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

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Fax +92 21 3220 1855
www.pk-consumerhealthcare.gsk.com

27 April 2022

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 2022

Dear Sir/Madam,

We have to inform you that the Quarterly Report of the Company for the period ended 31 March 2022 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



aspiring beyond

GlaxoSmithKline Consumer
Healthcare Pakistan Limited
First Quarter Report 2022

Corporate Information

Board of Directors

Mr. M.Z. Moin Mohajir (Chairperson)

Mr. Farhan Muhammad Haroon

Syed Anwar Mahmood

Mr. Dilawar Meghani

Ms. Ozlem Oz Miyanyedi *

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. Salman Altaf

(Director Marketing)

Mr. Faisal Rafiq

(Head of Expert)

Mr. Khurram H. Khan

(Head of Commercial Excellence)

Mr. Moien Ahmed Khan

(Pakistan E2E SC and Jamshoro Site Lead)

Mr. Mazhar Shams

(Regulatory Affairs Head)

Ms. Mashal Mohammad

(Legal Director and Company Secretary)

Integration Supply and Network Optimization Committee

Mr. Oussama Abbas (Chairperson)

Mr. 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

Ms. Ayesha Aziz (Chairperson)

Mr. M.Z. Moin Mohajir

Syed Anwar Mahmood

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

AspireLaw

* Ms. Ozlem Oz Miyanyedi elected as Non-Executive Director during the election of Directors in the Annual General Meeting of the Company held on March 21, 2022.

Registered Office

35 Dockyard Road, West Wharf,
Karachi-74000

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

Fax: 92-21-323-148-98

GSKCH Shares Department

35 Dockyard Road, West Wharf,
Karachi-74000

Email: chc.shareinfo@gsk.com

Website

www.pk-consumerhealthcare.gsk.com

Investor Relations Contacts

Share Registrar

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

Tel: 021-111-111-500

Email: info@cdcsrsl.com



Directors' Report to the Shareholders

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present your Company's Un-audited Condensed financial information for the three months ended March 31, 2022.

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 March 31, 2022 is as follows:

Category	Name
Independent Directors	Mr. M. Z. Moin Mohajir Syed Anwar Mahmood Ms. Ayesha Aziz
Executive Directors	Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Non – Executive Directors	Mr. Oussama Abbas Ms. Ozlem Oz Miyanyedi*

* Ms. Ozlem Oz Miyanyedi elected as Non-Executive Director during the election of Directors in the Annual General Meeting of the Company held on March 21, 2022.

BUSINESS REVIEW

Your Company has started the year strongly, with another quarter of excellent performance. The momentum built in 2021, coupled with the best-in-class commercial execution, the Company posted a strong growth of 36% over the corresponding period last year. We expect this to be another landmark year for your Company, with a step change in growth expected. Bringing new innovations to consumers is our topmost priority, and we have a remarkable opportunity ahead of us to

“Deliver Better Everyday Health with Humanity”.

REVIEW OF OPERATING RESULTS

The core business (excluding toll) grew by 35% versus the same period last year (SPLY). The performance was mainly driven by increase in demand, focused commercial efforts, and strong route-to-market to drive growth of our flagship portfolio.

Growth in the quarter was competitive with Over-the-Counter (OTC) portfolio growing by 37% led by Nutrition & Digestive Health (N&DH) and Pain Management (PM). N&DH and PM registered double-digit growth driven by strong performance in 'CaC-1000 Plus', 'Eno' and 'Panadol' respectively. Oral Healthcare continued its robust performance and grew competitively on a strong base registering growth of 27% over the corresponding period. Similarly, our toll manufacturing business of Rs 700 million continued to contribute towards our revenue.

Gross profit margin at 26.9% of sales depicts a decline versus Q1 2021. Consequent to the closure of a major Chinese supplier of Paracetamol (i.e., the key raw material of Panadol), its prices have been constantly increasing since January 2021 which has impacted the profitability and net realizable value of Panadol inventory. In addition to these unsustainable levels of paracetamol prices, devaluation of Pakistani Rupee and inflation added to the cost pressures during Q1 2022; and may continue to do so in the near future.

Selling and Distribution expenses (excluding Advertising and Sales Promotion (A&P)) grew by 4% over the SPLY. We aim to fuel our growth momentum through sustained A&P investment. During Q1 2021, the investment behind our brands was reassessed and phased across the year due to COVID related restrictions which resulted in an increase of A&P expenses by Rs. 384 million as compared to the SPLY.

The Company contributed Rs 5.8 million as grants and donations to renowned institutions, which resulted in the increase in administrative

expenses. This is in line with our values of helping people

“Do More, Feel Better, Live Longer”.

Further, other income of the Company declined by Rs. 46 million due to unrealized exchange loss amounting to Rs. 54 million (**Finance Charges**) compared to unrealized exchange income of Rs. 81 million (**Other Income**) during SPLY.

We are pleased to inform you that against all odds your Company managed to post a net profit after tax of Rs. 557 million amounting to an Earnings Per Share (EPS) of Rs. 4.76 (Q1 2021: Rs. 5.25).

FUTURE OUTLOOK AND CHALLENGES

This is an exciting time to be in healthcare industry when the need for healthcare and wellbeing solutions, and our ability to innovate, are both expanding dramatically. In 2022 we expect to continue to deliver on our strategic priorities. We plan to increase targeted investment to build on and invest behind our top line momentum for key growth drivers. Whilst our industry is not without its challenges, we believe the fundamentals remain very attractive for those companies that can innovate consistently and at speed.

However, conducive regulatory framework is essential to enable an environment where new product launches can be fast tracked to cater unmet consumer needs. We believe that sustainable pricing and timely regulatory approvals are key pre-requisites, especially when innovations require high capital investment. Further, there is a need to devise an adequate mechanism for approval of hardship cases where emerging cost escalations can be timely addressed. Absence of such mechanism poses a serious risk towards access to essential medicines.

Global commodity prices and international logistical challenges additionally pose a risk to profitability in Q2-2022 and beyond. With current

paracetamol prices escalating to multiple levels compared to last year and supply challenges, our Pain category remains a margin diluter. Strong emphasis has however been 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.

REMUNERATION POLICY

The Non-Executive Board Directors of GlaxoSmithKline Consumer Healthcare Pakistan Limited are entitled to a remuneration approved by the Human Resource, Remuneration and Nomination Committee, based on market benchmark of the Consumer Healthcare Industry and other similar type of businesses.

ACKNOWLEDGMENT

The Board of Directors take this opportunity to thank all GSK employees for their outstanding, untiring work and dedication to ensure that the Company **Delivers Better Everyday Health with Humanity**. 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.

By the order of the Board
Sincerely,



Farhan Muhammad Haroon
Chief Executive Officer



Dilawar Meghani
Chief Financial Officer

Date: 22 April, 2022

اس کے علاوہ اجناس کی عالمی قیمتیں اور بین الاقوامی لاجسٹکس سے وابستہ چیلنجز 2022 کی دوسری سہ ماہی اور اس کے بعد کے لیے منافع سازی کے حوالے سے خدشات پیدا کر رہے ہیں۔ گذشتہ سال کے مقابلے میں پیراسٹال مول کی کئی گنا اضافے کے بعد موجودہ قیمتیں اور سپلائی چیلنجز کے ساتھ، ہماری پین کیٹگری مارجنز کو کم کرنے والا عامل رہے گی۔ بہر حال پراڈکٹوٹی میں اضافے، لاگت میں کمی اور پہلے سے بہتر ٹیکنالوجی کو خاص اہمیت دی جا رہی ہے تاکہ طویل مدتی منافع سازی کو مستحکم کیا جائے اور ہمارے صارفین اور بیلٹھ کیئر پروفیشنلز کی متحرک ضروریات کو پورا کیا جا سکے۔

مشاہرہ کی پالیسی

گلیکسو اسمتھ کلائن کنزیومر بیلٹھ کیئر پاکستان لمیٹڈ کے غیر ایگزیکٹو بورڈ آف ڈائریکٹرز، کنزیومر بیلٹھ کیئر انڈسٹری اور دیگر اسی طرح کے کاروباروں کے مارکیٹ میں بینچ مارک مشاہرے کی بنیاد پر، بیومن ریسورس، ریمیونیریشن اینڈ ڈ نامینیشن کمیٹی کی طرف سے منظور کردہ مشاہرہ کے اہل ہیں۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز اس موقع پر GSK کے تمام ملازمین کی بہترین کارکردگی، انتھک محنت اور کمپنی کی اقدار **Deliver better everyday health with humanity** کے مطابق عمل پیرا رہنے کے لیے ان کی لگن پر، ان کا شکریہ ادا کرتا ہے۔ ہم اس ستائش میں اپنے سپلائرز اور پارٹنرز کو بھی شامل کرتے ہیں جو کمپنی کے بہترین نتائج کے حصول کے لیے پوری لگن کے ساتھ مستقل معاونت سلسلے کو جاری رکھتے ہیں۔

بحکم بورڈ
خیر اندیش



دلاور میگھانی
چیف فائنانشل آفیسر



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر

تاریخ: 22 April, 2022

جس کے نتیجے میں انتظامی اخراجات میں اضافہ ہوا۔ یہ ہمارے لوگوں کی مدد کرنے کی اقدار **"do more, feel better, live longer"** (زیادہ عمل کریں، بہتر محسوس کریں، طویل عرصہ جیئیں) کے عین مطابق ہے۔

مزید یہ کہ گذشتہ سال اسی عرصے کے دوران 81 ملین روپے (دیگر آمدن) کی unrealized ایکسچینج آمدن کے مقابلے میں اس سال 54 ملین روپے (فائنانس چارجز) کے unrealized ایکسچینج نقصان کی بناء پر کمپنی کی دیگر آمدن میں 46 ملین روپے کمی واقع ہوئی۔

ہم آپ کو آگاہ کرتے ہوئے خوش محسوس کر رہے ہیں کہ تمام تر مشکل حالات کے باوجود آپ کی کمپنی نے 557 ملین روپے بعد از ٹیکس آمدنی حاصل کی جس کے حساب سے فی شیئر آمدنی 4.76 روپے رہی (2021 کی پبلی سہ ماہی: 5.25 روپے)

مستقبل کا منظر نامہ اور چیلنجز

بیلٹھ کیئر انڈسٹری میں ہونے کے لیے یہ ایک زبردست موقع ہے کہ جب صحت کی دیکھ بھال اور خیال کے لیے حل کی ضرورت اور ہماری نئی اختراعات متعارف کرانے کی صلاحیت، دونوں میں حیرت انگیز طور پر اضافہ ہو رہا ہے۔ 2022 میں ہم توقع رکھتے ہیں کہ اپنی حکمت عملی کی ترجیحات کے مطابق کارکردگی کے سلسلے کو جاری رکھیں گے۔ ہمارا منصوبہ ہے کہ ہم ٹارگنڈ سرمایہ کاری میں اضافہ کریں تاکہ ہمارے بہترین مومنٹم کے پیچھے کارفرما ترقی کے اہم عوامل پر سرمایہ کاری کی جائے۔ گو کہ ہماری انڈسٹری ایسی نہیں، جہاں چیلنجز نہ ہوں، مگر ہم یقین رکھتے ہیں کہ ایسی کمپنیز جو مستقل مزاجی اور رفتار کے ساتھ جدت پر عمل پیرا رہ سکتی ہیں، ان کے لیے یہ بنیادی عوامل انتہائی پرکشش واقع ہوتے ہیں۔

بہر حال صارفین کی پوری نہ ہونے والی ضروریات کو پورا کرنے کے لیے ایک ایسے ماحول کی تشکیل کے لیے جہاں نئی پراڈکٹس متعارف کروانے کے لیے سازگار ریگولیٹری فریم ورک ضروری ہے۔ ہمیں یقین ہے کہ مستحکم پرائسنگ اور ضابطے کے مطابق بروقت منظوریوں اہم ترین ضرورت ہیں، بالخصوص جہاں اختراعات کے لیے کثیر سرمایہ کاری کی ضرورت ہو۔ مزید یہ کہ ہارڈشپ کیسز کی منظوریوں کے لیے ایک ایسا واضح میکنزم وضع کرنے کی ضرورت ہے جہاں بڑھتی ہوئی لاگت کے حوالے سے بروقت کارروائی کی جا سکے۔ ایسے میکنزم کی عدم موجودگی ضروری ادویات تک رسائی کے سلسلے میں شدید خدشات پیدا کرنے کا باعث بنتی ہے۔

آپریشنل نتائج کا جائزہ

گذشتہ سال اسی عرصے کے مقابلے میں اس سال، اصل کاروبار (ٹول کے علاوہ) میں 35 فیصد اضافہ دیکھنے میں آیا۔ اس کارکردگی کے پیچھے کارفرما اہم عوامل میں طلب میں اضافہ، مرتکز تجارتی کاوشیں، اور ہمارے فلیگ شپ پورٹ فولیو کی نمو کے لیے مضبوط روٹ ٹو مارکیٹ شامل ہیں۔

اس سہ ماہی میں ترقی، او ٹی سی پورٹ فولیو میں 37 فیصد اضافے کے ساتھ مسابقتی رہی، جس میں نیوٹریشن اینڈ ڈائجسٹو ہیلتھ اور پین مینجمنٹ سرفہرست ہیں۔ N&DH اور PM نے بالترتیب Plus ENO, CaC-1000 اور Panadol کی زبردست کارکردگی کے نتیجے میں دہرے ہندسے میں نمو کا مظاہرہ کیا۔ اورل ہیلتھ کیئر نے اپنی عمدہ کارکردگی کے سلسلے کو جاری رکھا اور مسابقتی طور پر بہترین انداز میں ترقی کرتے ہوئے گذشتہ سال میں اسی عرصے کے مقابلے میں 27 فیصد نمو کا مظاہرہ کیا۔ ہمارے 700 ملین روپے کے حامل ٹول مینوفیکچرنگ بزنس ہماری آمدنی میں اہم حصہ ڈالنے کے سلسلے کو برقرار رکھا۔

کل آمدن کے مارجنز سیلز کے 26 فیصد رہے جن میں 2021 کی پہلی سہ ماہی کے مقابلے میں کمی واقع ہوئی۔ پیرا سٹامول (پینا ڈول کا ایک اہم خام مال) کے ایک اہم چائنیز سپلائر کے بند ہونے کے نتیجے میں، اس کی قیمت میں جنوری 2021 سے مسلسل اضافہ ہو رہا ہے۔ جس کی بدولت منافع اور پیناڈول کی انویٹری کی کل realizable value متاثر ہیں۔ اس کے علاوہ 2022 کی دوسری سہ ماہی کے دوران پیراسٹامول کی غیر مستحکم قیمتوں، پاکستانی روپے کی قدر میں کمی اور افراط زر کی بناء پر لاگت پر دباؤ میں کردار ادا کیا اور یہ سلسلہ مستقبل قریب میں بھی جاری رہ سکتا ہے۔

سیلنگ اور ڈسٹری بیوشن کے اخراجات (ایڈورٹائزنگ اور سیلز پروموشن (A&P) کے علاوہ) میں گذشتہ سال اسی عرصے کے مقابلے میں 4 فیصد اضافہ ہوا۔ ہم اپنی ترقی کے سلسلے کو A&P میں مستقل سرمایہ کاری کے ذریعے جاری رکھنے کے لیے پر عزم ہیں۔ 2021 کی پہلی سہ ماہی کے دوران، برانڈز پر کی جانے والی سرمایہ کاری کا دوبارہ جائزہ لیا گیا اور COVID سے متعلقہ پابندیوں کی بناء پر انہیں سال بھر مرحلہ وار کیا گیا، جس کے نتیجے میں A&P اخراجات میں گذشتہ سال اسی عرصے کے مقابلے میں 384 ملین روپے کا اضافہ ہوا۔

کمپنی نے معروف اداروں میں گرانٹس اور عطیات کی مد میں 5.8 ملین روپے خرچ کیے،

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کے ایما پر، ہم آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات برائے سہ ماہی مختتمہ 31 مارچ 2022، پیش کر تے ہوئے خوشی محسوس کر رہے ہیں۔

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد 7 ہے جو کہ درج ذیل ہے
مرد: 5 خواتین: 2

31 مارچ 2022 تک بورڈ کی کمپوزیشن ذیل کے مطابق ہے:

شعبہ	نام
آزاد ڈائریکٹرز	جناب ایم زیڈ معین مہاجر سید انور محمود محترمہ عائشہ عزیز
ایگزیکٹو ڈائریکٹرز	جناب فرحان محمد ہارون جناب دلاور میگھانی
غیر ایگزیکٹو ڈائریکٹرز	جناب اسامہ عباس محترمہ ازلم از میانیدی

کمپنی کے سالانہ اجلاس عام منعقدہ 21 مارچ 2022 میں ڈائریکٹرز کے انتخاب کے دوران محترمہ ازلم از میانیدی بحیثیت غیر ایگزیکٹو ڈائریکٹر منتخب ہوگئی تھی۔

کاروباری جائزہ

آپ کی کمپنی نے سال کا آغاز ایک اور زبردست کارکردگی کی حامل سہ ماہی کے ساتھ بہترین انداز میں کیا۔ گذشتہ سال حاصل کیے گئے مومنٹم اور اپنے شعبے میں بہترین تجارتی کارکردگی کے ساتھ کمپنی نے گذشتہ سال کے مقابلے میں 36 فیصد نمو کا مظاہرہ کیا۔ متوقع نمو میں بڑی تبدیلی کے ساتھ یہ سال آپ کی کمپنی کے لیے ایک اور اہم سنگ میل ثابت ہو گا۔ صارفین کے لیے نئی اختراعات متعارف کرانا ہماری اولین ترجیح ہے، اور ہمارے لیے اپنی اقدار۔ انسانیت کے لیے بہترین روز مرہ صحت کی فراہمی، پر کاربند رہنے کا زبردست موقع ہے۔

Condensed Interim Statement of Financial Position

As at March 31, 2022

Un-audited
March 31, 2022

Audited
December 31, 2021

ASSETS

Non-current Assets

Property, Plant And Equipment
Intangible
Long-term Loans To Employees
Long-term Deposits

Note ----- Rupees in '000 -----

5	3,692,322	3,706,466
	127,674	127,674
	8,884	7,669
	10,430	10,430
	3,839,310	3,852,239

Current Assets

Stores And Spares
Inventories
Trade Debts
Loans And Advances
Trade Deposits And Prepayments
Interest Accrued
Refunds Due From Government
Other Receivables
Taxation - Payments Less Provision
Investment At Amortised Cost
Bank Balances

128,609	121,594
5,285,128	3,916,050
843,463	1,101,726
275,768	412,863
89,925	69,596
1,227	1,227
580,302	39,015
398,421	485,056
724,172	663,992
746,852	747,935
2,312,645	2,454,867
11,386,512	10,013,921

Total Assets

15,225,822 **13,866,160**

EQUITY AND LIABILITIES

Share Capital And Reserves

Share Capital
Reserves

1,170,545	1,170,545
6,101,226	5,544,627
7,271,771	6,715,172

Liabilities

Non-current Liabilities

Staff Retirement Benefits
Deferred Taxation

109,331	97,244
206,837	197,102
316,168	294,346

Current Liabilities

Trade And Other Payables
Unpaid Dividend

6	6,117,617	4,941,078
	1,520,266	1,915,564
	7,637,883	6,856,642

Total Liabilities

7,954,051 **7,150,988**

Total equity and liabilities

15,225,822 **13,866,160**

Contingencies And Commitments

7

The annexed notes from 1 to 46 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, 2022 (UN-AUDITED)

	March 31, 2022	March 31, 2021
Note	----- Rupees in '000 -----	
Revenue from contracts with customers - net	7,127,151	5,234,828
Cost of sales	(5,210,086)	(3,718,057)
Gross profit	1,917,065	1,516,771
Selling, marketing and distribution expenses	8 (1,006,741)	(611,846)
Administrative expenses	(80,007)	(61,037)
Other operating expenses	(65,766)	(77,925)
Other income	90,747	136,684
Operating profit	855,298	902,647
Financial charges	(54,321)	(6,507)
Profit before taxation	800,977	896,140
Taxation - net	(244,378)	(281,131)
Profit after taxation	556,599	615,009
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to statement of profit or loss:		
Remeasurement of staff retirement benefits	-	-
Impact of taxation	-	-
	-	-
Total comprehensive income	556,599	615,009
Earnings per share - Rs	9 4.76	5.25

The annexed notes from 1 to 13 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, 2022 (UN-AUDITED)

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement - note 1.1	Reserve arising on amalgamation under the Scheme of Merger - note 1.4	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2021	1,170,545	101,914	728,726	3,162,743	5,163,928
Total comprehensive income for the quarter ended March 31, 2021	-	-	-	615,009	615,009
Balance as at March 31, 2021	<u>1,170,545</u>	<u>101,914</u>	<u>728,726</u>	<u>3,777,752</u>	<u>5,778,937</u>
Balance as at January 01, 2022	1,170,545	101,914	728,726	4,713,987	6,715,172
Total comprehensive income for the quarter ended March 31, 2022	-	-	-	556,599	556,599
Balance as at March 31, 2022	<u>1,170,545</u>	<u>101,914</u>	<u>728,726</u>	<u>5,270,586</u>	<u>7,271,771</u>

The annexed notes from 1 to 13 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, 2022 (UN-AUDITED)

		March 31, 2022	March 31, 2021
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	438,886	57,869
Staff retirement benefits paid		(11,214)	(28,075)
Mark-up paid		-	(6,474)
Income taxes paid		(294,823)	(87,219)
(Increase) / decrease in long-term loans to employees		(1,215)	1,729
Net cash generated from / (used in) operating activities		131,634	(62,170)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(65,121)	(82,075)
Proceeds from disposal of operating assets		16,752	15,134
Interest received		66,051	37,864
Net cash generated from / (used in) investing activities		17,682	(29,077)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(395,298)	-
Lease rental paid		-	(1,230)
Net cash used in financing activities		(395,298)	(1,230)
Net decrease in cash and cash equivalents		(245,982)	(92,477)
Cash and cash equivalents at beginning of the year		3,087,785	1,897,774
Cash and cash equivalents at end of the period	11	2,841,803	1,805,297

The annexed notes from 1 to 13 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, 2022 (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 the 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.

1.3 Impact of COVID-19

The coronavirus (COVID-19) outbreak has caused governments around the world to implement strict measures to control its spread. This includes smart lock-downs, travel bans, quarantine, social-distancing, closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions.

General economic activities in Pakistan were although affected but continued since then. However, healthcare businesses were allowed to continue their operations by both provincial and federal governments in order to ensure availability of essential medicines in the market. Staff of the Company were working without any disruption either from office / plant or online remotely.

The management of the Company is closely monitoring the situation, and there has not been any material impact on the financial performance of the Company as it was fully operational.

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, 2021.

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, 2021.

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, 2021, 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, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2021.

Un-audited
March 31,
2022

Audited
December 31,
2021

Note ----- Rupees in '000 -----

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets	3,046,048	3,091,001
Capital work-in-progress	646,274	615,465
	<u>3,692,322</u>	<u>3,706,466</u>

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

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Building and improvements on				
Leasehold improvements	17,263	851	-	-
Plant and machinery	10,393	34,603	-	-
Furniture and fixtures	129	344	-	-
Vehicle	-	10,525	1,445	9,225
Office equipments	6,527	20,576	-	-
	<u>34,312</u>	<u>66,899</u>	<u>1,445</u>	<u>9,225</u>

Un-audited
March 31,
2022

Audited
December 31,
2021

----- Rupees in '000 -----

6. TRADE AND OTHER PAYABLES

Creditors and bills payable		1,707,669	1,051,501
Accrued liabilities		3,088,311	2,863,848
Book overdraft	6.1	217,694	115,017
Contract liabilities		518,581	488,008
Others		585,362	422,704
		<u>6,117,617</u>	<u>4,941,078</u>

- 6.1 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.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no change in the status of contingencies as reported in the financial statements for the year ended December 31, 2021.

7.2 Commitments

Commitments for capital expenditure outstanding as at March 31, 2022, amounted to Rs. 196.98 million (December 31, 2021: Rs. 161.31 million).

8. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses amounting to Rs. 731.64 million (March 31, 2021:

9. EARNINGS PER SHARE

	Un-audited March 31, 2022	Un-audited March 31, 2021
Profit after taxation (in thousand)	<u>556,599</u>	<u>615,009</u>
Weighted average number of outstanding shares (in thousand)	<u>117,055</u>	<u>117,055</u>
Earnings per share - Rs	<u>4.76</u>	<u>5.25</u>

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.

10. CASH GENERATED FROM OPERATIONS

	Un-audited March 31, 2022	Un-audited March 31, 2021
Profit before taxation	800,977	896,140
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortization	77,820	71,609
Interest expense	-	4,466
Gain on disposal of operating assets	(15,307)	(5,908)
Interest income	(66,051)	(42,331)
Provision for slow moving, obsolete and damaged stock - net of stock written off	2,494	18,558
Provision for staff retirement benefits	23,301	21,375
Profit before working capital changes	823,234	963,909

Note ----- Rupees in '000 -----

Effect on cash flow due to working capital changes

	Un-audited March 31, 2022	Un-audited March 31, 2021
Note	----- Rupees in '000 -----	
(Increase) / decrease in current assets		
Stores and spares	(7,015)	(8,089)
Inventories	(1,371,572)	(976,371)
Trade debts	258,263	(263,099)
Loans and advances	137,095	189,837
Trade deposits and prepayments	(20,329)	2,189
Refunds due from Government	(541,287)	9,962
Other receivables	86,635	104,312
	(1,458,210)	(941,259)
Increase in current liabilities		
Trade and other payables	1,073,862	35,219
	438,886	57,869
	Un-audited March 31, 2022	Un-audited March 31, 2021
Note	----- Rupees in '000 -----	
11. CASH AND CASH EQUIVALENTS		
Bank balances	2,312,645	2,220,441
Investment at amortised cost	746,852	-
Book overdraft	(217,694)	(415,144)
6.1	2,841,803	1,805,297
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:

Relationship	Nature of transactions	Note	Un-audited	Un-audited
			March 31, 2022	March 31, 2021
			----- Rupees in '000 -----	
Associated companies:	a. Purchase of goods		1,011,638	832,109
	b. Service fees charged by GlaxoSmithKline Pakistan Limited		3,000	3,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited		8,109	14,057
Staff retirement funds:	a. Expense charged for retirement benefit plans		23,301	21,375
	b. Payments to retirement benefit plans		11,214	28,075
Key management personnel:	a. Salaries and other employee benefits		84,425	61,759
	b. Post employment benefits		3,728	2,972
	c. Proceeds from sale of fixed assets		-	5,231

13. 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 22, 2022.



Chief Financial Officer



Director



Chief Executive Officer



do more
feel better
live longer

THE BLUE DOT

GlaxoSmithKline Consumer Healthcare Pakistan Limited

35 - Dockyard Road, West Wharf, Karachi - 74000

GlaxoSmithKline Consumer Healthcare Pakistan Limited

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