

**GlaxoSmithKline Pakistan
Limited**

Condensed Interim Financial
Statements
for the Half Year Ended
June 30, 2022

GLAXOSMITHKLINE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		Un-audited June 30, 2022	Audited December 31, 2021
	Note	Rupees '000	
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,411,105	10,407,875
Intangibles	5	991,742	991,742
Long-term loans to employees		60,599	64,521
Long-term deposits		27,520	22,010
		<u>11,490,966</u>	<u>11,486,148</u>
Current assets			
Stores and spares		191,014	190,666
Stock-in-trade	6	10,362,527	6,505,401
Trade receivables		957,772	1,315,550
Loans and advances		1,492,268	412,422
Trade deposits and prepayments		311,255	157,963
Refunds due from government	7	2,208,464	43,643
Other receivables		1,016,524	1,624,991
Investments - at amortised cost		3,478,582	1,633,183
Cash and bank balances		2,953,338	7,085,344
		<u>22,971,744</u>	<u>18,969,163</u>
Total assets		<u><u>34,462,710</u></u>	<u><u>30,455,311</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		3,184,672	3,184,672
Reserves		16,203,934	17,801,993
Total equity		<u>19,388,606</u>	<u>20,986,665</u>
LIABILITIES			
Non-current liabilities			
Staff retirement benefits		314,970	298,885
Deferred taxation - net	8	826,741	806,632
Lease liabilities		25,430	32,710
		<u>1,167,141</u>	<u>1,138,227</u>
Current liabilities			
Trade and other payables	9	9,941,434	7,035,632
Taxation - provision less payments		1,884,002	1,116,360
Provisions	10	44,326	32,591
Current portion of lease liabilities		26,733	20,891
Unpaid dividend	11	1,841,209	-
Unclaimed dividend		169,259	124,945
		<u>13,906,963</u>	<u>8,330,419</u>
Total liabilities		<u>15,074,104</u>	<u>9,468,646</u>
Total equity and liabilities		<u><u>34,462,710</u></u>	<u><u>30,455,311</u></u>
Contingencies and commitments			
	12		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

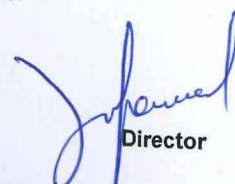
MD



Chief Executive Officer



Chief Financial Officer



Director

GLAXOSMITHKLINE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter ended		Half year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		Rupees '000			
Revenue from contracts with customers - net	13	9,542,377	9,058,094	18,168,341	16,751,603
Cost of sales		(7,888,241)	(6,686,965)	(14,276,697)	(12,500,531)
Gross profit		1,654,136	2,371,129	3,891,644	4,251,072
Selling, marketing and distribution expenses	14	(807,622)	(686,993)	(1,504,372)	(1,385,085)
Administrative expenses		(317,647)	(293,734)	(709,630)	(666,463)
Other operating expenses		(70,950)	(126,584)	(191,511)	(224,850)
Other income	15	602,712	195,903	1,076,749	617,095
Operating profit		1,060,629	1,459,721	2,562,880	2,591,769
Financial charges		(244,719)	(4,018)	(360,508)	(6,000)
Profit before taxation		815,910	1,455,703	2,202,372	2,585,769
Taxation - net	16	(1,109,739)	(478,206)	(1,571,160)	(882,725)
Profit after taxation		(293,829)	977,497	631,212	1,703,044
Other comprehensive income		-	-	-	-
Total comprehensive income		(293,829)	977,497	631,212	1,703,044
(Loss) / earnings per share - Rs.	17	(0.92)	3.07	1.98	5.35

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

GLAXOSMITHKLINE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserve Reserve arising on schemes of arrangement	Revenue reserves General reserve	Unappropriated profit	Total reserves	Total
----- Rupees '000 -----						
Balance as at January 1, 2021	3,184,672	1,126,923	3,999,970	9,166,699	14,293,592	17,478,264
Transactions with owner recorded directly in equity - distribution						
Final dividend for the year ended December 31, 2020 @ Rs. 6.5 per share	-	-	-	(2,070,037)	(2,070,037)	(2,070,037)
Total comprehensive income for the half year ended June 30, 2021	-	-	-	1,703,044	1,703,044	1,703,044
Balance as at June 30, 2021	<u>3,184,672</u>	<u>1,126,923</u>	<u>3,999,970</u>	<u>8,799,706</u>	<u>13,926,599</u>	<u>17,111,271</u>
Balance as at January 1, 2022	3,184,672	1,126,923	3,999,970	12,675,100	17,801,993	20,986,665
Transactions with owner recorded directly in equity - distribution						
Final dividend for the year ended December 31, 2021 @ Rs. 7 per share	-	-	-	(2,229,271)	(2,229,271)	(2,229,271)
Total comprehensive income for the half year ended June 30, 2022	-	-	-	631,212	631,212	631,212
Balance as at June 30, 2022	<u>3,184,672</u>	<u>1,126,923</u>	<u>3,999,970</u>	<u>11,077,041</u>	<u>16,203,934</u>	<u>19,388,606</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MP


Chief Executive Officer


Chief Financial Officer


Director

GLAXOSMITHKLINE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

		Half year ended	
		June 30, 2022	June 30, 2021
Note		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	(1,184,150)	478,561
Staff retirement benefits paid		(94,921)	(115,350)
Income taxes paid		(783,409)	(388,335)
Decrease in long-term loans to employees		3,922	5,897
Increase in long-term deposits		(5,510)	-
Net cash (used in) / generated from operating activities		(2,064,068)	(19,227)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(451,192)	(460,902)
Proceeds from disposal of operating assets		105,609	37,454
Return received on bank balances and investments		392,543	170,044
Net cash generated from / (used in) investing activities		46,960	(253,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(4,811)	(3,462)
Dividend paid		(343,748)	(2,058,826)
Net cash used in financing activities		(348,559)	(2,062,288)
Net decrease in cash and cash equivalents during the period		(2,365,667)	(2,334,919)
Cash and cash equivalents at the beginning of the period		8,482,773	6,052,074
Cash and cash equivalents at the end of the period	19	6,117,106	3,717,155

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

GLAXOSMITHKLINE PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

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. The 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., Netherlands, whereas its ultimate parent company is GlaxoSmithKline plc, UK (GSK plc.).

- 1.1 Due to the pending transfer of marketing authorisations and permissions for few 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.

2. BASIS OF PREPARATION

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

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), 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 Companies Act, 2017, differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, have been followed.

- 2.1 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.
- 2.2 These condensed interim financial statements are unaudited. However, a limited scope review of these condensed interim financial statements has been performed by the external auditors of the Company in accordance with the requirements of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon. These condensed interim financial statements are submitted to the shareholders as required by section 237 of the Companies Act, 2017.
- 2.3 The comparative condensed interim statement of financial position presented has been extracted from annual audited financial statements for the year ended December 31, 2021, whereas comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended June 30, 2021.
- 2.4 **Standards, interpretations and amendments to published approved accounting standards that became effective during the period**

The following standards, amendments and interpretation are effective for the year ending December 31, 2022. 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 condensed interim financial statements other than certain additional disclosures:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16); and
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Significant accounting policies

3.1.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2021.

3.1.2 Taxes on income are accrued using the average tax rate that is expected to be applicable to the full financial year.

3.2 Financial risk management

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

3.3 Estimates and judgments

Estimates and judgments made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2021.

	Note	Un-audited June 30, 2022	Audited December 31, 2021
		----- Rupees '000 -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	8,867,574	9,007,834
Capital work-in-progress		1,333,462	1,178,022
Right-of-use of assets - land and buildings		37,094	44,686
Major spare parts and stand-by equipment		172,975	177,333
		<u>10,411,105</u>	<u>10,407,875</u>

4.1 Details of additions to and disposals of operating assets are as follows:

	Un-audited Additions (at cost)		Un-audited Disposals (at net book value)	
	Half year ended		Half year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- Rupees '000 -----			
Buildings on leasehold land	34,522	57,545	-	3,559
Plant and machinery	213,500	409,641	5,336	2,011
Furniture and fixtures	17,095	25,124	-	144
Vehicles	16,840	111,900	35,603	20,128
Office equipment	17,952	66,812	432	1,016
	<u>299,909</u>	<u>671,022</u>	<u>41,371</u>	<u>26,858</u>

	Note	Un-audited June 30, 2022	Audited December 31, 2021
		----- Rupees '000 -----	
5. INTANGIBLES			
Goodwill		955,742	955,742
Marketing authorisation rights - net	5.1	36,000	36,000
		<u>991,742</u>	<u>991,742</u>

- 5.1 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 for acquiring market authorisation rights of Traxon from Akhai Pharmaceuticals (Private) Limited. The Company has provided Rs. 40.3 million and Rs. 50 million in respect of marketing authorisation of NPPL's vaccine business and Traxon from Akhai Pharmaceuticals (Private) Limited respectively.

	Un-audited June 30, 2022	Audited December 31, 2021
	----- Rupees '000 -----	
6. STOCK-IN-TRADE		
Raw and packing material	3,991,118	3,529,190
Work-in-process	538,550	130,296
Finished goods	6,520,164	3,394,172
	11,049,832	7,053,658
Less: Provision for slow moving, obsolete and damaged items	(687,305)	(548,257)
	10,362,527	6,505,401

- 6.1 Finished goods includes items costing Rs. 2.75 billion (December 31, 2021: Rs. 1.4 billion) valued at net realizable value of Rs. 2.07 billion (December 31, 2021: Rs. 1.07 billion). Raw and packing materials have been lowered by Rs. 243.5 million (December 31, 2021: Rs. 204.3 million) and WIP has been lowered by Rs. 31.7 million (December 31, 2021: Rs. 7.6 million) respectively to recognize them at net realizable value.

7. REFUNDS DUE FROM GOVERNMENT

Prior to enactment of Finance (Supplementary) Act, 2022 (The Act) issued on January 15, 2022, the pharmaceutical sector was exempt from levy of sales tax. The Act converted the aforesaid exemption regime into a zero-rating regime for import and local supplies for finished items of pharmaceutical sector, however, sales tax was imposed at standard rate of 17% on purchase / import of Active Pharmaceutical Ingredients (API). As a result, the pharmaceutical sector was allowed to claim sales tax refund on all purchases including APIs and provincial sales tax on services. As of June 30, 2022, no refund was processed by the Tax Authorities resulting in sales tax refundable amounting to Rs. 2,208 million as of period end.

Through Finance Act, 2022, effective from July 1, 2022, a special tax regime for pharmaceutical sector has now been introduced whereby manufacture or import of substances registered as drugs under the Drugs Act, 1976 shall be subject to 1% sales tax with the condition that such tax shall be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods.

8. DEFERRED TAXATION - NET

	June 30, 2022				December 31, 2021			
	Opening liability / (assets)	Charged / (reversal) to profit or loss	Charged to other comprehensive income	Closing liability / (asset)	Opening liability / (assets)	Charged / (reversal) to profit or loss	Charged to other comprehensive income	Closing liability / (asset)
	----- Rupees '000 -----							
Deferred tax liabilities on taxable temporary differences								
- Accelerated tax depreciation amortisation	1,178,941	138,662	-	1,317,603	1,105,233	73,708	-	1,178,941
- Right-of-use assets - land and buildings	12,945	(718)	-	12,227	11,347	1,598	-	12,945
Deferred tax assets on deductible temporary differences								
- Allowance for impairment of trade receivables, provision for doubtful other receivables and refunds due from government	(97,512)	(13,447)	-	(110,959)	(85,080)	(12,432)	-	(97,512)
- Lease liabilities	(15,528)	(1,667)	-	(17,195)	(11,389)	(4,139)	-	(15,528)
- Provision for trade deposits and doubtful advances	(19,284)	(417)	-	(19,701)	(20,679)	1,395	-	(19,284)
- Provision for slow moving & obsolete stocks and stores & spares	(166,375)	(68,780)	-	(235,155)	(177,207)	10,832	-	(166,375)
- Staff retirement benefits	(86,555)	(33,524)	-	(120,079)	(147,258)	(30,666)	91,369	(86,555)
	806,632	20,109	-	826,741	674,967	40,296	91,369	806,632

	Un-audited June 30, 2022	Audited December 31, 2021
	----- Rupees '000 -----	
9. TRADE AND OTHER PAYABLES		
Creditors and bills payable	4,552,784	1,819,606
Accrued liabilities	3,509,043	2,719,931
Others liabilities	832,472	1,445,264
Contract liabilities	1,047,135	1,050,831
	<u>9,941,434</u>	<u>7,035,632</u>

10. PROVISIONS

Provisions include restructuring costs and government levies of Rs. 28.47 and Rs. 15.86 (December 31, 2021: Rs. 28.47 million and Rs. 4.12 million) respectively.

11. UNPAID DIVIDEND

This represents part of final dividend for the year ended December 31, 2021, which remained unpaid due to pending approval from the State Bank of Pakistan.

12. CONTINGENCIES AND COMMITMENTS

12.1 Following are the changes in the status of contingencies as reported in the audited financial statements for the year ended December 31, 2021 or new contingencies arising during the period ended June 30, 2022:

- (i) During the year ended December 31, 2021, the Assessing Officer (AO), amended the assessment of the Company for tax year 2017 under section 122(5A) of Income Tax Ordinance (Ordinance) and raised demand of Rs. 801.87 million on account of disallowance of various expenses including share based compensation, certain provisions and treatment of other income under Normal Tax Regime as well as tax credit under section 65B of the Ordinance.

The Company filed appeal against the said Order before CIRA and has also filed rectification application for certain apparent mistakes in the Order.

During the period ended June 30, 2022, through CIRA's order certain additions were partially deleted and few were remanded back. Against the CIRA order, the Company has filed an appeal before ATIR, against the issues maintained / remanded back by CIRA, which is pending for adjudication.

- (ii) During the year ended December 31, 2021, the AO, while amending the assessment of the Company for tax year 2018 under section 122(1)/(5) of the Ordinance, raised demand of Rs. 613.62 million on the contention that the Company allegedly paid excessive amounts on account of royalty and certain imported raw materials to associated undertakings. Further, various expenses were also disallowed which include share-based compensation, salaries, certain provisions, restructuring cost, Worker Welfare Fund as well as tax credit under section 65B of the Ordinance.

The Company filed appeal against the said Order before CIRA and has also filed rectification application for certain apparent mistakes in the Order. During the period ended June 30, 2022, through CIRA's order certain additions were deleted and few were remanded back. Against the CIRA order, the Company has filed an appeal before ATIR, against the issues maintained / remanded back by CIRA, which is pending for adjudication.

The management is confident that the ultimate decision in the above cases will be in favour of the Company, hence, no provision has been recognised in respect of the aforementioned additional tax demands.

12.2 Commitments for capital expenditure outstanding as at June 30, 2022, amounted to Rs. 485.25 million (December 31, 2021: Rs. 241.04 million).

12.3 The facilities for opening letters of credit and guarantees as at June 30, 2022, amounted to Rs. 2.4 billion (December 31, 2021: Rs. 2.4 billion) of which the amount remaining unutilised at period end was Rs. 1.6 billion (December 31, 2021: Rs. 1.8 billion).

13. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

- 13.1 This include sales of Over the Counter Products (OTC) amounting to Rs. 0.82 billion (June 30, 2021: Rs. 0.48 billion) to GSK CH being manufactured by the Company due to pending transfer of marketing authorisations by DRAP - refer note 1.1.

14. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses of Rs. 238.63 million (June 30, 2021: Rs. 124.47 million).

15. OTHER INCOME

		Un-audited			
		Quarter ended		Half year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		Rupees '000			
Income from financial assets					
		35,926	9,233	82,289	17,776
		155,103	61,895	310,254	146,179
		191,029	71,128	392,543	163,955
Income from non-financial assets					
		46,536	5,278	64,238	10,596
Others					
		-	(80,883)	-	28,951
		14,029	12,077	25,241	19,022
	15.1	333,487	182,091	570,572	382,781
		3,000	3,000	6,000	6,000
		14,631	3,213	18,155	5,790
		602,712	195,903	1,076,749	617,095

- 15.1 This represents allowance from GSK Group against various promotional activities for brand building and sustainable returns on investments.

16. TAXATION - NET

During the period, the Government of Pakistan through Finance Act, 2022 has introduced section 4C in the Income Tax Ordinance, 2001 through which super tax has been levied on high earnings persons. The tax will be applicable at different rates on all persons (including the Company) earning more than Rs. 150 million. Further, entities operating in various sectors, including pharmaceutical sector, are liable to super tax at 10% of taxable income specified in the Finance Act, 2022. Accordingly, the current period tax charge includes Rs. 666 million and Rs. 94 million for tax years 2022 and 2023 respectively on account of super tax.

17. EARNINGS PER SHARE

	Un-audited			
	Quarter ended		Half year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Rupees '000				
Profit after taxation	(293,829)	977,497	631,212	1,703,044
Number of shares				
Weighted average number of outstanding shares	318,467,278	318,467,278	318,467,278	318,467,278
Rupees				
Earnings per share - basic	(0.92)	3.07	1.98	5.35

- 17.1 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 Half year ended June 30, 2022	Un-audited June 30, 2021
	----- Rupees '000 -----	
18. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,202,372	2,585,769
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and impairment	406,591	399,880
Provision for slow moving, obsolete and damaged stock-in-trade net of stock written-off	139,048	110,306
Gain on disposal of operating assets	(64,238)	(10,596)
Interest income	(392,543)	(166,947)
Financial charges	3,373	1,364
Provision for staff retirement benefits	111,006	166,758
Unrealised exchange loss	271,480	18,801
Profit before working capital changes	2,677,089	3,105,335
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(348)	2,633
Stock-in-trade	(3,996,174)	(2,647,513)
Trade receivables	357,778	(31,979)
Loans and advances	(1,079,846)	118,691
Trade deposits and prepayments	(153,292)	26,354
Interest accrued		
Refunds due from the government	(2,164,821)	179
Other receivables	608,467	319,042
	(6,428,236)	(2,212,593)
Increase / (decrease) in current liabilities		
Trade and other payables	2,555,262	(409,719)
Provisions	11,735	(4,462)
	2,566,997	(414,181)
	(1,184,150)	478,561

	Un-audited June 30, 2022	Audited December 31, 2021	Un-audited June 30, 2021
	----- Rupees '000 -----		
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances	2,953,338	7,085,344	3,630,548
Investments - at amortised cost	3,478,582	1,633,183	498,617
Book overdraft	(314,814)	(235,754)	(412,010)
	6,117,106	8,482,773	3,717,155

20. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors and key management personnel of the Company and companies where directors also hold directorships. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

		Un-audited Half year ended June 30, 2022	Un-audited June 30, 2021
		----- Rupees '000 -----	
20.1	Transactions carried out during the period are as follows:		
Relationship	Nature of transactions		
Holding company	a. Dividend paid	-	1,709,693
Associated companies / undertakings	a. Royalty expense charged	121,773	168,447
	b. Purchase of goods	3,986,272	3,717,190
	c. Sale of goods	840,514	494,159
	d. Recovery of expenses	330,909	360,714
	e. Services fees	6,000	6,000
	f. Promotional allowance	570,572	382,781
Staff retirement funds	a. Payments to retirement benefit plans	137,829	140,308
Key management personnel	a. Salaries and other employee benefits	223,085	174,943
	b. Post employment benefits	13,679	13,560
	c. Proceeds from disposal of operating assets	-	629
		Un-audited June 30, 2022	Audited December 31, 2021
		----- Rupees '000 -----	

20.2 Outstanding balances as at period / year end are as follows:

Associated companies:

Trade receivables	123,414	140,277
Other receivable	960,726	1,568,277
Trade and other payables	3,077,646	852,582
Provision for staff retirement benefits	314,970	298,885

21. FAIR VALUE MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as 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. It requires categorization of fair value measurements into different levels of fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at June 30, 2022 the Company does not have any financial instruments carried at fair values which are measured using method falling under above categories, and carrying value of financial assets and liabilities approximate their fair value at the reporting date.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on _____.

MA



Chief Executive Officer



Chief Financial Officer



Director