



GlaxoSmithKline Consumer
Healthcare Pakistan
Limited
Sandoz Nagar, Petaro
Road, Jamshoro,
Sindh, 76100,
Pakistan

UAN +92 21 111 475 725
www.pk-consumerhealthcare.gsk.com

29 August 2022

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

Subject: Transmission of Half Yearly Report for the Period Ended 30 June 2022

Dear Sir / Madam,

We have to inform you that the Half Yearly Report of the Company for the period ended 30 June 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

Enclosed: As above



do more
feel better
live longer



aspiring beyond

GlaxoSmithKline Consumer
Healthcare Pakistan Limited
Half Yearly 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

Ms. Ensherah Khan

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

Sandoz Nagar, Petaro Road,
Jamshoro, Sindh - 76100

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

Fax: 92-21-323-148-98

GSKCH Shares Department

Sandoz Nagar, Petaro Road,
Jamshoro, Sindh - 76100

Email: pakistan.shareinfo@haleon.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 six months ended June 30, 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 of June 30, 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 / Economic Overview

Consistent rise in commodity prices have been on the horizon for quite some time now, however businesses are now starting to be significantly impacted. Macro-economic uncertainties and supply chain disruptions in many countries, particularly those dependent on imported commodities, have severely heightened post COVID-19. This has taken a toll on the Country's economy resulting in high inflation and an increasing current account deficit.

The combination of an uncertain political environment and high international fuel and commodity prices applied immense pressure on

foreign exchange reserves resulting in a significant depreciation of the Pakistani Rupees against the US \$ which in turn contributed to high inflation.

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 in H1 2022 (excluding toll) grew by 21% 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 13% led by Respiratory, Pain Management (PM) and Skin Health (SH) posting double digit growths. Whereas FMCG portfolio registered a decline of 9% over the corresponding period due to continuous strain on consumers' purchasing power. Similarly, our toll manufacturing business of Rs. 847 million continued to contribute towards our revenue.

Gross profit margin at 22% of sales depicts a decline of 5.1% versus Q1 2022. 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. Current Paracetamol prices stands at nearly 258% as compared to July 2020 levels. These cost levels are unsustainable for any commercial organization; thus, the profitability will continue to be adversely impacted unless adequate price adjustment is provided. Steps are to be taken for a level playing field that is conducive for the organization to serve its consumers and patients better.

We have also been able to exercise due control on our cost levers. Total expenses to net sales ratio have marginally increased from 14% to 15% as compared to SPLY. Further, financial charges of the Company increased by Rs. 211 million during the SPLY due to exchange losses resulting from settlement of foreign liabilities.

Selling and Distribution expenses (excluding Advertising and Sales Promotion (A&P)) declined by 0.3% over the SPLY. We aim to fuel our growth momentum through sustained A&P investment. During H1 2021, the investment behind our brands was reassessed and phased across the year due to COVID-19 related restrictions which resulted in an increase of A&P expenses by Rs. 361 million as compared to the SPLY.

The Company is highly committed to Corporate Social Responsibility (CSR) in Pakistan. As a socially conscious organization, we have contributed to charitable organizations that work for the welfare of society including The Pakistan Association of the Deaf, The Citizens Foundation, Madawa Welfare Society, Ayesha Chundrigar Foundation and Health Education & Livelihood Promoters.

Implication of changes in tax laws

Prior to promulgation of Finance (Supplementary) Act, 2022 dated January 15, 2022, pharmaceutical products were under sales tax 'exempt' category. Therefore, any sales tax paid either on raw/packing material or on any other goods/ services directly attributable to taxable activity were not claimable and causing direct increase in the cost. Furthermore, Active

Pharmaceutical Ingredients (APIs) were also under 'exempt' category.

Through the aforesaid Act, following major changes were announced for pharmaceutical sector:

- Pharmaceutical products were brought under 'zero rated' regime. Hence sales tax paid on goods/ services directly attributable to taxable activity became claimable; and
- APIs were classified as 'sales taxable' at the rate of 17% as claimable input sales tax.

Both aforementioned factors had a major impact on working capital. This is evident from the fact that **"Refunds due from Government"** have increased to Rs. 1.1 billion.

Through the Finance Act 2022, pharmaceutical final products as well as APIs have been classified under the 'taxable' category at the rate of 1% as final discharge of sales tax liability on the entire supply chain but without any input sales tax adjustment. Due to multiple changes within a short span of time, the attention of the Government on the issuance of sales tax refunds has been diverted.

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 (including the Company). The tax has been imposed at the rate of 4% retrospectively from the tax year 2022 onwards. However, for the tax year 2022 (Year ended December 31, 2021 being special tax year) the tax has been imposed at the rate of 10% for certain specified sectors including pharmaceutical sector in which our Company operates. Accordingly, the current period tax charge includes Rs. 283 million and Rs. 35 million for tax years 2022 and 2023 respectively on account of super tax. Furthermore, the application of super tax has also increased the deferred tax charge by Rs. 27 million.

The unadjusted EPS stands at Rs. 5.32 compared to the adjusted EPS of Rs. 2.37 (H1 2021: Rs. 10.92).

Future Outlook and Challenges

Our growth reflect the strength and resilience of our Company's market leadership in the midst of macroeconomic challenges as discussed above. We remain confident in the future of our Company as we continue advancing our portfolio and innovative pipelines. 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, the recent changes in the tax law coupled with macroeconomic uncertainty and high cost of doing business due to global commodity prices and international logistical challenges pose a significant risk on the Company's profitability in the near future.

Unfavorable regulatory framework for approval of hardship cases for emerging cost escalations continue to pose a risk towards access to essential medicines. We believe that sustainable pricing and timely regulatory approvals are key pre-requisites, especially when innovations require high capital investment.

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: 23 August 2022

اظہارِ تشکر

بورڈ آف ڈائریکٹرز اس موقع پر جی ایس کے کے تمام ملازمین کا ان کے شاندار کام، انتھک محنت اور لگن کے لئے شکریہ ادا کرتا ہے جس کی بدولت اس امر کو یقینی بناتے ہیں کہ کمپنی انسانیت کے ساتھ بہتر روزمرہ صحت فراہم کرے۔ ہم کمپنی کے نتائج کے حصول کے لیے، ہر ممکن تعاون کے ساتھ، انتہائی دیانت داری سے فرائض انجام دینے والے سپلائرز اور پارٹنرز کا تہ دل سے شکریہ ادا کرتے ہیں۔

بحکم بورڈ
خیر اندیش



دلاور میگھانی
چیف فائنانشل آفیسر



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر

تاریخ: 23 اگست 2022

اور 35 ملین روپے ہے۔ مزید یہ کہ سپر ٹیکس کے اطلاق کی وجہ سے ڈیفنڈ ٹیکس میں بھی 27 ملین روپے کا اضافہ واقع ہوا ہے۔

ایڈجسٹ شدہ ای پی ایس 2.37 ملین روپے کے مقابلے میں غیر ایڈجسٹ شدہ ای پی ایس 5.32 ملین روپے ہے (2021 کی پہلی ششماہی میں 10.92 ملین روپے)۔

مستقبل کا منظر نامہ اور چیلنجز

ہماری ٹم، متذکرہ بالا میکرو اکنامک چیلنجز کی موجودگی میں ہماری کمپنی کی قیادت کی قوت اور ثابت قدمی کی عکاس ہے۔ اپنے پورٹ فولیو کو آگے بڑھاتے اور پائپ لائن میں نئی نئی اختراعات کے ساتھ ہم اپنی کمپنی کے مستقبل کے حوالے سے پراعتماد ہیں۔ گو کہ ہماری انڈسٹری چیلنجز سے خالی نہیں ہے، مگر ہم یقین رکھتے ہیں کہ ان کمپنیز کے لیے بنیادیں مضبوط رہتی ہیں جو مستقل بنیادوں پر صحیح رفتار کے ساتھ جدت پر عمل پیرا رہتی ہیں۔

حالانکہ ٹیکس قوانین میں کی جانے والی حالیہ تبدیلیاں، اجناس کی عالمی قیمتوں اور بین الاقوامی لاجسٹک چیلنجز کی بناء پر میکرو اکنامک غیر یقینی صورتحال اور کاروبار کرنے کی زیادہ لاگت کے بدولت مستقبل قریب میں کمپنی کی منفعت کے لیے بڑے خدشات ہیں۔

بڑھتی ہوئی لاگت کے حوالے سے درپیش مشکلات کے کیسز کی منظوری کے لیے غیر موافق ریگولیٹری فریم ورک ضروری ادویات تک رسائی کے لیے بدستور ایک خطرہ ہے۔ ہم یقین رکھتے ہیں کہ پائیدار قیمتیں اور بروقت ریگولیٹری منظوری انتہائی اہم ضروری عوامل ہیں، بالخصوص اختراعات کے لیے کثیر سرمائے کی ضرورت ہو۔

تاہم پیداواری صلاحیت میں اضافے، لاگت کو بہتر بنانے اور بہتر ٹیکنالوجی کے استعمال پر بہت زور دیا جا رہا ہے تاکہ طویل مدتی منافع کو برقرار رکھا جا سکے اور اپنے صارفین اور ہیلتھ کیئر پروفیشنلز کی تمام تر ضروریات کو احسن انداز سے پورا کیا جا سکے۔

مشاہرہ کی پالیسی

گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کے، غیر ایگزیکٹو بورڈ ڈائریکٹرز، بیومن ریسورس، ریمونیریشن اینڈ نامینیشن کمیٹی کی طرف سے، کنزیومر ہیلتھ کیئر انڈسٹری اور دیگر اسی نوعیت کے کاروباری اداروں کے مارکیٹ بینچ مارک کی بنیاد پر، منظور کردہ معاوضہ کے حقدار ہیں۔

فروخت اور ڈسٹری بیوشن کے اخراجات (علاوہ ایڈورٹائزنگ اور سیلز پرموشن) میں گزشتہ سال اسی عرصے کے مقابلے میں ۰.۳ فیصد کمی واقع ہوئی ہے۔ ہم اے اینڈ پی انوسٹمنٹ کے ذریعے اپنی ترقی کے مومنتم کو مزید بہتر کرنے کے لیے پرعزم ہیں۔ ۲۰۲۱ کی پہلی ششماہی کے دوران کوویڈ ۱۹ کی وجہ سے لاگو پابندیوں کی وجہ سے ہمارے برانڈز پر سرمایہ کاری کا جائزہ لیا گیا اور اسے مرحلہ وار سال بھر پر محیط کیا گیا۔ جس کی بنا پر اے اینڈ پی اخراجات میں گزشتہ سال اسی عرصے کے مقابلے میں ۳۶۱ ملین روپے کا اضافہ ہوا۔

کمپنی پاکستان میں کارپوریٹ سماجی ذمہ داری کے لیے انتہائی پرعزم ہے۔ سماجی احساس کی حامل ایک ذمہ دار کمپنی ہونے کے ناطے، ہم معاشرے کی فلاح و بہبود کے لیے سرگرم خیراتی اداروں بشمول دی پاکستان ایسوسی ایشن آف دی ڈیف، دی سٹیزن فاؤنڈیشن، مداوا ویلفیئر سوسائٹی، عائشہ چندریگر فاؤنڈیشن اور ہیلتھ ایجوکیشن اینڈ لائیوٹی ہڈ پرموٹرز کی معاونت کرتے ہیں۔

ٹیکس قوانین میں تبدیلیوں کے اثرات

فائنانس (ضمنی) ایکٹ 2022 مورخہ 15 جنوری 2022 کے نفاذ سے قبل فارما سیوٹیکل پراڈکٹس سیلز ٹیکس سے "مستثنیٰ" کیٹیگری میں آتی تھیں۔ لہذا کوئی بھی سیلز ٹیکس جو خام مال/پیکجنگ میٹریل یا دیگر اشیا پر ادا کیا گیا ہو، وہ قابل ٹیکس سرگرمی کے زمرے میں آتا تھا اور قابل کلیم نہیں تھا جو کہ لاگت میں اضافے کا باعث بنتا تھا۔ مزید یہ کہ، ایکٹو فارما سیوٹیکل اجزا بھی ٹیکس سے مستثنیٰ کے زمرے میں آتے تھے۔

متذکرہ بالا ایکٹ کے ذریعے، فارما سیوٹیکل سیکٹر کے لیے درج ذیل اہم تبدیلیوں کا اعلان کیا گیا:

- فارماسیوٹیل پراڈکٹس کو "زیرو ریٹڈ" رجیم میں شامل کر دیا گیا۔ لہذا سیلز اشیا/خدمات پر ادا شدہ ٹیکس براہ راست ٹیکس سرگرمی میں شامل اور قابل کلیم ہو گیا؛ اور
- اے پی آئی 17 فیصد کی شرح سے قابل کلیم ان پٹ سیلز ٹیکس کے طور پر قابل سیلز ٹیکس قرار دیے گئے۔

متذکرہ بالا دونوں عوامل کا ورکنگ کیپٹل پر گہرا اثر پڑا۔ یہ اس امر سے ظاہر ہے کہ "حکومت کی طرف سے واجب الادا ریفرنڈز" میں 1.1 بلین روپے کا اضافہ ہوا۔

فائنانس ایکٹ 2022 کے ذریعے، مکمل سپلائی چین پرسیلز ٹیکس لائبلٹی کے حتمی ڈسچارج کے طور پر، مگر بناء ان پٹ سیلز ٹیکس ایڈجسٹمنٹ کے، فارما سیوٹیکل فائل پراڈکٹس اور اے پی آئی کو 1 فیصد کی شرح سے "قابل ٹیکس" کی کیٹیگری میں شامل کیا گیا ہے۔ مختصر مدت میں کئی تبدیلیوں کی بناء پر، سیلز ٹیکس ریفرنڈز کے اجراء پر حکومت کی توجہ مرکوز نہ رہی۔

اس مدت کے دوران ٹیکس سال 2022 سے 4 فیصد کی شرح سے retrospectively سپر ٹیکس کا اطلاق کیا گیا ہے۔ بہر کیف سال مختتمہ 31 دسمبر 2021 کے لیے مخصوص سیکٹرز بشمول فارماسیوٹیکل پر 10 فیصد کی شرح سے سپر ٹیکس عائد کیا گیا۔ اس کے مطابق، موجودہ دورانیے کے لیے سپر ٹیکس کی مد میں سال 2022 اور 2023 کے لیے ٹیکس کی رقم بالترتیب 283 ملین روپے

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

معزز شیئر ہولڈرز،

ہماری اولین ترجیح ہے اور ہمیں "انسانیت کے تقاضوں کے ساتھ ہر دن بہتر صحت کی فراہمی" کا بہترین موقع میسر ہے۔

بورڈ آف ڈائریکٹرز کے ایما پر، ہم آپ کی کمپنی کی غیر آڈٹ شدہ کنڈنسنڈ مالیاتی معلومات برائے ششماہی مختتمہ 30 جون 2022 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپریٹنگ نتائج کا جائزہ

2022 کی پہلی ششماہی میں، بنیادی کاروبار میں گزشتہ سال اسی عرصے کے مقابلے میں (علاوہ ٹول) 21 فیصد اضافہ ہوا۔ کارکردگی میں یہ اضافہ بنیادی طور پر طلب میں اضافے، مرتکز کمرشل کاوشوں اور اپنے فلیگ شپ پورٹ فولیو کی نمو کے لیے مارکیٹ تک رسائی کی بہترین حکمت عملی کی بدولت ہوا۔

اس سہ ماہی کے اوور دی کاؤنٹر پورٹ فولیو میں مسابقتی ماحول دیکھنے میں آیا جس میں 13 فیصد اضافہ ہوا جس میں تنفس، درد کی مینجمنٹ اور جلدی صحت کے پورٹ فولیو میں دہرے بندسوں پر مشتمل نمو دیکھنے میں آئی۔ اسی طرح ہمارے 847 ملین روپے کے ٹول مینوفیکچرنگ کے کاروبار نے ہماری آمدنی میں اپنا حصہ شامل کرنے کے عمل کو برقرار رکھا، جبکہ ایف ایم سی جی پورٹ فولیو میں، صارفین کی قوت خرید پر مسلسل دباؤ کے باعث گزشتہ سال اسی عرصے کے مقابلے میں 9 فیصد کمی واقع ہوئی۔

سیلز کے 22٪ فیصد کے ساتھ مجموعی منافع کا مارجن 2022 کی پہلی سہ ماہی کے مقابلے میں 5.1 فیصد کی کمی ظاہر کرتا ہے۔ پیرا سٹامول (پیناڈول کے لیے اہم ترین خام مال) کے ایک بڑے چینی سپلائر کے بند ہوجانے کے نتیجے میں اس کی قیمتوں میں جنوری 2021 سے مسلسل اضافہ ہو رہا ہے جس نے پینا ڈول انونٹری کی منفعت کل ریٹیلزبل قدر کو متاثر کیا ہے۔ جولائی 2020 کی قیمتوں کے لحاظ سے پیراسٹامول کی موجودہ قیمت تقریباً 258 فیصد ہے۔ یہ لاگت کسی بھی کمرشل ادارے کے لیے ناقابل برداشت ہے، لہذا اس کے نتیجے میں منافع اس وقت تک منفی انداز میں متاثر ہوتا رہے گا جب تک اس کی قیمتوں کو مناسب طور پر ایڈجسٹ نہ کیا جائے۔ برابری کا ماحول فراہم کرنے کے لیے اقدامات کی ضرورت ہے جو آرگنائزیشن کو اپنے صارفین اور مریضوں کو بہتر انداز میں خدمات کی فراہمی کے لیے سازگار ہوں۔

ہم اپنے لاگت کے اسباب پر بھی مؤثر کنٹرول حاصل کرنے میں کامیاب رہے ہیں۔ گزشتہ سال اسی عرصے کے مقابلے میں کل سیلز اور اخراجات کے تناسب میں معمولی اضافہ ہوا ہے جو 14 فیصد سے بڑھ کر 15 فیصد ہو گیا ہے۔ مزید یہ کہ کمپنی کے فائنانشل چارجز میں گزشتہ سال اسی عرصے کے مقابلے میں 211 ملین روپے کا اضافہ ہوا ہے جس کی وجہ غیر ملکی قرضوں کی ادائیگی میں ہونے والے ایکسچینج سے متعلق نقصانات ہیں۔

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد سات ہے، جو کہ درج ذیل ہے
مرد: 5 خواتین: 2
30 جون 2022 کو بورڈ کی ساخت درج ذیل ہے:

شعبہ	نام
انڈیپنڈنٹ 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 اوزم از میانیدی

کمپنی کے سالانہ اجلاس عام منعقدہ 21 مارچ 2022 کے دوران محترمہ اوزم از میانیدی بحیثیت غیر ایگزیکٹو ڈائریکٹر منتخب ہو گئی تھیں۔

کاروباری / معاشی جائزہ

کافی عرصے سے، اجناس کی قیمتوں میں مسلسل اضافہ دیکھنے میں آ رہا ہے، تاہم اب کاروباری ادارے اس سے بری طرح متاثر ہونے لگے ہیں۔ کوویڈ-19 کے بعد بہت سے ممالک، بالخصوص درآمدی اجناس پر انحصار کرنے والے ممالک کو غیر یقینی میکرو اکنامک صورتحال اور سپلائی چین میں تعطل کا سامنا ہے۔ اس سے ملکی معیشت پر گہرے اثرات مرتب ہوئے ہیں جو افراط زر میں اضافہ اور کرنٹ اکاؤنٹ خسارہ بڑھنے کا باعث بن رہے ہیں۔ غیر یقینی سیاسی ماحول اور بین الاقوامی ایندھن اور اجناس کی بڑھتی ہوئی قیمتوں نے زرمبادلہ کے ذخائر پر بے پناہ دباؤ ڈالا، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی جس کی وجہ سے افراط زر میں اضافہ ہوا ہے۔

مندرجہ بالا چیلنجز کے باوجود 2022 کے پہلے چھ ماہ کافی بہتر رہے۔ مجموعی آمدنی 14.2 ارب روپے تک پہنچ گئی جو گزشتہ سال کے دوران اسی مدت میں ہونے والی آمدنی کے مقابلے میں 19 فیصد زیادہ ہے۔ مجموعی طور پر اسٹریٹجک برانڈز (پینا ڈول، سی اے سی-1000 پلس اور سینسوڈائن) میں 20 فیصد اضافہ ہوا اور یہ 10.37 ارب روپے یا کل آمدنی کے 73 فیصد تک پہنچ گیا۔ یہ ہمارے پورٹ فولیو کے استحکام، مسلسل جدت اور تمام تر مارکیٹس میں ہماری عمدہ تجارتی سرگرمی کی عکاسی کرتا ہے۔ صارفین کے لئے نئی اختراعات متعارف کروانا

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF GLAXOSMITHKLINE PAKISTAN LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of GlaxoSmithKline Pakistan Limited as at June 30, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion,

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting,

Other matter

The figures reported in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2022 and June 30, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2022.

The engagement partner on the review resulting in this independent auditors review report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi

Date: August 26, 2022

UDIN: RR202210091LAynFHdVw

Independent correspondent firm to
Deloitte Touche Tohmatsu limited

Condensed Interim Statement of Financial Position

AS AT JUNE 30, 2022

	Note	Un-audited June 30, 2022	Audited December 31, 2021
----- Rupees in '000 -----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,709,068	3,706,466
Intangible		127,674	127,674
Long-term loans to employees		8,605	7,669
Long-term deposits		10,430	10,430
		3,855,777	3,852,239
Current assets			
Stores and spares		127,757	121,594
Inventories	5	6,409,785	3,916,050
Trade debts		940,809	1,101,726
Loans and advances		835,818	412,863
Trade deposits and prepayments		56,838	69,596
Interest accrued		-	1,227
Refunds due from Government	6	1,134,061	39,015
Other receivables		189,417	485,056
Taxation - payments less provision	7	711,190	663,992
Investment at amortised cost		-	747,935
Bank balances	8	1,121,828	2,454,867
		11,527,503	10,013,921
		15,383,280	13,866,160
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,170,545	1,170,545
Reserves		5,821,913	5,544,627
		6,992,458	6,715,172
LIABILITIES			
Non-current liabilities			
Staff retirement benefits		120,030	97,244
Deferred taxation - net	9	254,855	197,102
		374,885	294,346
Current liabilities			
Trade and other payables	10	6,495,671	4,941,078
Unpaid dividend		1,520,266	1,915,564
		8,015,937	6,856,642
		8,390,822	7,150,988
		15,383,280	13,866,160
Contingencies and commitments			
	11		

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



Chief Financial Officer



Director



Chief Executive Officer

Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income

FOR THE HALF YEAR ENDED JUNE 30, 2022 (UN-AUDITED)

	Note	Half year ended		Quarter ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- Rupees in '000 -----					
Revenue from contracts with customers - net	12	14,214,254	11,922,841	7,087,103	6,688,013
Cost of sales		(11,082,947)	(8,447,000)	(5,887,244)	(4,722,811)
Gross profit		3,131,307	3,475,841	1,199,859	1,965,202
Selling, marketing and distribution expenses	13	(1,887,004)	(1,527,884)	(880,263)	(916,040)
Administrative expenses		(190,610)	(136,557)	(110,603)	(75,520)
Other operating expenses		(75,114)	(156,787)	(9,348)	(78,861)
Other income	14	155,447	151,182	64,700	14,155
Operating profit		1,134,026	1,805,795	264,345	908,936
Financial charges	15	(214,199)	(2,748)	(145,495)	(2,029)
Profit before taxation		919,827	1,803,047	118,850	906,907
Taxation - net	7	(642,541)	(524,319)	(398,163)	(243,188)
Profit / (loss) after taxation		277,286	1,278,728	(279,313)	663,719
Other comprehensive income		-	-	-	-
Total comprehensive income		277,286	1,278,728	(279,313)	663,719
Earnings / (loss) per share - Rs	16	2.37	10.92	(2.39)	5.67

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



Chief Financial Officer



Director



Chief Executive Officer

Condensed Interim Statement Of Changes In Equity

FOR THE HALF YEAR ENDED JUNE 30, 2022 (UN-AUDITED)

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement	Reserve arising on amalgamation under the Scheme of Merger	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2021	1,170,545	101,914	728,726	3,162,743	5,163,928
Transactions with owners recorded directly in equity - distribution					
Final dividend for the year ended December 31, 2020 @ Rs. 5 per share	-	-	-	(585,273)	(585,273)
Total comprehensive income for the half year ended June 30, 2021					
Profit after taxation	-	-	-	1,278,728	1,278,728
Other comprehensive income	-	-	-	-	-
Balance as at June 30, 2021	1,170,545	101,914	728,726	3,856,198	5,857,383
Balance as at January 01, 2022	1,170,545	101,914	728,726	4,713,987	6,715,172
Total comprehensive income for the half year ended June 30, 2022					
Profit after taxation	-	-	-	277,286	277,286
Other comprehensive income	-	-	-	-	-
	-	-	-	277,286	277,286
Balance as at June 30, 2022	1,170,545	101,914	728,726	4,991,273	6,992,458

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



Chief Financial Officer



Director



Chief Executive Officer

GlaxoSmithKline Consumer Healthcare Pakistan Ltd.

Condensed Interim Statement Of Cash Flows

FOR THE HALF YEAR ENDED JUNE 30, 2022 (UN-AUDITED)

June 30,
2022

June 30,
2021

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	17	(970,383)	740,117
Staff retirement benefits paid		(5,026)	(36,332)
Interest paid		(2,814)	(5,358)
Income taxes paid		(631,986)	(325,488)
(Increase) / decrease in long-term loans to employees		(936)	2,466

Net cash (used in) / generated from operating activities

(1,611,145) 375,405

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditures		(163,246)	(128,519)
Proceeds from disposal of operating assets		20,076	22,094
Interest received		121,771	80,625

Net cash used in investing activities

(21,399) (25,800)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid to shareholders		(395,298)	(77,584)
Lease rental paid		-	(2,460)

Net cash used in financing activities

(395,298) (80,044)

Net (decrease) / increase in cash and cash equivalents during the period

(2,027,842) 269,561

Cash and cash equivalents at the beginning of the period	18	3,087,785	1,897,774
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Cash and cash equivalents at the end of the period

18 1,059,943 2,167,335

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



Chief Financial Officer



Director



Chief Executive Officer

Notes to the CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 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 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 Sandoz Nagar, Petaro Road, Jamshoro, Sindh.

As at June 30, 2022, the Company is a subsidiary of GlaxoSmithKline Consumer Healthcare B.V. In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc. an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), the ultimate parent Company has changed from GlaxoSmithKline plc to Haleon plc.

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 is 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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) and Islamic Financial Accounting Standard (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34 and IFASs standard, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 unaudited 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 amendments are effective for the year ended December 31, 2022. These 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.

- 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 AND 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 in '000 -----			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	3,057,132	3,091,001
Capital work-in-progress		651,936	615,465
		3,709,068	3,706,466

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

	Half year ended June 30, 2022 Un-audited		Half year ended June 30, 2021 Un-audited	
	Additions (at cost)	Disposals - at net book value	Additions (at cost)	Disposals - at net book value
----- Rupees in '000 -----				
Operating assets				
Building and improvements on leasehold land	17,266	-	1,706	-
Plant and machinery	69,985	-	34,437	1,361
Furniture and fixtures	129	-	6,777	-
Vehicles	1,828	4,769	68,216	11,796
Office equipment	37,567	-	29,327	-
	126,775	4,769	140,463	13,157

	Note	Un-audited June 30, 2022	Audited December 31, 2021
----- Rupees in '000 -----			
5. INVENTORIES			
Raw and packing materials		3,820,409	2,237,197
Work-in-process		156,233	41,288
Finished goods		2,529,291	1,785,654
		6,505,933	4,064,139
Less: Provision for slow moving, obsolete and damaged stock	5.1	(96,148)	(148,089)
		6,409,785	3,916,050

5.1 During the period, inventories of Rs. 52.78 million (December 31, 2021: Rs. 113.09 million) have been written-off against provision.

5.2 Inventories include items costing Rs. 1,391.77 million (December 31, 2021: Rs. Nil) valued at net realisable value of Rs. 1,260.54 million (December 31, 2021: Rs. Nil).

6. 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. 1,034 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.

7. TAXATION - PAYMENTS LESS PROVISION

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 (including the Company). The tax has been imposed at the rate of 4% retrospectively from the tax year 2022 onwards. However, for the tax year 2022 (Year ended December 31, 2021 being special tax year) the tax has been imposed at the rate of 10% for certain specified sectors including pharmaceutical sector in which our Company operates. Accordingly, the current period tax charge includes Rs. 283 million and Rs. 35 million for tax years 2022 and 2023 respectively on account of super tax. Furthermore, the application of super tax has also increased the deferred tax charge by Rs. 27 million.

	Un-audited June 30, 2022	Audited December 31, 2021
8. BANK BALANCES	----- Rupees in '000 -----	
With banks:		
- in savings accounts	8.1 1,112,380	2,445,386
- in current accounts	9,448	9,481
	1,121,828	2,454,867

8.1 These accounts carries mark-up rate of 12.25% (December 31, 2021: 7.25% to 7.85%) per annum.

	Un-audited June 30, 2022	Audited December 31, 2021
Note	----- Rupees in '000 -----	
9. DEFERRED TAXATION - NET		
Deferred tax liability on taxable temporary differences		
Accelerated tax depreciation and amortisation	337,430	276,613
Deferred tax asset on deductible temporary differences		
Allowance for impairment of trade debts	(10,080)	(8,807)
Provision for slow moving, obsolete and damaged stock	(31,727)	(42,945)
Staff retirement benefits	(40,768)	(27,759)
	(82,575)	(79,511)
	254,855	197,102
10. TRADE AND OTHER PAYABLES		
Creditors and bills payable	2,066,563	1,051,501
Accrued liabilities	3,584,251	2,863,848
Contract liabilities	373,762	488,008
Book overdraft	61,885	115,017
Others	409,210	422,704
10.1	6,495,671	4,941,078

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

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 There is no change in status of pending tax and legal contingencies disclosed in note 21 to the annual audited financial statements of the Company for the year ended December 31, 2021, except that following matter arose during the period:

(a) Income tax

During the period ended June 30, 2022, the Taxation Officer raised demand of Rs. 1,374,410 (including default surcharge and penalty of Rs. 642,328) under section 161(1) of the Income Tax Ordinance, 2001 alleging that the GlaxoSmithKline OTC (Private) Limited [now GlaxoSmithKline Consumer Healthcare Pakistan Limited] did not withhold correct amount of withholding tax on payments under various heads (including rent, travelling & entertainment and professional charges etc.) in Financial Year ended December 31, 2015 (Tax Year 2016).

The Company is in the process of filing appeal against the aforesaid order before Commissioner Inland Revenue (Appeals).

The Management is confident that the ultimate decisions in the above case will be in favor of the Company, hence, no provision has been made in respect of the aforementioned tax demand.

11.2 Commitments

11.2.1 The facilities for opening letters of credit and guarantees as at June 30, 2022, amounted to Rs. 1,116 million (December 31, 2021: Rs. 1,080 million) and Rs. 110 million (December 31, 2021: Rs. 110 million) respectively of which the amount remaining unutilised at period end was Rs. 676 million (December 31, 2021: Rs. 503 million) and Rs. 36 million (December 31, 2021: Rs. 71 million) respectively.

11.2.2 Commitments for capital expenditure outstanding as at June 30, 2022, amount to Rs. 709.18 million (December 31, 2021: Rs. 161.31 million).

12. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

12.1 This includes sales amounting to Rs. 0.52 billion (June 30, 2021: Rs. 0.39 billion) made by GSK Pakistan on behalf of the Company (refer note 1.2).

13. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses of Rs.1.35 billion (June 30, 2021: Rs. 0.99 billion).

Half year ended - Un-audited		Quarter ended - Un-audited	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- Rupees in '000 -----		----- Rupees in '000 -----	

14. OTHER INCOME

	Half year ended - Un-audited		Quarter ended - Un-audited	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Income from financial assets				
Income on savings and deposit accounts	120,544	81,211	54,493	38,879
Income from non-financial assets				
Gain on disposal of operating assets - net	15,307	8,937	-	3,029
Scrap sales	11,987	10,335	5,557	4,975
Exchange gain / (loss) - net	-	3,697	-	(77,689)
Others	7,609	47,002	4,650	44,961
	155,447	151,182	64,700	14,155

Half year ended - Un-audited

June 30,
2022

June 30,
2021

Quarter ended - Un-audited

June 30,
2022

June 30,
2021

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

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

15. FINANCIAL CHARGES

Interest on lease liability	-	159	-	126
Exchange loss / (gain) - net	211,385	-	142,681	-
Bank charges	2,814	2,589	2,814	1,903
	214,199	2,748	145,495	2,029

16. EARNINGS / (LOSS) PER SHARE

Profit / (loss) after taxation (Rupees in '000)	277,286	1,278,728	(279,313)	663,719
Weighted average number of shares outstanding (Numbers in '000)	117,055	117,055	117,055	117,055
Earnings / (loss) per share (Rupees)	2.37	10.92	(2.39)	5.67

Un-audited
Half year ended

June 30,
2022

Un-audited

June 30,
2021

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

17. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit before taxation	919,827	1,803,047
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortization	155,875	144,301
Interest expense	2,814	2,748
Gain on disposal of operating assets - net	(15,307)	(8,937)
Provision for slow moving, obsolete and damaged stock	836	54,474
Provision for staff retirement benefits	44,136	44,372
Interest income	(120,544)	(81,211)
Unrealised exchange loss	146,534	15,352
Profit before working capital changes	1,134,171	1,974,146
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(6,163)	(32,847)
Inventories	(2,494,571)	(1,419,874)
Trade debts	160,917	(487,974)
Loans and advances	(422,955)	114,103
Trade deposits and prepayments	12,758	(260)
Refunds due from Government	(1,095,046)	16,064
Other receivables	295,639	(8,417)
	(3,549,421)	(1,819,205)
Increase / (decrease) in current liabilities		
Trade and other payables	1,444,867	585,176
	(2,104,554)	(1,234,029)
	(970,383)	740,117

Un-audited
June 30,
2022

Audited
December 31,
2021

Un-audited
June 30,
2021

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

18. CASH AND CASH EQUIVALENTS

Bank balances	8	1,121,828	2,454,867	2,373,205
Investment at amortised cost		-	747,935	-
Book overdraft	10.1	(61,885)	(115,017)	(205,870)
		1,059,943	3,087,785	2,167,335

19. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates.

Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

		Un-audited	Un-audited
		Half year ended	
		June 30,	June 30,
		2022	2021
		----- Rupees in '000 -----	
Relationship	Nature of transactions		
Holding Company:	a. Dividend declared	-	502,116
	b. Dividend paid	394,595	-
Associated Companies:	a. Purchase of goods and services	2,068,189	1,616,427
	b. Expenses cross charged by GSK Pakistan	12,022	28,115
	c. Recovery of expenses	-	44,163
	d. Services fee charged by GSK Pakistan	6,000	6,000
Staff retirement funds:	a. Expense charged for retirement benefit plans	44,136	44,372
	b. Payments to retirement benefit plans	5,026	36,332
Key management personnel:	a. Salaries and other employee benefits	105,725	88,836
	b. Post employment benefits	6,606	4,595
	c. Proceeds from sale of fixed assets	-	8,271

19.2 Details of outstanding balances as at period / year end with the related parties are as follows:

		Un-audited	Audited
		June 30,	December 31,
		2022	2021
		----- Rupees in '000 -----	
Holding Company:	Dividend payable	1,506,338	1,900,933
Associated Companies:	a. Other receivables	6,243	67,135
	b. Trade and other payables	1,086,276	564,267
Payable to staff retirement funds		120,030	97,244

20. FAIR VALUE MEASUREMENTS

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 (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 methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

21. CORRESPONDING FIGURES

Corresponding figures have been reclassified in these condensed interim financial statements, 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.

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 **23 August 2022**.



Chief Financial Officer



Director



Chief Executive Officer



do more
feel better
live longer

THE BLUE DOT

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