

27 April 2023

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 2023**

Dear Sir / Madam,

We have to inform you that the Quarterly Report of the Company for the period ended 31 March 2023 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  
Haleon Pakistan Limited



**Ms. Mashal Mohammad**  
Company Secretary

Enclosed: As above

# Resilience is **everything**

Haleon Pakistan Limited

First Quarterly Report 2023



THE BLUE DOT

**Haleon Pakistan Limited**

11-A, 11<sup>th</sup> Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4,  
Scheme-5, Clifton, Karachi, Pakistan 75600.

# Corporate Information

## Board of Directors

**Mr. M. Z. Moin Mohajir** (Chairperson)  
**Mr. Farhan Muhammad Haroon**  
**Mr. Dilawar Meghani**  
**Syed Anwar Mahmood**  
**Ms. Ayesha Aziz**  
**Ms. Sumru Atalay Besceli**  
**Mr. Oussama Abbas**

## Integration Supply and Network Optimization Committee

**Mr. Oussama Abbas** (Chairperson)  
**Mr. Farhan Muhammad Haroon**  
**Mr. Dilawar Meghani**

Secretary  
**Syed Mohsin Mazhar**

## Human Resource, Remuneration and Nomination 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. Marrium Ahmed**

## Management Committee

**Mr. Farhan Muhammad Haroon**  
Chief Executive Officer  
**Mr. Dilawar Meghani**  
Chief Financial Officer  
**Ms. Mashal Mohammad**  
Legal Director and Company Secretary  
**Ms. Marrium Ahmed**  
Head of Internal Audit and Compliance  
**Mr. Moien Ahmed Khan**  
Pakistan E2E SC and Jamshoro Site Lead  
**Mr. Khurram H. Khan**  
Head of Commercial Excellence  
**Mr. Mazhar Shams**  
Head of Regulatory Affairs  
**Mr. Faisal Rafiq**  
Head of Expert  
**Mr. Salman Altaf**  
Marketing Director  
**Syed Abrar Ali**  
Sales Director  
**Ms. Ensherah Khan**  
Head of Human Resources  
**Ms. Sadaf Malik**  
Head of Corporate Affairs

## Company Secretary

**Ms. Mashal Mohammad**

## Chief Financial Officer

**Mr. Dilawar Meghani**

## Head of Internal Audit

**Ms. Marrium Ahmed**

## Bankers

**Citibank N.A**  
**Standard Chartered Bank (Pakistan) Limited**

## Auditors

**Yousuf Adil, Chartered Accountants**

## Legal Advisors

**AspireLaw**

### Registered Office

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600\*.

\*The registered office address was changed w.e.f 9 February 2023.

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

### 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](mailto:info@cdcsrsl.com)  
And  
Haleon Pakistan Limited (formerly GlaxoSmithKline Consumer Healthcare Pakistan Limited)  
Corporate Secretarial Department  
11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600.  
Email: [pakistan.shareinfo@haleon.com](mailto:pakistan.shareinfo@haleon.com)

### Website

[www.pk-consumerhealthcare.gsk.com](http://www.pk-consumerhealthcare.gsk.com)

# Directors' Report

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, 2023.

## Composition And of The Board

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

**Male: 5 Female: 2**

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. Sumru Atalay Besceli

## Business / Economic Overview

As we close the first quarter of 2023, there is no visible improvement in macroeconomic indicators and most sectors continue to face serious challenges. The pharmaceutical industry is amongst the worst impacted by inflationary pressures with the inherent inability to absorb the increased cost of doing business and being price controlled at the same time. With deteriorating conditions, many companies are struggling to continue production, placing at risk the availability of quality medicines, and the livelihood of millions of associated stakeholders.

Haleon Pakistan Limited is the largest Fast Moving Consumer Healthcare (FMCH) company in Pakistan, with a clear purpose to deliver better everyday health with humanity. The Company has

a leading Over the Counter (OTC) portfolio, most of which is price controlled by the Government of Pakistan. Despite pricing and regulatory challenges, your Company has been focused towards bringing more innovative products to our consumers while ensuring access to the existing best in class OTC and Oral Healthcare (OH) products in Pakistan.

## Review of Operating Results

Despite adverse macroeconomic headwinds and challenging business environment, we delivered a growth of 17% in the core business during the first three months of 2023 (excluding toll and export). The agility of the Company and our dynamic business model ensured that we were able to tackle the evolving environment with minimal disruptions in our production or distribution.

Our OTC portfolio delivered revenue growth of 22% in Q1 2023 driven by the Pain category whereas our Fast-Moving Consumer Goods (FMCG) segment registered negative growth of 5% consequent to changes in the distribution model. Considering the above cost increases, we have been able to exercise due control on our cost levers. Total expenses to net sales ratio in the Q1 2023 have decreased from 15% to 14% as compared to SPLY (Same Period Last Year). We aim to fuel our growth momentum through sustained A&P investment. However, considering the unsustainable increase in cost, we have reassessed our investment behind our brands. Further, financial charges in the same quarter increased by Rs. 165 million mainly due to exchange losses resulting from settlement and revaluation of foreign liabilities.

We are pleased to inform you that against all odds your Company managed to post a net profit after tax of Rs. 303 million amounting to an Earnings Per Share (EPS) of Rs. 2.59 (Q1 2022: Rs. 4.76). The Company remains committed to Corporate Social Responsibility (CSR) in Pakistan and as a socially conscious organization, we continue to contribute towards social welfare. Recently, the Company partnered with Smile Train to support provision of free comprehensive care for children born with cleft lip and palate.

## Future Outlook and Challenges

Pakistan's economy is in a downward spiral. Increasing political and economic instability have led to many businesses struggling to cope with soaring costs. This poses a serious risk for availability of essential medicines, making 2023 an uncertain year for our health care industry as a whole. As our Company strives to continue supplying quality and innovative healthcare products, there is a dire need for rational measures by relevant authorities to enable sustainable pricing and timely regulatory approvals. Whilst the country's economic outlook remains fraught with substantial risks, Haleon remains committed to Deliver Better Everyday Health with Humanity in Pakistan through our best-in-class Healthcare products.

## Remuneration Policy

The Non-Executive Board Directors of Haleon 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 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 M. Haroon**  
Chief Executive Officer  
and General Manager

**Dilawar Meghani**  
Chief Financial Officer

# ڈائریکٹرز رپورٹ

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے ایما پر، ہم کمپنی کی غیر آڈٹ شدہ فائنانشل معلومات برائے سہ ماہی ، مختتمہ 31 مارچ 2023 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں

## بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد 7 ہے جو کہ درج ذیل ہے:

مرد: 5 خواتین: 2

شعبہ	نام
آزاد (انڈپینڈنٹ) ڈائریکٹرز	جناب ایم زید معین مہاجر سید انور محمود محترمہ عائشہ عزیز
نان ایگزیکٹو ڈائریکٹرز	جناب فرحان محمد ہارون جناب دلاور میگھانی
نان ایگزیکٹو ڈائریکٹرز	جناب اسامہ عباسی محترمہ سمرو اتالہ بیسیلی

## کاروباری / معاشی جائزہ

جیسا کہ 2023 کی پہلی سہ ماہی ختم ہو رہی ہے، ایسے میں میکرو انڈیکٹرز میں کوئی واضح بہتری دکھائی نہیں دے رہی اور بیشتر شعبوں کو اہم چیلنجز درپیش ہیں۔ افراط زر کے دباؤ اور کاروباری سرگرمیوں کی بڑھتی ہوئی لاگت ، اورساتھ ہی پرائس کنٹرولڈ ہونے کی وجہ سے فارما سیوٹیکل انڈسٹری بری طرح متاثر ہونے والے شعبوں میں سے ایک ہے۔ وہ شعبہ ہے جو سب سے زیادہ متاثر ہو رہا ہے۔

ان نا مساعد حالات کے باوجود ، بہت سی کمپنیاں پیداوار کے سلسلے کو جاری رکھنے ، معیاری ادویات کی دستیابی کو یقینی بنانے اور لاکھوں متعلقہ اسٹیک ہولڈرز کو ذریعہ معاش فراہم کرنے کے لئے کوشاں ہیں۔ بیلین پاکستان لمیٹڈ پاکستان کی سب سے بڑی فاسٹ موونگ کنزیومر بیلٹھ کیئر (ایف ایم سی ایچ) کمپنی ہے، جس کا واضح مقصد انسانیت کے ساتھ بہتر روزمرہ صحت فراہم کرنا ہے۔ کمپنی ایک ممتاز اوور دی کاؤنٹر (او ٹی سی) پورٹ فولیو کی حامل ہے ، جس میں شامل زیادہ تر پراڈکٹس کی قیمتوں کا کنٹرول حکومت پاکستان کے پاس ہے ۔ قیمتوں اور ریگولیٹری چیلنجز کے باوجود، آپ کی کمپنی نے پاکستان میں OTC اور OH کے شعبوں میں بہترین پراڈکٹس تک رسائی کو ممکن بناتے ہوئے صارفین کے لیے مزید جدید ترین

پراڈکٹس متعارف کروانے پر اپنی توجہ مرکوز رکھی ہے۔

## آپریٹنگ نتائج کا جائزہ

میکرواکنامک لیول پر درپیش مشکل ترین حالات اور چیلنجز کاروباری ماحول کے باوجود ہم نے 2023 کے پہلے تین ماہ (ٹول اور برآمدات کے علاوہ) کے دورا ن بنیادی کاروبارمیں 17 فیصد گروتھ ریکارڈ کی۔ کمپنی کی سبک رفتار کارکردگی اور ہمارے ڈائنامک کاروباری ماڈل نے اس بات کو یقینی بنایا کہ ہم اپنی پروڈکشن اور ڈسٹری بیوشن میں کم سے کم تبدیلی کے ساتھ بدلتے ہوئے ماحول کے تقاضوں سے ٹھٹنے کے قابل رہے۔

ہمارے او ٹی سی پورٹ فولیو میں 2023 ، کی پہلی سہ ماہی میں بنیادی طور پر پین کیٹیگری کی وجہ سے آمدنی میں 22 فیصد اضافہ ہوا جبکہ ڈسٹری بیوشن ماڈل میں آنے والی تبدیلیوں کے نتیجے میں ہمارے فاسٹ موونگ کنزیومر گڈز (ایف ایم سی جی) کے شعبے میں منفی 5 فیصد گروتھ دیکھنے میں آئی

لاگت میں ہونے والے مندرجہ بالا اضافے کو مدنظر رکھتے ہوئے، ہم اپنے کاسٹ لیورز کو مناسب طور پر کنٹرول کرنے کے قابل ہو چکے ہیں۔ 2023 ، کی پہلی سہ ماہی میں نیٹ سیلز کے تناسب سے مجموعی اخراجات ایس پی ایل وائی (گزشتہ سال کی اسی مدت) کے مقابلے میں 15 فیصد سے کم ہو کر 14 فیصد رہ گئے ہیں۔ ہم A&P میں مستقل سرمایہ کاری کے ذریعے اپنی ترقی رفتار کو برقرار رکھنے کے لیے پرعزم ہیں۔ تاہم، لاگت میں ہونے والے غیر مستحکم اضافے کو مد نظر رکھتے ہوئے، ہم نے اپنے برانڈز پر کی جانے والی سرمایہ کاری کادوبارہ جائزہ لیا ہے۔ مزید برآں، اسی سہ ماہی میں مالیاتی چارجز میں 165 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ بیرونی واجبات کی ری ویلیویشن اور سیٹلمنٹ کی بناء پر ایکسچینج کی مد میں ہونے والے نقصانات ہیں۔

ہم آپ کو اس بات سے آگاہ کرتے ہوئے خوشی محسوس کر رہے ہیں کہ تمام تر غیر موافق حالات کے باوجود آپ کی کمپنی 303 ملین روپے بعد از ٹیکس منافع ، یعنی 2.59 روپے فی شیئر منافع (EPS) حاصل کرنے میں کامیاب رہی (2022 Q1: 4.76.Rs)۔

کمپنی پاکستان میں کارپوریٹ سماجی ذمہ داری (سی ایس آر) کے حوالے سے اپنی ذمہ داریوں کی انجام دہی کے لیے پرعزم ہے اور سماجی شعور کی حامل آرگنائزیشن ہونے کے ناطے، ہم سماجی فلاح و بہبود کے لیے اپنی سرگرمیوں کو جاری رکھتے ہیں۔ حال ہی میں، کمپنی نے اسمائل ٹرین کے ساتھ شراکت داری کی ہے تاکہ کٹے ہونٹ اور تالو کے ساتھ پیدا ہونے والے بچوں کے لئے مفت جامع دیکھ بھال کے حوالے سے بھرپور معاونت کی جا سکے۔

## مستقبل کا منظر نامہ اور چیلنجز

پاکستان کی معیشت زوال پذیر ہے۔ بڑھتے ہوئے سیاسی اور معاشی عدم استحکام کی بدولت بے شمار کاروبار مہنگائی میں بے پناہ اضافے سے نبرد آزما ہیں ۔ اس وجہ سے اہم ترین ادویات کی دستیابی کے حوالے سے بے حد خطرات لاحق ہیں لہذا 2023 پاکستان میں بیلٹھ کیئر انڈسٹری کے لیے بحیثیت مجموعی ایک غیر یقینی سال ہے۔ جہاں ہماری کمپنی عمدہ کوالٹی کی حامل اور جدید بیلٹھ کیئر پراڈکٹس کی فراہمی کے سلسلے کو جاری رکھنے کے لیے مسلسل کوشاں ہے، وہیں متعلقہ اداروں کی طرف سے موزوں

اقدامات کرنے کی اشد ضرورت ہے جو کہ مستحکم پرائسنگ اور بروقت قانونی منظوریوں کو ممکن بنائیں۔

جب کہ ملک کا معاشی منظر نامہ غیر یقینی اور انتہائی خدشات کی عکاسی کرتا ہے، بیلین ایسے میں بھی اپنی بہترین پراڈکٹس کے ساتھ پاکستان میں انسانیت کے ساتھ بہتر روز مرہ صحت کی فراہمی کے لیے پرعزم ہے ۔

## مشاہرے کی پالیسی

بیلین پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ ڈائریکٹرز کنزیومر بیلٹھ کیئر انڈسٹری اور اسی طرح کے دیگر کاروباروں کے حوالے سے مارکیٹ بینچ مارک کی بنیاد پر، بیومن ریسورس ریمیونیریشن اینڈ نومینیشن کمیٹی کی طرف سے منظور کیے گئے، معاوضے کے حقدار ہیں۔

## اعتراف

اس موقع پر بورڈ آف ڈائریکٹرز ، انسانیت کے ساتھ روز مرہ صحت کی فراہمی کو یقینی بنانے کے لیے تمام ملازمین کا ان کے شاندار، انتھک کام اور لگن کے لئے شکریہ ادا کرتے ہوئے خوشی محسوس کرتا ہے۔ اس کے ساتھ ساتھ ہم کمپنی کے بہتر نتائج کے حصول کے لیے اپنے سپلائرز اور شراکت داروں کی مسلسل حمایت اور لگن پر، ان کے بھی تہہ دل سے شکر گزار ہیں۔

بحکم بورڈ

خیرخواہ



## فرحان محمد ہارون

چیف ایگزیکٹو آفیسر اینڈ جنرل مینیجر



## دلاور میگھانی

چیف فائنانشل آفیسر

# Condensed Interim Statement Of Financial Position

As At March 31, 2023

		Un-audited March 31, 2023	Audited December 31, 2022
----- Rupees in '000 -----			
<b>ASSETS</b>	Note		
<b>Non-current assets</b>			
Property, plant and equipment	5	4,199,822	3,989,754
Intangible		127,674	127,674
Long-term loans to employees		5,247	5,995
Long-term deposits		28,319	28,319
		4,361,062	4,151,742
<b>Current assets</b>			
Stores and spares		155,577	143,019
Inventories		5,851,661	4,528,669
Trade debts		464,816	635,519
Loans and advances		594,216	418,682
Trade deposits and prepayments		105,681	99,756
Interest accrued		30,869	17,227
Refunds due from Government - Sales Tax		37,439	144,373
Other receivables		430,174	531,826
Taxation - payments less provision		1,150,457	915,200
Investment at amortised cost		1,200,800	965,302
Bank balances		1,754,075	2,508,361
		11,775,765	10,907,934
<b>Total assets</b>		16,136,827	15,059,676
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		1,170,545	1,170,545
Reserves		6,174,549	5,871,410
		7,345,094	7,041,955
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Staff retirement benefits		116,005	106,371
Deferred taxation		233,978	133,798
Lease liabilities		114,815	119,164
		464,798	359,333
<b>Current liabilities</b>			
Trade and other payables	6	6,770,423	6,102,666
Unpaid dividend		1,519,625	1,519,713
Current portion of lease liabilities		36,887	36,009
		8,326,935	7,658,388
<b>Total liabilities</b>		8,791,733	8,017,721
<b>Total equity and liabilities</b>		16,136,827	15,059,676
<b>Contingencies and commitments</b>	7		

The annexed notes from 1 to 14 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, 2023 (Un-Audited)

		March 31, 2023	March 31, 2022
----- Rupees in '000 -----			
	Note		
Revenue from contracts with customers - net		7,820,947	7,127,151
Cost of sales		(6,169,094)	(5,195,703)
<b>Gross profit</b>		1,651,853	1,931,448
Selling, marketing and distribution expenses	8	(935,320)	(1,006,741)
Administrative expenses		(138,871)	(80,007)
Other operating expenses		(41,072)	(65,766)
Other income		165,564	90,747
<b>Operating profit</b>		702,154	869,681
Financial charges		(234,050)	(68,704)
<b>Profit before taxation</b>		468,104	800,977
Taxation - net		(164,965)	(244,378)
<b>Profit after taxation</b>		303,139	556,599
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of staff retirement benefits		-	-
Impact of taxation		-	-
		-	-
<b>Total comprehensive income</b>		303,139	556,599
Earnings per share - basic and diluted (Rupees)	9	2.59	4.76

The annexed notes from 1 to 14 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, 2023 (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, 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	1,170,545	101,914	728,726	5,270,586	7,271,771
<b>Balance as at January 01, 2023</b>	<b>1,170,545</b>	<b>101,914</b>	<b>728,726</b>	<b>5,040,770</b>	<b>7,041,955</b>
<b>Total comprehensive income for the quarter ended March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,139</b>	<b>303,139</b>
<b>Balance as at March 31, 2023</b>	<b>1,170,545</b>	<b>101,914</b>	<b>728,726</b>	<b>5,343,909</b>	<b>7,345,094</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

## Condensed Interim Statement Of Cash Flows

For The Quarter Ended March 31, 2023 (Un-Audited)

		March 31, 2023	March 31, 2022
----- Rupees in '000 -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	10	<b>(182,203)</b>	438,886
Staff retirement benefits paid		<b>(17,238)</b>	(11,214)
Income taxes paid		<b>(300,042)</b>	(294,823)
Decrease / (increase) in long-term loans to employees		<b>748</b>	(1,215)
<b>Net cash (used in) / generated from operating activities</b>		<b>(498,735)</b>	131,634
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		<b>(326,666)</b>	(65,121)
Proceeds from disposal of operating assets		<b>37,306</b>	16,752
Interest received		<b>135,945</b>	66,051
<b>Net cash (used in) / generated from investing activities</b>		<b>(153,415)</b>	17,682
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<b>(88)</b>	(395,298)
Lease rental paid		<b>(9,000)</b>	-
<b>Net cash used in financing activities</b>		<b>(9,088)</b>	(395,298)
<b>Net decrease in cash and cash equivalents</b>		<b>(661,238)</b>	(245,982)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,435,873</b>	3,087,785
<b>Cash and cash equivalents at the end of the period</b>	11	<b>2,774,635</b>	2,841,803

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



Chief Financial Officer



Director



Chief Executive Officer

# Notes To The Financial Statements

For The Quarter Ended March 31, 2023 (Un-Audited)

## 1. THE COMPANY AND ITS OPERATIONS

**1.1** Haleon Pakistan Limited (Formerly 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. During the period, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

The Company is a subsidiary of Haleon Netherlands B.V. (Formerly 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. Name of the Company has changed to Haleon Pakistan Limited from GlaxoSmithKline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

**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

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, 2022.

## 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, 2022.

**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, 2022, 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, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2022.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited March 31, 2023	Audited December 31, 2022
----- Rupees in '000 -----		
Operating assets	<b>2,921,003</b>	3,029,675
Capital work-in-progress	<b>1,136,153</b>	809,487
Right-of-use assets - Office premises	<b>142,666</b>	150,592
	<b>4,199,822</b>	3,989,754

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

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in '000 -----				
Building and improvements on				
Leasehold land	-	17,263	<b>16,936</b>	-
Plant and machinery	-	10,393	-	-
Furniture and fixtures	-	129	<b>5,920</b>	-
Vehicles	-	-	<b>1,875</b>	1,445
Office equipments	-	6,527	<b>2,620</b>	-
	-	<b>34,312</b>	<b>27,351</b>	1,445

## 6. TRADE AND OTHER PAYABLES

	Un-audited March 31, 2023	Audited December 31, 2022
----- Rupees in '000 -----		
Creditors and bills payable	<b>1,601,600</b>	1,760,934
Accrued liabilities	<b>3,900,988</b>	3,048,958
Book overdraft	<b>180,240</b>	37,790
Contract liabilities	<b>646,121</b>	927,899
Others	<b>441,474</b>	327,085
	<b>6,770,423</b>	6,102,666



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 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, 2022, except that following matter arose during the period:

During the year ended December 31, 2022, the Assessment Officer passed an order and raised demand of Rs. 95.8 million (including penalty of Rs. 4.6 million) in respect of tax periods from July 2021 to June 2022 allegedly on account of incorrect input tax claimed on exempt supplies as well as apportionment of input tax claimed. The company filed appeal against the said order before Commissioner Inland Revenue (Appeals) [CIR(A)] who, via his order dated February 15, 2023 annulled the assessment and deleted the demand as well as the levy of penalty / default surcharge. Tax Department has filed an appeal against the said order of CIR(A) before Appellate Tribunal Inland Revenue.

### 7.2 Commitments

Commitments for capital expenditure outstanding as at March 31, 2023, amounted to Rs. 941.32 million (December 31, 2022: Rs. 975.94 million).

## 8. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses amounting to Rs. 570.63 million (March 31, 2022: Rs. 731.64 million)

## 9. EARNINGS PER SHARE - BASIC AND DILUTED

	Un-audited March 31, 2023	Un-audited March 31, 2022
Profit after taxation (Rupees in thousand)	303,139	556,599
Weighted average number of outstanding shares (in thousand)	117,055	117,055
Earnings per share (Rupees)	2.59	4.76

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 (USED IN) / GENERATED FROM OPERATIONS

Profit before taxation

468,104

800,977

### Add / (less): Adjustments for non-cash charges and other items

Depreciation

89,247

77,820

Interest on lease liabilities

5,529

-

Gain on disposal of operating assets

(9,955)

(15,307)

Unrealized exchange loss

138,751

54,321

Interest income

(149,587)

(66,051)

Provision for slow moving, obsolete

43,943

2,494

and damaged inventories - net of inventory written off

26,872

23,301

Provision for staff retirement benefits

612,904

877,555

Profit before working capital changes

612,904

877,555

### Effect on cash flow due to working capital changes

### (Increase) / decrease in current assets

Stores and spares

(12,558)

(7,015)

Inventories

(1,366,935)

(1,371,572)

Trade debts

170,703

258,263

Loans and advances

(175,534)

137,095

Trade deposits and prepayments

(5,925)

(20,329)

Refunds due from Government - Sales Tax

106,934

(541,287)

Other receivables

101,652

86,635

(1,181,663)

(1,458,210)

### Increase in current liabilities

Trade and other payables

386,556

1,019,541

(182,203)

438,886

## 11. CASH AND CASH EQUIVALENTS

Bank balances

1,200,800

746,852

Investment at amortised cost

(180,240)

(217,694)

Book overdraft

2,774,635

2,841,803

Note

6.1

## 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	Un-audited	Un-audited
		March 31, 2023	March 31, 2022
----- Rupees in '000 -----			
----			
Associated companies:	a. Purchase of goods	454,851	1,011,638
	b. Service fees charged by GlaxoSmithKline Pakistan Limited	-	3,000
	c. Expenses cross charged by GlaxoSmithKline Pakistan Limited	-	8,109
	d. Recovery of expenses	5,049	-
	e. Sale of goods	12,417	-
Staff retirement funds:	a. Expense charged for retirement benefit plans	26,872	23,301
	b. Payments to retirement benefit plans	17,238	11,214
Key management personnel:	a. Salaries and other employee benefits	56,772	55,718
	b. Post employment benefits	4,478	3,942

## 13. 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.

## 14. 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 26, 2023.



Chief Financial Officer



Director



Chief Executive Officer