



# AGILE TRANS FORM MATION

**Agile Transformation**  
Half Yearly Report 2020

# Corporate Information

as at June 30, 2020

## Board of Directors

**Mr. Dmytro Oliinyk**  
Chairman

**Ms. Erum Shakir Rahim**  
Chief Executive Officer

**Mr. Abdul Samad**  
Chief Financial Officer

**Ms. Maheen Rahman**  
Independent Director

**Mr. Muneer Kamal**  
Independent Director

**Mr. Mehmood Mandviwalla**  
Non-Executive Director

**Mr. Mark Dawson**  
Non-Executive Director

## Audit Committee

**Mr. Muneer Kamal**  
Chairman

**Mr. Dmytro Oliinyk**  
Member

**Mr. Mehmood Mandviwalla**  
Member

**Ms. Maheen Rahman**  
Member

## Human Resource & Remuneration Committee

**Ms. Maheen Rahman**  
Chairperson

**Mr. Dmytro Oliinyk**  
Member

**Mr. Mehmood Mandviwalla**  
Member

**Mr. Mark Dawson**  
Member

**Ms. Erum Shakir Rahim**  
Member

## Management Committee

**Ms. Erum Shakir Rahim**  
Chief Executive Officer

**Mr. Abdul Samad**  
Chief Financial Officer

**Syed Azeem Abbas Naqvi**  
Legal Director

**Dr. Tariq Farooq**  
Business Unit Director 1 - Classic and Established Products, Vaccines and Dermatology

**Mr. Khurram Amjad**  
Director Commercial Excellence & CTC

**Dr. Gohar Nayab Khan**  
Regulatory Affairs Cluster Head - Pakistan & Iran

**Mr. Abdul Haseeb Pirzada**  
Director Corporate Affairs and Administration

**Mr. Muhammad Imran Amin**  
Country Compliance Officer

**Dr. Yousuf Hasan Khan**  
Director Medical

**Syed Nabigh Raza Alam**  
Tech Head

**Mr. Obaid Siddiqui**  
Head of Procurement

**Mr. Farqaleet Iqbal**  
HR Country Head

**Ms. Samreen Hashmi Kidwai**  
Business Unit Director 2 - Classic and Established Products

**Imtiaz Hussain**  
Site Director - West Wharf

**Javed Tariq**  
Site Director - Korangi

**Joseph Thibaut**  
Site Director - F/268

## Disclosure Committee

**Ms. Erum Shakir Rahim**  
Chairperson

**Mr. Abdul Samad**  
Member

**Mr. Dmytro Oliinyk**  
Member

## Company Secretary

**Syed Azeem Abbas Naqvi**

## Chief Financial Officer

**Mr. Abdul Samad**

## Chief Internal Auditor

**Syed Ahsan Ejaz**

## Bankers

Citibank NA  
Deutsche Bank A.G.  
Habib Bank Limited  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Ltd

## Auditors

Deloitte Yousuf Adil & Co. Chartered Accountants

## Legal Advisors

Hashmi & Hashmi  
Faisal, Mahmood Ghani and Co  
Legal Consultancy Inc.

## Registered Office

35 - Dockyard Road, West Wharf,  
Karachi - 74000.  
Tel: 92-21-111-475-725  
(111-GSK-PAK)  
Fax: 92-21-32314898, 32311122  
Website: www.pk.gsk.com



Sykes Building

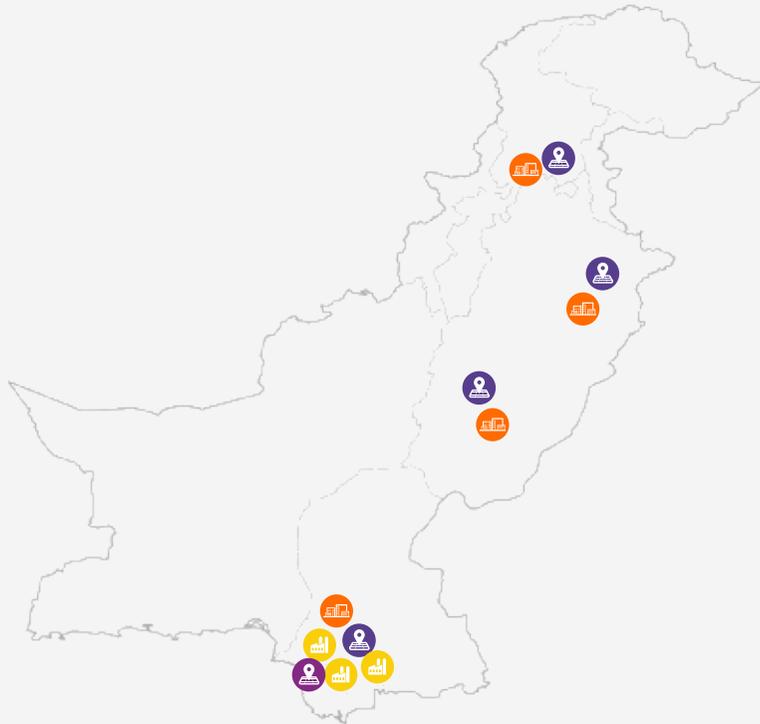


# Pakistan Market Overview

## Archetype and Players in Value Chain



- Biologicals
- Corporate
- Consumer Healthcare
- GMS
- Pharmaceuticals
- Research and Development



- Head Office
- Sales Office
- Warehouse
- Factory

# Directors' Report to Shareholders

On behalf of the Board of Directors, we are pleased to present the un-audited financial information of your Company for the period ended June 30, 2020. This financial information is submitted in accordance with Section 227 of the Companies Act, 2017.

## Composition of the Board:

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

Male:	5
Female:	2

The composition of the Board is as follows:

Category	Name
Independent Directors	<ul style="list-style-type: none"> <li>Maheen Rahman</li> <li>Muneer Kamal</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>Erum Shakir Rahim</li> <li>Abdul Samad</li> </ul>
Non-Executive Directors	<ul style="list-style-type: none"> <li>Mehmood Mandviwalla</li> <li>Dmytro Oliinyk</li> <li>Mark Dawson</li> </ul>

The Board has formed committees comprising of members given below:

### a) Audit Committee

- i. Muneer Kamal - Chairman
- ii. Maheen Rahman - Member
- iii. Mehmood Mandviwalla - Member
- iv. Dmytro Oliinyk - Member
- v. Syed Ahsan Ejaz - Secretary

### b) HR and Remuneration Committee

- i. Maheen Rahman - Chairperson
- ii. Mehmood Mandviwalla - Member
- iii. Dmytro Oliinyk - Member
- iv. Mark Dawson - Member
- v. Erum Shakir Rahim - Member
- vi. Farqaleet Iqbal - Secretary

### c) Disclosure Committee

- i. Erum Shakir Rahim - Chairperson
- ii. Abdul Samad - Member
- iii. Dmytro Oliinyk - Member

### d) Risk Management Committee

- i. RMCB – consisting of GSK Pakistan Management Team

## Review of Operating Results:

The Quarter 2 period was a challenging business environment

primarily due to the nationwide COVID 19 lockdown, which adversely affected economic activity and slowed down trade momentum. Like many other industries, the pharmaceutical sector's market growth was also impacted as hospitals and OPDs were largely closed for non-COVID related illnesses and patient visits to doctors were also fell amid social distancing and other safety measures. The Company remained committed to ensuring people safety, employee engagement, business continuity for timely medicine delivery to patients as well as supporting the community.

During the period under review, the company achieved a net sales of Rs. 15.8 billion. The total Net sales also includes intercompany sales of Rs. 0.7 billion as against Rs. 2.4 billion in the same period last year to GlaxoSmithKline Consumer Healthcare Pakistan Limited on account of products manufactured by the Company for which market authorization rights remain with GlaxoSmithKline Pakistan Limited. During H1 2020, the transfer of market authorization rights commenced, and some products have already been transferred to GlaxoSmithKline Consumer Healthcare. The procurement of raw and packaging material and production of such products will be now be managed by GlaxoSmithKline Consumer Healthcare. The remaining products for which MA transfers are pending is likely to be completed within this year.

Our core pharmaceutical business achieved net sales of Rs. 15.1 billion, reflecting negative sales growth of 1.6%. Our performance was impacted due to discontinuation of Ranitidine (Zantac), along with COVID 19 where we have seen drop in patients' visits to healthcare professionals (HCP) and disruption in business activity due to lock-down. The underlying growth excluding Zantac is 2%, further we also managed to mitigate some of our trade business impact with tender sales during this period. In terms of HCP engagement, face to face visits by our sales team were suspended and we quickly adapted to connect with our HCPs through digital engagement, including Webinars and e- detailing.

The gross margin during H1 2020 was recorded at Rs. 3.5 billion reflecting an improved GP% compared to last year. This improvement was primarily due to less volatility of exchange rates during this period coupled with better product mix and manufacturing initiatives for cost improvement.

Selling, marketing and distribution expenses were recorded at Rs.1.4 billion, a decrease of -15.4%, mainly due to reduced promotional and other spends as a result of COVID 19 lock down, coupled with other company initiatives to control expenses. Administrative expenses were recorded

at Rs. 0.8 billion; increase under this head is mainly due to one-off severance cost recorded in quarter 1. Our financial charges also showed a significant reduction compared to last year.

Despite COVID impact on business performance, the Company has delivered Rs. 1.2 billion profit after tax and showed good profit growth compared to last year, mainly due to controlled expenses and reduction in financial charges.

In this period our cash balance increased by Rs. 0.2 billion. The increase is mainly driven by strong collection from our tender business.

GSK's response to COVID-19 was based on 3-pronged strategy focusing on People, Continuity and Support. Prioritizing "people" and their Health & Safety, offices were immediately closed until stabilization of situation while Supply Chain staff was also reduced to the minimum. All precautionary measures including PPE, social distancing, employee screening were robustly implemented. For business "continuity", all necessary support was extended to Supply Chain staff and greater focus was shifted towards Digital Platform to access HCPs. The key steps taken in order to ensure all-encompassing "support" to the staff are COVID Awareness sessions; townhalls; Employee Assistance Program as well as Ergonomic support.

### Outlook and Challenges

The COVID-19 situation is improving and cases have been steadily declining in Pakistan since the beginning of July. While the lock down has been eased off, the threat of pandemic remains high and the government continues to emphasize the importance of strictly adhering to prescribed safety measures to avoid a second wave.

The pharmaceutical sector was allowed to continue operations by both provincial and federal governments in order to ensure availability of the many essential and critical products we manufacture and supply to the market. Due to the current lock down, the OPDs of the hospital and doctors' clinics continue to remain largely non-operational, which is affecting patient flow, prescriptions and demand for medicines. With logistics being impacted globally, we also faced some supply challenges in term of delays in

importing APIs and other raw materials which have since been streamlined. Beginning in May 2020, we also faced challenges on the import of pharmaceutical raw materials from India. While the matter regarding Indian origin APIs has been resolved, problems still persist for import of excipients from India. We have engaged with the Government, both at an individual level and through our trade association to seek a quick resolution to this issue. At present, all our three manufacturing sites remain operational to ensure that the many essential and life-saving medicines we manufacture remain available to the people during these challenging times.

### Remuneration Policy Of GSK Pakistan Limited for Non-Executive Board Directors

The Non-Executive Board Directors of GlaxoSmithKline Pakistan Limited are entitled to remuneration approved by the HR and Remunerations Committee, based on an appropriately developed market benchmark.

### Acknowledgment:

On behalf of the Board we would like to thank the entire GSK team and specially to our supply chain team for their outstanding contribution in ensuring un-interrupted supply of medicines to the people that need them in such unprecedented times and difficult circumstances. We also acknowledge the support of the many 3rd parties we work with and without whom it would not have been possible to continue our operations in such a challenging environment.

By order of the Board



**Erum Shakir Rahim**  
Chief Executive Officer

Karachi  
August 24, 2020



**Abdul Samad**  
Director

## پیش منظر اور مسائل

COVID-19 کی صورتحال میں بہتری آ رہی ہے اور جولائی کے آغاز سے پاکستان میں کیسز کی تعداد میں مسلسل کمی ہو رہی ہے۔ اگرچہ لاک ڈاؤن میں نرمی کر دی گئی ہے، تاہم اس عالمگیر وبا کے خطرات ابھی بھی بلند ہیں اور حکومت اس وبا کے دوبارہ پھیلاؤ سے بچنے کے لیے مجوزہ حفاظتی اقدامات پر سختی سے عمل پیرا رہنے کی اہمیت پر مسلسل زور دے رہی ہے۔

صوبائی اور وفاقی حکومتوں کی جانب سے فارماسیوٹیکل سیکٹر کو اپنی سرگرمیاں انجام دینے کی اجازت حاصل تھی تاکہ اس بات کو یقینی بنایا جاسکے کہ ہماری تیار کردہ اور مارکیٹ میں فراہم کی جانے والی بے شمار انتہائی ضروری اور ناگزیر مصنوعات کی دستیابی جاری رہے۔ موجودہ لاک ڈاؤن کے باعث، اسپتال کی اوپنی ڈیز اور ڈاکٹرز کے کلینکس بڑے پیمانے پر غیر فعال ہیں، جس سے مریضوں کی آمد، نسخوں کی تشخیص اور نتیجتاً ادویات کی طلب پر منفی اثر پڑا ہے۔ عالمی سطح پر اشیاء کی نقل و حمل متاثر ہونے سے، ہمیں بھی اے پی آئیز اور دیگر خام مال کی درآمد میں تاخیر کے حوالے سے بعض رسدی مسائل کا سامنا کرنا پڑا تھا جنہیں اب منظم کر لیا گیا ہے۔ مئی 2020 کے آغاز سے، ہمیں بھارت سے فارماسیوٹیکل خام مال کی درآمد میں بھی مسائل کا سامنا رہا۔ اگرچہ بھارت میں تخلیق کردہ اے پی آئیز کے حوالے سے معاملہ اب حل ہو چکا ہے، تاہم بھارت سے ادویاتی عناصر کی درآمد میں تا حال مسائل موجود ہیں۔ ہم اس مسئلے کا فوری حل تلاش کرنے کے لیے حکومت کے ساتھ، انفرادی سطح پر اور بذریعہ اپنی ٹریڈ ایسوسی ایشن دونوں طرح سے شریک عمل ہیں۔ اس وقت ہماری تینوں مینیوفیکچرنگ سائٹس فعال اور سرگرم عمل ہیں تاکہ اس بات کو یقینی بنایا جائے کہ ہماری تیار کردہ بہت سی ناگزیر اور زندگیوں بچانے والی دوائیں ان مشکل حالات میں بھی لوگوں کے لیے دستیاب رہیں۔

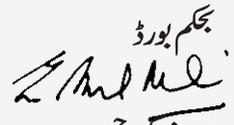
نان ایگزیکٹو بورڈ ڈائریکٹرز کے لیے GSK پاکستان لمیٹڈ کی مشاہرہ پالیسی:

گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ ڈائریکٹرز موزوں طور پر تخلیق شدہ مارکیٹ کے معیار پر مبنی، ہیومن ریسورس اور مشاہرہ کمیٹی کی جانب سے منظور کردہ مشاہرے کے حقدار ہیں۔

## ستائشی کلمات:

بورڈ کی طرف سے ہم تمام تر GSK ٹیم اور خصوصاً اپنی رسدی سلسلے کی ٹیم کا شکریہ ادا کرتے ہیں جنہوں نے اس آفت زدہ اور مشکل حالات میں لوگوں کے لیے ضروری ادویات کی بلاخلل فراہمی کو یقینی بنانے میں اپنا شاندار کردار ادا کیا۔ ہم بے شمار فریقین ثالث کے تعاون پر ان کا بھی شکریہ ادا کرتے ہیں جن کے ساتھ ہم نے کام کیا اور جن کے بغیر ہمارے لیے اتنے مشکل حالات میں اپنی سرگرمیاں جاری رکھنا کبھی ممکن نہ ہوتا۔

  
عبدالصمد  
ڈائریکٹر

  
ارم شاکر  
چیف ایگزیکٹو آفیسر

کراچی

24 اگست، 2020

ہمارے بنیادی فارماسیوٹیکل بزنس کی خالص سیلز 15.1 بلین روپے رہیں، جو کہ 1.6 فیصد کی منفی سیلز گروتھ کو ظاہر کرتی ہیں۔ ہماری کارکردگی پر Ranitidine (Zantac) کے عدم تسلسل اور اس کے ساتھ ساتھ COVID 19 نے منفی اثر ڈالا جس کے باعث ہم نے لاک ڈاؤن کی صورت میں صحت عامہ کے معالجین (HCP) کے پاس مریضوں کی کم آمد اور کاروباری سرگرمیوں میں خلل کا مشاہدہ کیا۔ Zantac کے استثناء کے ساتھ، ضمنی گروتھ 2 فیصد رہی، علاوہ ازیں ہم اس مدت کے دوران ٹینڈریسیلز کے ذریعے اپنے تجارتی کاروبار پر پڑنے والے منفی اثرات کو کم کرنے میں کامیاب رہے۔ HCP کی شرکت عمل کے حوالے سے، ہماری سیلز ٹیم کی جانب سے روبرو دورے معطل تھے، چنانچہ ہم نے فوری طور پر اپنے HCPs سے منسلک رہنے کے لیے ڈیجیٹل شرکت عمل بشمول ویب نارز اور ای۔ ڈیٹیلنگ سے استفادہ کیا۔

2020 کی دوسری ششماہی کے دوران خام منافع گزشتہ سال کے مقابلے میں بہتر GP فیصد کے ساتھ 3.5 بلین روپے ریکارڈ کیا گیا۔ اس بہتری کی بنیادی وجہ اس مدت کے دوران شرح مبادلہ میں پہلے سے بہتر استحکام اور اس کے ساتھ ساتھ لاگت میں بہتری کے لیے مصنوعات میں بہتر تنوع اور مینوفیکچرنگ کے اقدامات تھے۔

فروخت، مارکیٹنگ اور ڈسٹری بیوشن کے اخراجات 1.4 بلین روپے ریکارڈ کیے گئے، گویا ان میں گزشتہ سال کے مقابلے میں 15.4- فیصد کمی آئی، جس کا بنیادی سبب COVID 19 لاک ڈاؤن کی وجہ سے تشریری و دیگر اخراجات میں کمی اور اس کے ساتھ ساتھ اخراجات کو کنٹرول کرنے کے لیے کمپنی کی جانب سے کیے گئے دیگر اقدامات تھے۔ انتظامی اخراجات 0.8 بلین روپے ریکارڈ کیے گئے؛ اس مد میں اضافے کی سب سے بڑی وجہ پہلی سہ ماہی میں ریکارڈ کردہ یکمشت ادائیگی کی لاگت ہے۔ ہمارے مالیاتی چارجز میں بھی گزشتہ سال کے مقابلے میں نمایاں کمی دیکھنے میں آئی۔

کاروباری کارکردگی پر COVID کے اثرات کے باوجود، کمپنی نے 1.2 بلین روپے کا بعد از ٹیکس منافع حاصل کیا اور گزشتہ سال کے مقابلے میں منافع کی عمدہ گروتھ سامنے آئی، جس کی بنیادی وجہ کنٹرول کردہ اخراجات اور مالیاتی چارجز میں کمی تھی۔

اس مدت میں ہمارے کیش بیلنس میں 0.2 بلین سے اضافہ ہوا۔ یہ اضافہ بنیادی طور پر ہمارے ٹینڈری بزنس کی جانب سے بھاری وصولی کے سبب ہوا۔

COVID-19 کے خلاف GSK کارڈ عمل سے پہلوی حکمت عملی پر مبنی تھا جس کا مطمح نظر افراد، تسلسل اور معاونت تھے۔ ”افراد“ اور ان کی صحت و سالمیت کو ترجیح دیتے ہوئے، دفاتر کو صورت حال مستحکم ہونے تک فوری طور پر بند کر دیا گیا تھا جبکہ رسدی سلسلے کے عملے میں بھی کم سے کم حد تک تخفیف کردی گئی تھی۔ تمام احتیاطی تدابیر بشمول PPE، سماجی فاصلے، ملازمین کے تجزیے کو بھرپور انداز میں نافذ کیا گیا۔ کاروباری ”تسلسل“ کے لیے، رسدی سلسلے کے اسٹاف کو تمام تر ضروری معاونت فراہم کی گئی اور HCPs تک رسائی کے لیے زیادہ توجہ ڈیجیٹل پلیٹ فارم کی طرف منتقل ہو گئی۔ عملے کے لیے ہر طرح کی ”معاونت“ کو یقینی بنانے کے لیے کیے جانے والے اقدامات میں آگاہی کے سیشنز، ٹاؤن ہالز، ملازمین کی معاونت کا پروگرام اور اس کے ساتھ ساتھ سازگار ماحول کی فراہمی شامل ہیں۔

(b) ہیومن ریسورس اور مشاہرہ کمیٹی

i	-	محترمہ ماہین رحمان -	چیئر پرسن
ii	-	محترم محمود مانڈوی والا -	ممبر
iii	-	محترم ڈیماٹر اولینک -	ممبر
iv	-	محترم مارک ڈاسن -	ممبر
v	-	محترمہ ارم شا کر رحیم -	ممبر
vi	-	محترم فرقلیت اقبال -	سیکرٹری

(c) ڈسکلوزر کمیٹی

i	-	محترمہ ارم شا کر رحیم -	چیئر پرسن
ii	-	محترم عبدالصمد -	ممبر
iii	-	محترم ڈیماٹر اولینک -	ممبر

(d) رسک مینجمنٹ کمیٹی

i	-	GSK - RMCB پاکستان کی مینجمنٹ ٹیم پر مشتمل
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کاروباری عملی نتائج کا جائزہ:

دوسری سہ ماہی کی مدت مشکل کاروباری فضا کی حامل رہی جس کی بنیادی وجہ ملک بھر میں COVID-19 کے باعث ہونے والا لاک ڈاؤن تھا، جس نے معاشی سرگرمی پر منفی اثر ڈالا اور تجارتی سرگرمیوں کو سست روی کا شکار کیا۔ دیگر بیشتر صنعتوں کی طرح، فارماسیوٹیکل شعبے کی مارکیٹ گروتھ بھی متاثر ہوئی کیونکہ زیادہ تر اسپتال اور اوپن ڈیز COVID کے علاوہ دیگر بیماریوں کے علاج کے لیے بند تھے اور سماجی فاصلے اور دیگر حفاظتی اقدامات کے باعث ڈاکٹرز کے پاس مریضوں کی آمد میں بھی کمی آئی۔ کمپنی مریضوں کو بروقت ادویات کی فراہمی اور اس کے ساتھ ساتھ کمیونٹی کی سپورٹ کی خاطر لوگوں کے تحفظ، ملازمین کی شرکت عمل، کاروباری تسلسل کو یقینی بنانے کے لیے کوشاں رہی۔

زیر جائزہ مدت کے دوران، کمپنی نے 15.8 بلین روپے کی خالص سیلز حاصل کیں۔ کمپنی کی مجموعی سیلز میں گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر پاکستان لمیٹڈ کو کمپنی کی جانب سے تیار کردہ ان مصنوعات کی مد میں گزشتہ سال اسی مدت کے دوران کی جانے والی 2.4 بلین کے مقابلے میں 0.7 بلین روپے کی سیلز بھی شامل ہیں جن کے مجاز بازاری حقوق گلیکسو اسمتھ کلائن پاکستان لمیٹڈ کے پاس رہیں گے۔ 2020 کی پہلی ششماہی کے دوران، مجاز بازاری حقوق کی منتقلی شروع ہو چکی ہے اور بعض مصنوعات گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر کو پہلے ہی منتقل کی جا چکی ہیں۔ خام اور پیکیجنگ کے مال کی خریداری اور ان مصنوعات کی پیداوار اب گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر کی جانب سے منظم کی جائے گی۔ امکان ہے کہ باقی ماندہ مصنوعات جن کے لیے MA ٹرانسفرز زیر التواء ہیں، اس سال مکمل ہو جائیں گے۔

## ڈائریکٹرز کا جائزہ:

ہم، بورڈ آف ڈائریکٹرز کی طرف سے، آپ کی کمپنی کی غیر آڈٹ شدہ مالیاتی تفصیلات برائے مدتِ اختتام 30 جون، 2020ء پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔ یہ مالیاتی تفصیلات کمپنیز ایکٹ، 2017 کے سیکشن 227 کے مطابق جمع کروائی گئی ہیں۔

## بورڈ کی تشکیلی ساخت:

1- ڈائریکٹرز کی مجموعی تعداد درج ذیل کے مطابق 7 ہے:

(a) مرد: 5

(b) خواتین: 2

2- بورڈ کی تشکیلی ساخت ذیل میں دی گئی ہے:

### کیٹگری

خود مختار ڈائریکٹرز

- نام
- ماہین رحمان
  - منیر کمال

ایگزیکٹیو ڈائریکٹرز

- ارم شا کر رحیم
- عبدالصمد

نان ایگزیکٹیو ڈائریکٹرز

- محمود مانڈوی والا
- ڈیماٹرو اولینک (Dmytro Oliinyk)
- مارک ڈاسن (Mark Dawson)

بورڈ نے درج ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں:

### (a) آڈٹ کمیٹی

- i- محترم منیر کمال - چیئر مین
- ii- محترمہ ماہین رحمان - ممبر
- iii- محترم محمود مانڈوی والا - ممبر
- iv- محترم ڈیماٹرو اولینک - ممبر
- v- محترم سید احسن اعجاز - سیکریٹری

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GLAXOSMITHKLINE PAKISTAN LIMITED

## Report on review of Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of GlaxoSmithKline Pakistan Limited as at June 30, 2020 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 "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 quarter ended June 30, 2020 and June 30, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2020.

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



Chartered Accountants

Place: Karachi

Date: August 28, 2020

# Condensed Interim Statement of Financial Position

As at June 30, 2020

Rupees '000	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	9,468,653	9,480,061
Intangibles	5	1,041,742	1,041,742
Long-term loans to employees		79,216	103,224
Long-term deposits		22,010	22,010
		10,611,621	10,647,037
<b>Current assets</b>			
Stores and spares		209,801	206,202
Stock-in-trade	6	8,087,245	6,070,253
Trade debts		1,299,765	1,126,700
Loans and advances		470,251	347,465
Trade deposits and prepayments		251,478	313,979
Interest accrued		-	1,573
Taxation - payments less provision		487,136	679,876
Refunds due from government		22,673	30,543
Other receivables		530,948	1,105,578
Investments - at amortised cost		-	342,863
Cash and bank balances		2,518,909	2,347,033
		13,878,206	12,572,065
<b>Total assets</b>		24,489,827	23,219,102
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		3,184,672	3,184,672
Reserves		12,285,268	12,952,724
		15,469,940	16,137,396
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Staff retirement benefits		261,820	228,437
Deferred taxation	7	712,558	645,955
Long-term portion of lease liabilities		39,205	42,564
		1,013,583	916,956
<b>Current liabilities</b>			
Trade and other payables	8	6,344,091	5,977,292
Accrued mark-up		-	2,353
Provisions	9	108,635	78,762
Current portion of lease liabilities		9,512	8,867
Unpaid dividend		1,420,361	-
Unclaimed dividend		123,705	97,476
		8,006,304	6,164,750
<b>Total liabilities</b>		9,019,887	7,081,706
<b>Total equity and liabilities</b>		24,489,827	23,219,102
<b>Contingencies and commitments</b>			
	10		

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

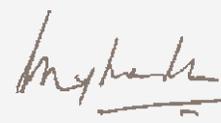
For the half year ended June 30, 2020 (Unaudited)

Rupees '000	Note	Quarter ended		Half year ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue from contracts with customers	11	7,738,393	9,285,424	15,772,309	17,653,475
Cost of sales		(5,923,439)	(7,656,034)	(12,311,559)	(14,041,023)
Gross profit		1,814,954	1,629,390	3,460,750	3,612,452
Selling, marketing and distribution expenses	12	(564,687)	(509,644)	(1,408,061)	(1,663,724)
Administrative expenses		(291,559)	(283,514)	(765,265)	(562,086)
Other operating expenses		(110,019)	(61,075)	(166,069)	(134,988)
Other income	13	386,692	295,947	807,583	638,437
Operating profit		1,235,381	1,071,104	1,928,938	1,890,091
Financial charges		29,842	(301,914)	(19,141)	(303,278)
Profit before taxation		1,265,223	769,190	1,909,797	1,586,813
Taxation		(447,439)	(427,512)	(666,449)	(712,225)
Profit after taxation		817,784	341,678	1,243,348	874,588
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>817,784</b>	<b>341,678</b>	<b>1,243,348</b>	<b>874,588</b>
Earnings per share	14	Rs. 2.57	Rs. 1.07	Rs. 3.90	Rs. 2.75

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2020 (Unaudited)

Rupees '000	Share capital	Capital reserves	Revenue Reserves		Total Reserves	Total
		Reserve arising on Schemes of Arrangements	General reserve	Unappropriated profit		
Balance as at January 1, 2019	3,184,672	1,126,923	3,999,970	7,107,885	12,234,778	15,419,450
Final dividend for the year ended December 31, 2018 @ Rs. 7 per share	-	-	-	(2,229,271)	(2,229,271)	(2,229,271)
Total comprehensive income for the half year ended June 30, 2019	-	-	-	874,588	874,588	874,588
Balance as at June 30, 2019	3,184,672	1,126,923	3,999,970	5,753,202	10,880,095	14,064,767
Balance as at January 1, 2020	3,184,672	1,126,923	3,999,970	7,825,831	12,952,724	16,137,396
Final dividend for the year ended December 31, 2019 @ Rs. 6 per share	-	-	-	(1,910,804)	(1,910,804)	(1,910,804)
Total comprehensive income for the half year ended June 30, 2020	-	-	-	1,243,348	1,243,348	1,243,348
Balance as at June 30, 2020	3,184,672	1,126,923	3,999,970	7,158,375	12,285,268	15,469,940

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Condensed Interim Statement of Cash Flows

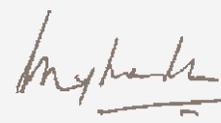
For the half year ended June 30, 2020 (Unaudited)

Rupees '000	Note	June 30, 2020	June 30, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	15	1,035,193	(1,728,295)
Staff retirement benefits paid		(154,983)	(108,586)
Income taxes paid		(407,106)	(1,179,514)
Mark-up paid		(2,353)	-
Increase / (decrease) in long-term loans to employees		24,008	(19,636)
Net cash generated from / (used in) operating activities		494,759	(3,036,031)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(366,014)	(575,229)
Proceeds from sale of operating assets		28,758	53,354
Return received		141,068	82,547
Net cash used in investing activities		(196,188)	(439,328)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid		(5,344)	(13,681)
Dividend paid		(464,214)	(2,213,749)
Net cash used in financing activities		(469,558)	(2,227,430)
Net decrease in cash and cash equivalents		(170,987)	(5,702,789)
Cash and cash equivalents at beginning of the period		2,689,896	3,432,851
Cash and cash equivalents at end of the period	16	2,518,909	(2,269,938)

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

## 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 specialities 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.

- 1.1 Due to the pending transfer of marketing authorisations and certain permissions for 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. With effect from January 17, 2020, the marketing authorisation and permissions for certain OTC products have been transferred to GSK CH and therefore, GSK CH is now involved in procurement, manufacturing, marketing and managing of such inventory items.
- 1.2 The coronavirus outbreak situation, during the period, was evolving in the country. Up to the date of these financial statements, the outbreak has not had a material adverse impact on the financial results of the Company. Presently, pharmaceutical businesses have been allowed to continue their operations by both provincial and federal governments in order to ensure availability of our products in the market.

## 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, 2019.
- 2.2 These condensed interim financial statements are unaudited. However, a limited scope review of these condensed interim financial statements have 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 **Standards, interpretations and amendments to published approved accounting standards that became effective during the period**

The following amendments became effective from accounting periods, beginning on or after the date mentioned against each of them.

### Effective from accounting periods beginning on or after:

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

**Effective from accounting periods beginning on or after:**

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform January 01, 2020

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions January 01, 2020

However, these are not relevant to the Company's financial reporting and therefore have not been discussed in detail.

## 3. ACCOUNTING POLICIES

### 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, 2019.

**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, 2019.

### 3.3 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

### 3.4 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, 2019.

The following standards, amendments and interpretation are effective for the year ending December 31, 2020. 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 financial statements other than certain additional disclosures:

Rupees '000	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	4.1	8,631,083	8,673,011
Capital work-in-progress		642,826	599,311
Right-of-use assets		45,055	52,011
Major spare parts and standby equipments		149,689	155,728
		9,468,653	9,480,061

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

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

Rupees '000	(Un-audited) Additions (at cost)		(Un-audited) Disposals (at net book value)	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Improvements on buildings	100,654	107,512	-	-
Plant and machinery	72,919	131,731	1,915	-
Furniture and fixtures	16,812	9,967	-	5,880
Vehicles	122,814	100,727	17,441	24,588
Office equipments	17,472	74,922	-	-
	<u>330,671</u>	<u>424,859</u>	<u>19,356</u>	<u>30,468</u>

Rupees '000	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>5. INTANGIBLES</b>			
Goodwill		955,742	955,742
Marketing authorisation rights	5.1	86,000	86,000
		<u>1,041,742</u>	<u>1,041,742</u>

**5.1** This represents Rs. 86 million paid as consideration for acquiring market authorisation rights of Traxon from Akhai Pharmaceuticals (Private) Limited.

Rupees '000	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>6. STOCK-IN-TRADE</b>			
Raw and packing material		3,838,197	3,311,520
Work-in-process		599,626	480,587
Finished goods		4,176,919	2,887,952
		<u>8,614,742</u>	<u>6,680,059</u>
Less: Provision for slow moving, obsolete and damaged items		(527,497)	(609,806)
		<u>8,087,245</u>	<u>6,070,253</u>

**6.1** Finished goods includes items costing Rs. 1.45 billion (December 31, 2019: Rs. 1.17 billion) valued at net realizable value of Rs. 1.07 billion (December 31, 2019: Rs. 0.85 billion). Raw and packing materials have been lowered by Rs. 124.59 million (December 31, 2019: Rs. 85.9 million) and WIP has been lowered by Rs. 47 million (December 31, 2019: Rs. 13.5 million) respectively to recognize them at Net Realizable Value.

**6.2** Stock-in-trade of Rs. 72.48 million (December 31, 2019: Rs. 161.06 million) have been written off against provision during the period.

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

Rupees '000	June 30, 2020				December 31, 2019			
	Opening liability / (assets)	Charged / (reversal) to profit & loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)	Opening liability / (assets)	Charged / (reversal) to profit & loss	Charged / (reversal) to other comprehensive income	Closing liability / (asset)
<b>7. DEFERRED TAXATION</b>								
Credit balance arising in respect of:								
- Accelerated tax depreciation allowances	998,963	45,046	-	1,044,009	909,174	89,789	-	998,963
- Assets under IFRS 16	14,750	(1,943)	-	12,807	-	14,750	-	14,750
Debit balances arising in respect of:								
- Allowance for impairment of trade debts, provision for doubtful other receivables and refunds due from government	(92,845)	9,737	-	(83,108)	(74,569)	(18,276)	-	(92,845)
- Liability under IFRS 16	(14,585)	737	-	(13,848)	-	(14,585)	-	(14,585)
- Provision for trade deposits and doubtful advances	(17,712)	(417)	-	(18,129)	(14,532)	(3,180)	-	(17,712)
- Provision for slow moving & obsolete stocks and stores & spares	(177,833)	23,083	-	(154,750)	(101,505)	(76,328)	-	(177,833)
- Staff retirement benefits	(64,783)	(9,640)	-	(74,423)	(102,681)	75,070	(37,172)	(64,783)
	645,955	66,603	-	712,558	615,887	67,240	(37,172)	645,955

Rupees '000	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors and bills payable	2,107,329	1,698,945
Accrued liabilities	2,307,587	2,522,647
Others	1,929,175	1,755,700
	6,344,091	5,977,292
<b>9. PROVISIONS</b>		
Balance at beginning of the period	78,762	74,602
Charge for the period	227,882	452,606
Payments during the period	(198,009)	(448,446)
Balance at end of the period	108,635	78,762

## 10. CONTINGENCIES AND COMMITMENTS

**10.1** Following is the change in the status of contingencies as reported in the financial statements for the year ended December 31, 2019:

(i) During the period, Appellate Tribunal Inland Revenue (ATIR) confirmed the aggregate demand of Rs. 31.42 million, earlier confirmed & raised by Commissioner Inland Revenue – Appeals and Assessing Officer respectively, for the tax years 2014, 2015 and 2016 on the issue of non-withholding of tax on sale by auction / tender. The Company is in process of filing appeal before Sindh High Court against the decision of ATIR.

**10.2** Commitments for capital expenditure outstanding as at June 30, 2020, amounted to Rs. 644.74 million (December 31, 2019: Rs. 594.37 million).

## 11. REVENUE FROM CONTRACTS WITH CUSTOMERS

**11.1** This include sales of Over the Counter Products amounting to Rs. 0.71 billion (June 30, 2019: 2.35 billion to GSK CH being manufactured by the Company due to pending transfer of marketing authorisations by Drug Regulatory Authority of Pakistan ('DRAP') - refer note 1.1.

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

## 12. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses of Rs. 199.79 million (June 30, 2019: Rs. 250.13 million).

Rupees '000	Quarter ended		Half year ended	
	(Un-audited) June 30, 2020	(Un-audited) June 30, 2019	(Un-audited) June 30, 2020	(Un-audited) June 30, 2019
<b>13. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Return on Treasury bills	-	792	12,373	9,753
Income on savings and deposit accounts	52,032	10,685	127,122	71,473
	52,032	11,477	139,495	81,226
<b>Income from non-financial assets</b>				
Gain on disposal of operating assets	3,042	2,370	9,402	22,885
<b>Others</b>				
Scrap sales	15,435	14,605	23,740	27,664
Insurance Commission	-	1,321	-	9,821
Promotional allowance - note 13.1	244,037	242,000	555,844	467,000
Liabilities no longer payable written off	61,248	-	61,248	-
Service fee	3,000	3,000	6,000	6,000
Others	7,898	21,174	11,854	23,841
	386,692	295,947	807,583	638,437

13.1 This represents allowance from GSK group against various promotional activities for brand building and sustainable investments.

Rupees '000	(Un-audited) June 30, 2020	(Un-audited) June 30, 2019
<b>14. EARNINGS PER SHARE</b>		
Profit after taxation	1,243,348	874,588
	Number of shares	
Weighted average number of shares outstanding during the period	318,467,278	318,467,278
Earnings per share - basic	Rs. 3.90	Rs. 2.75

14.1 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.

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

Rupees '000	(Un-audited) June 30, 2020	(Un-audited) June 30, 2019
<b>15. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,909,797	1,586,813
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation and impairment	358,066	374,298
(Reversal) / Provision for slow moving, obsolete and damaged stock-in-trade net of stock written off	(9,835)	335,962
Gain on disposal of operating fixed assets	(9,402)	(22,885)
Interest income	(139,495)	(81,226)
Financial charges	2,630	36,202
Provision for staff retirement benefits	188,366	139,446
Profit before working capital changes	2,300,127	2,368,610
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	(3,599)	(37,245)
Stock-in-trade	(2,007,157)	(4,201,775)
Trade debts	(173,065)	346,330
Loans and advances	(122,786)	(232,712)
Trade deposits and prepayments	62,501	(100,556)
Refunds due from the government	7,870	1,596
Other receivables	574,630	(773,757)
	(1,661,606)	(4,998,119)
Increase / (Decrease) in current liabilities		
Trade and other payables	366,799	874,919
Provisions	29,873	26,295
	(1,264,934)	(4,096,905)
	1,035,193	(1,728,295)
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,518,909	475,363
Running finance under mark-up arrangement	-	(2,745,301)
	2,518,909	(2,269,938)
<b>17. TRANSACTIONS WITH RELATED PARTIES</b>		
<p>The related parties include holding company, associated companies, directors 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 financial statements, are as follows:</p>		

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

Rupees '000		(Un-audited) June 30, 2020	(Un-audited) June 30, 2019
<b>17.1</b>	Details of transactions carried out during the period with the related parties are as follows:		
	<b>Relationship</b>	<b>Nature of transactions</b>	
	Holding company:	Dividend paid	- 1,841,209
	Associated companies:	a. Royalty expense charged	169,731 157,581
		b. Purchase of goods	3,817,556 4,323,206
		c. Sale of goods	720,275 2,399,940
		d. Recovery of expenses - note 17.1.1	276,894 618,135
		e. Services fees	6,000 6,000
		f. Sales as an agent of GSK CH	1,367,699 3,239,251
		g. Promotional allowance	555,844 467,000
	Staff retirement funds:	a. Expense charged for retirement benefit plans	188,366 139,446
		b. Payments to retirement benefit plans	131,694 119,870
	Key management personnel:	a. Salaries and other employee benefits	223,966 167,434
		b. Post employment benefits	12,100 10,388
		c. Proceeds from sale of fixed assets	4,389 15,327

**17.1.1** This includes reimbursement from GSK Group of one-off severance cost of Rs. Nil (June 30, 2019: Rs. 348.8 million) incurred during the period to restructure our sales operations.

Rupees '000		(Un-audited) June 30, 2020	Audited December 31, 2019
<b>17.2</b>	Details of outstanding balances as at period / year end with the related parties are as follows:		
	Holding Company	Dividend payable	1,420,361 -
	Associated Companies:	a Trade debts	- 8,107
		b Other receivables	499,214 1,070,515
		c Trade and other payables	1,515,358 956,523
	Payable to staff retirement funds		261,820 228,437

# Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2020 (Unaudited)

## 18. 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. The carrying amounts of all the financial instruments reflected in these financial statements approximate their fair value. IFRS 13 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).

The Company does not have any financial assets and liabilities measured at fair value. The carrying values of all the financial assets and financial liabilities reported in the balance sheet approximate their fair values because these are of short term in nature and not repriced frequently.

## 19. DATE OF AUTHORISATION FOR ISSUE

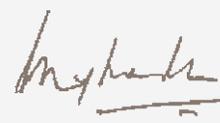
This condensed interim financial statements was approved and authorised for issue by the Board of Directors of the Company on



Chief Executive



Chief Financial Officer



Director



**GlaxoSmithKline Pakistan Limited**

35 - Dockyard Road, West Wharf, Karachi - 74000  
GlaxoSmithKline Pakistan Limited of a member of  
GlaxoSmithKline group of Companies.

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