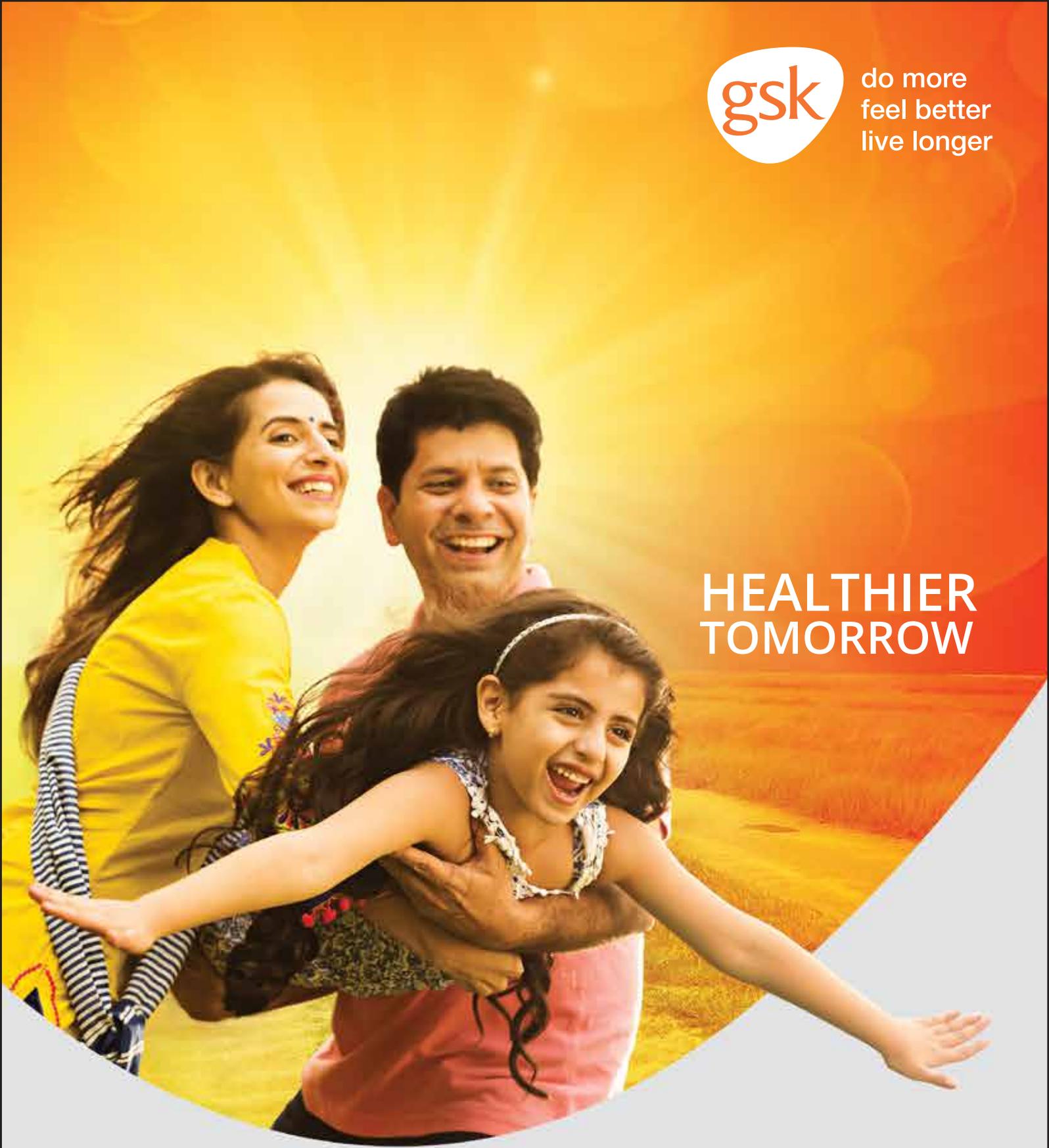




do more
feel better
live longer



HEALTHIER
TOMORROW

ANNUAL
REPORT 2019
GlaxoSmithKline
Bangladesh Limited

HEALTHIER TOMORROW

We aspire to be the best in delivering superior healthcare products and in doing so creating a world built with possibilities and potentials. With our endless determination to fulfill our commitment towards excellence, we believe a future built upon healthy living is within our grasp. Together, we really can build a better and healthier tomorrow.

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OUR DNA



OUR PURPOSE

Improve the quality of human life by enabling people to do more, feel better and live longer.

OUR GOAL

To be one of the world's most innovative, best performing and trusted healthcare companies.

OUR STRATEGY

Bring differentiated, high-quality and needed healthcare products to as many people as possible, with our three global businesses, scientific and technical know-how and talented people.

OUR VALUES AND EXPECTATIONS

Our values and expectations are at the heart of everything we do and form an important part of our culture.

OUR VALUES

Patient/Consumer Focus, Transparency, Respect for People, Integrity.

OUR EXPECTATIONS

Courage, Accountability, Development, Teamwork.





Innovation

We invest in scientific and technical excellence to develop and launch a pipeline of new products that meet the needs of patients, payers and consumers.

Millioni
HIV scientist, US

Performance

We aim to achieve industry-leading growth by investing effectively in our business, developing our people and delivering flawlessly.

Ricky
Trade sales manager, Hong Kong



Trust

We commit to ensuring the quality, safety and reliable supply of our products; and to building trust through our approach to engagement, pricing, global health and being a modern employer.

Michael
Production line operator, UK



Living Our Values

At GSK, we believe that operating in a responsible and ethical manner is essential to our business. This belief in Values-Based Decision making underlies everything we do, and supports the delivery of our business strategy. We are committed to earning the trust of our stakeholders, both internal and external, by delivering on our promises as employees and as a Company. In doing so, we foster an environment where people feel safe to speak up and identify areas for improvement, as well as issues of concern. Trust is the key to our good reputation, and crucial to our Company's success.

Our Values provide the management tone for the whole organization. They describe the spirit in which we operate and provide a reference point when we encounter difficult situations. The consistent demonstration and communication of values by leaders at all levels is essential in making our controls effective. We all have an individual responsibility to live the values in everything we do, every day, for GSK.

Our values reflect our belief, that it is not just what we achieve that counts, it is also how we achieve that matters.



Be Patient/Consumer Focussed



Act with integrity



Demonstrate respect for people



Operate with transparency

All GSK employees follow Speak Up culture; to ask questions and Speak up. Every employee is guided to hold themselves and each other accountable for abiding by our Code of Conduct. Furthermore, employees are empowered, and required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches of this Code and Company expectations. Suspected violations of country laws and regulations must also be reported. This includes the potential

misconduct of employees, complementary workers, consultants, vendors, and partners with whom we jointly do business (including corporate entities). Our Speak Up culture and procedures encourage everyone to raise concerns about potential unethical or illegal conduct, and assure confidentiality and protection from retaliation, retribution, or any form of harassment to those reporting such concerns.

Bribery and Corruption are illegal no matter where in the world you work.



Know

- Do not offer or accept bribes
- Understand our policies and the corruption risks you face



Prevent

- Be vigilant and assess risks
- Keep up to date with training for you and your team



Report

- Properly document any risks
- Speak up if you identify a risk or any wrongdoing

There is no greater priority for GSK than the ethical conduct of our people. We exist to improve patients' lives. Everything we do must be in the best interests of the patient. No matter where we operate in the world, in our interactions with patients, prescribers, payers and governments, we must live our values of respect for people, transparency and integrity.

Nowhere is our commitment to ethical conduct more evident than in the area of corruption prevention and detection. At GSK, our attitude towards corruption in all its forms is simple: it is one of zero tolerance. We operate in challenging commercial environments and in cultures where corruption can be widespread. However, this can never be an excuse. It is vital that we ensure that our people and those who work on our behalf understand their responsibilities and operate to the highest ethical standards.

GSK Anti-Bribery and Corruption Standards:

1. GSK has an Anti-Bribery and Corruption (ABAC) policy which covers GSK's general principles and standards on anti-bribery and corruption (ABAC) and maintenance of business documentation and financial records. It reinforces our zero tolerance towards all forms of corruption and our commitment to maintaining accurate records of our business dealings.
2. GSK operates on its corporate values and four ABAC Foundational Principles: legitimacy of intent, no undue influence or conflict of interest, transparency and proportionality.
3. We prohibit the giving, offering, accepting or requesting of improper payments. Improper payments are anything of value transferred directly to an individual, or on someone's behalf, with the purpose of influencing or inducing an act to secure an improper business advantage, or to improperly obtain or retain business. This applies to everyone we deal with, regardless of their affiliation with a government organisation or a private company.
4. It is unlawful even to offer a bribe, even if the offer is not accepted or no benefit is gained. It is critical that bribery and corruption risks are assessed on an ongoing basis within each business area, that mitigation plans are appropriately established, and that the appropriate systems of internal controls are in place.
5. Payment covers anything of value, so not just cash but also gifts, services, job offers, loans, travel expenses and entertainment. The bottom line is that we must not offer anything to improperly influence any person, regardless of whether they are in the private or public sector, or government officials.
6. GSK prohibits all facilitation payments. These are payments or gifts offered to secure or speed up (rather than influence) a routine government decision that should take place anyway, e.g., payments to customs officials to release imports or expedite official procedures.
7. All our financial records must accurately reflect the substance of transactions, regardless of their size. No transaction can be authorised or funded unless the substance of the transaction is accurately recorded and disclosed in our books and records.
8. We have to perform sufficient risk-based due diligence prior to the engagement of any third party and ensure appropriate contractual clauses and oversight controls are put in place as described in ABAC Third Party and Business Development frameworks.
9. Our Interactions with Government Officials are in full compliance with laws, regulations and codes of conduct applicable to Government Officials to protect GSK's reputation.
10. GSK has zero tolerance towards bribery and corruption.
11. GSK employees shall not make, offer to make, or authorise payment to a third party (e.g., sales agent, distributor or intermediary) with knowledge that all or part of the payment will be offered or given to any individual to secure an improper advantage, obtain or retain business.

Third Party Oversight (TPO) Programme

GSK globally spends over £11 billion every year with suppliers, distributors and other organisations including more than 38,000 vendors that provide us with a wide range of goods and services. The process of embedding the GSK Principles into all relevant contracts will therefore take time. A dedicated team has been established to manage our undertaking in this area. Its focus is on ensuring that all existing Third Parties have been risk assessed against the GSK Principles and remediation steps taken, including, where appropriate, amending contracts to reflect GSK's Anti-Bribery and Corruption (ABAC) and Labour Rights Principles.

Following the global guideline the GSK Bangladesh is implementing a comprehensive third party oversight Programme to strengthen our management of risk in the supply chain. The aim is to ensure that all third parties are risk assessed against the Principles, and contracts amended as necessary. With a large supplier base, we need to focus our effort on working with those at highest risk of non-compliance with our standards on responsible business.

It will also ensure that, going forward, appropriate new Third Party contracts include commitments that meet our ABAC and Labour Rights Principles and that a risk-based audit Programme is in place to oversee Third Party compliance with their contractual obligations.

Our Global Manufacturing and Supply team continues to manage and regularly assess the performance of the suppliers that support our manufacturing, specifically on quality and ethical, environmental, health and safety (EHS) management systems. On completion of all audits, we identify areas for improvement, work with suppliers to develop improvement plans and check the plan is implemented within an agreed time frame. If a significant concern is identified, we may suspend or terminate our work with an existing supplier, or decide not to work with a potential new supplier.

Third Parties are encouraged to:

- Enable their staff to report concerns or illegal activities in the workplace through formal reporting structures. These concerns should in turn be investigated, and if needed, corrective action should be taken.
- Create an environment where staff concerns may be reported without fear of reprisal or retaliation. GSK may take action, in accordance with local laws, against any Third Party who threatens, or engages in retaliation or harassment of any person who has reported, or is considering reporting, a concern in good faith.

GSK's Support of Open and Non-Retaliatory Engagement

All employees of Third Parties are encouraged to report suspected violations of law, rules and regulations related to their work with GSK, including fraud, either through their own internal reporting channels or through GSK's 'Speak up' Integrity Lines. Worldwide numbers and information are available online at www.gsk.com/integrity.

This includes reporting misconduct by GSK staff (including contingency workers) with whom they do business. GSK is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to all disclosures.

GSK Public Policy Positions for Working with Third Parties

- GSK is committed to operating to the highest ethical standards to help maximise the long-term sustainability of our business and of the communities in which we operate. We will only work with Third Parties who share our approach.
- As a multinational organisation with global outreach, often exercising substantial influence over those with whom we conduct business, GSK recognises that we have a role to play in driving best practice in key areas such as human rights, environmental protection, anti-bribery and corruption.
- GSK expects all Third Parties with whom we engage to comply with all applicable laws and regulations and to adopt, at a minimum, GSK's Anti-Bribery & Corruption and Labour Rights Principles.
- In addition to meeting GSK's Anti-Bribery & Corruption and Labour Rights standards, we expect Third Parties to comply with our standards on quality, patient safety, health and safety and the environment. All expectations will be formalised in contracts and subject to appropriate levels of audit and oversight.
- Appropriate action will be taken against those Third Parties found in breach of their undertakings, up to and including termination of their contract with GSK.
- The behavioural expectations we set for Third Parties are matched by those we set for our staff, reflected in our own employee Code of Conduct.

Notice of Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting of the Members of the GlaxoSmithKline Bangladesh Limited will be held at Radisson Blu Chattogram Bay View, RDCH, SS Khaled Road Lalkhan Bazar, Chattogram on Thursday, 16th April 2020 at 11:00 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2019 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend for the year ended 31st December 2019.
3. To elect Directors in the vacancies caused under Article 85 and 89 of the Articles of Association.
4. To appoint Auditors for the year 2020 and to fix their remuneration.
5. To appoint Compliance Auditor for the year 2020 and to fix their remuneration.

By order of the Board



Faridul Hoque Sikder
Company Secretary

Dhaka, 24th February, 2020

Notes:

1. Members whose name appeared in the Members/Depository Register as on "Record Date" i.e. 16th March 2020 are eligible to attend and vote in the Annual General Meeting (AGM) and to receive the dividend as declared in the AGM.
2. Members entitled to attend and vote at the AGM may appoint a Proxy to attend on his/her behalf. The Proxy Form must be affixed with revenue stamp of TK. 20 and deposited at the Company's Corporate Office not less than 48 hours before the time appointed for holding the AGM.
3. Member(s) / Proxy-Holder(s) are requested to record their entry in the AGM well in time. The registration counters will be opened at 9:30 a.m.
4. The concern Merchant Banks, Depository Participants and Stock Brokers are requested to send the list of Margin Loan Holders with the details, (if any) within 1st April, 2020 to the Company's Corporate Office, otherwise the dividend will be paid to Member's bank account whose names appeared on the 'Record Date'.
5. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24th October, 2013 "No Gift/Food shall be distributed at the time of the AGM."

Chairman's Statement

On behalf of the Board, I am delighted to welcome you all to the 47th Annual General Meeting of GlaxoSmithKline (GSK) Bangladesh Limited, and present the Annual Report of the Company for the year 2019.

The Company continued to live its vision of helping people do more, feel better and live longer. The three global priorities of Innovation, Performance & Trust remain the cornerstone of our strategy to drive long term value for our shareholders.

Business Outlook and Financial Performance

After discontinuation of pharmaceuticals business in Bangladesh in 2018, GSK Bangladesh continued its operation with Consumer Healthcare business throughout 2019. During this financial year under review, there was increased focus on brand building, commercial excellence and accelerating innovations backed by simplification of process and adopting several cost efficiency initiatives to ensure maximum delivery of shareholder value.

Despite strong progress made on increasing penetration in all categories led by strong growth on low unit packs, Horlicks large packs faced a challenging market situation this year with a decline in average household consumption. As a result, while top line growth was a challenge, the Company delivered a strong performance in coming back to profit after the closure of pharmaceutical operations. Costs and relevant provisions related to discontinued pharmaceutical business reduced substantially in 2019 resulting in profit for the period at BDT 986 million. It is noteworthy to mention that this year's earnings per share of Taka 81.83 is the ever highest in the history of the Company that validates the decision to close the pharma business. Based on the performance of the Company, the board recommends a final cash dividend of Taka 53.00 per share for 2019.

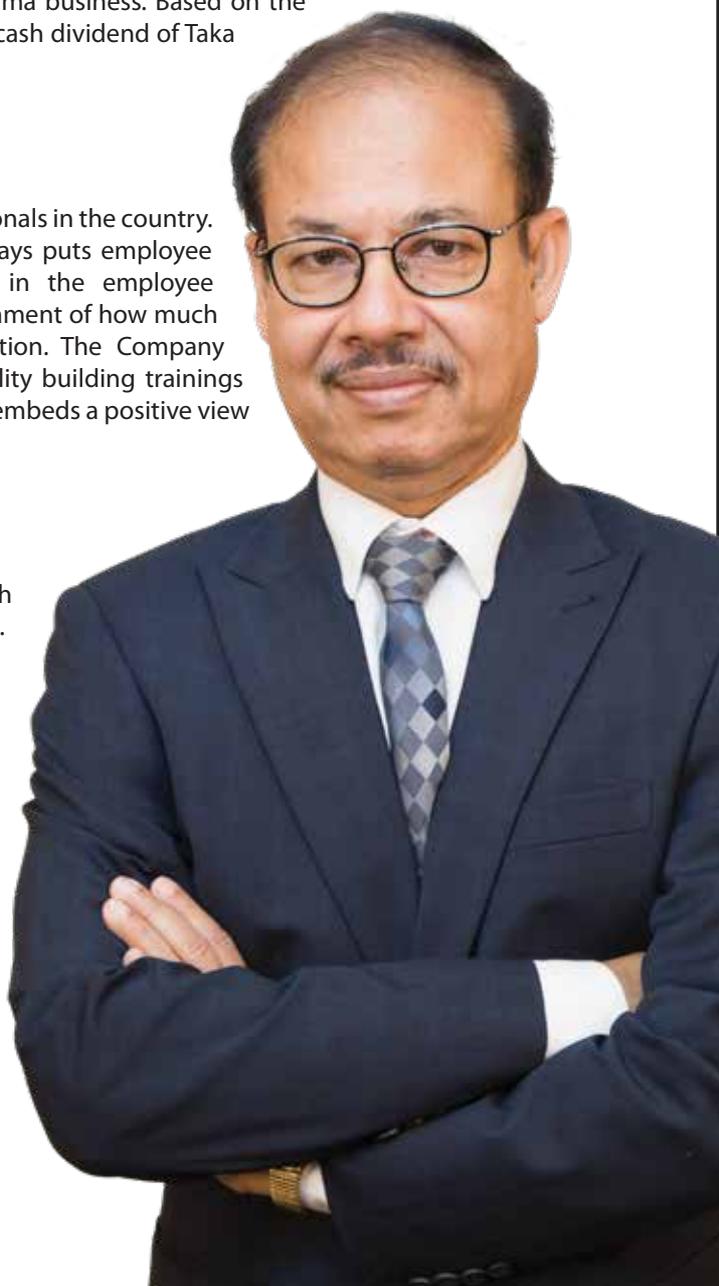
People Development & Culture

GSK continues to be a preferred employer for aspiring professionals in the country. The Company nurtures an employee centric culture and always puts employee development at the centre. Your Company scored 87% in the employee engagement survey conducted by GSK global; which is a testament of how much the employees are valued and respected in the organisation. The Company continues to enable employee development through capability building trainings and creating equal opportunity to build successful career and embeds a positive view regarding the correlation of work and business objectives.

Risk Management & Governance

The Board aims to ensure the integrity of GSK Bangladesh business operations through rigorous processes and systems. In 2019, the Company continued with the Group mandated control governance framework for financial processes, called ERP Finance Internal Control Framework (ICFW), which monitors and addresses financial process risks, tested both locally and globally.

As a symbol of our commitment to ensuring good corporate governance and compliance, the company met all criteria applicable by the Bangladesh Securities & Exchange Commission (BSEC) for listed entity as per Corporate Governance Code effective from June 3, 2018. The detailed status is available under annexure IV of the Directors' Report.



Board Change and Composition

During the course of the year, Board appointed me as Chairman of your Company with effect from 18 April, 2019. Mr. Reazul Haque Chowdhury was appointed as Independent Director, Mr. Devashish Dasgupta and Mr. Hasnain Thoufiq Ahmed were appointed as Directors and Mr. Md Abul Hossain was appointed as Non-Executive Director in the Board.

Furthermore, Mr. Rakesh Thakur resigned from the Board with effect from 16 May, 2019 and Mr. Kazi Sanaul Hoq resigned from the Board on August 21, 2019 as his nomination was withdrawn by ICB. The Board deeply appreciates the valuable services of resigned Directors during their respective tenure of association with the Company and wishes them the best in their next assignment. The new members will bring in new capabilities and perspectives to the Board. All profiles are included in the section, Directors' profile.

Commitment to our values

The Company is committed to upholding the highest ethical standards while carrying out the business activities and ensuring that consumer safety is always a priority in decision making. Every employee of the Company embeds the GSK values of Integrity, Respect for People, Consumer Focus and Transparency into their everyday work life.

I conclude by expressing my thanks to all employees of GSK Bangladesh for the hard work they have put in during the last year. On behalf of the Board, I convey my sincere appreciation to our valued Shareholders, Business Partners, Healthcare Professionals & Institutes, Suppliers and Government Authorities for their trust and continued support to the Company.



Masud Khan

Chairman
9 March 2020

চেয়ারম্যান মহোদয়ের বিবৃতি

পরিচালক পর্ষদের পক্ষ থেকে আমি অত্যন্ত আনন্দের সাথে GlaxoSmithKline (GSK) Bangladesh Limited-এর ৪৭তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং কোম্পানির ২০১৯ সালের বার্ষিক প্রতিবেদন উপস্থাপন করছি। কোম্পানি এর মূল লক্ষ্য অনুযায়ী জনগনকে বাড়তি কিছু করার, ভাল অনুভব করার এবং দীর্ঘ জীবনকালের জন্য সহযোগিতা অব্যাহত রেখেছে। উদ্ভাবন, কর্মক্ষমতা এবং বিশুদ্ধতার বৈশ্বিক প্রাধান্যতা আমাদের কৌশলের মূলমন্ত্র হিসেবে বলবৎ রয়েছে, যাতে আমরা শেয়ারহোল্ডারদের দীর্ঘমেয়াদী সুফল প্রদান করতে পারি।

ব্যবসায়ের গতিপ্রকৃতি এবং আর্থিক ফলাফল

২০১৮ সালের অক্টোবর থেকে বাংলাদেশে ফার্মাসিউটিক্যালস ব্যবসা স্থগিত করার পর জিএসকে বাংলাদেশ ২০১৯ সাল জুড়ে মূলত কনজুমার হেলথকেয়ার ব্যবসায়ের কার্যক্রম অব্যাহত রেখেছে। পর্যালোচিত এই অর্থবছরে কোম্পানি মূলত বিস্তারিত ব্র্যান্ড বিল্ডিং, বাণিজ্যিক উৎকর্ষতা এবং উদ্ভাবনী গতিবৃদ্ধির ওপর অধিকতর মনোযোগ দিয়েছে। এসবের সহায়ক হিসেবে ছিল কর্মপ্রক্রিয়ার সরলীকরণ এবং খরচ শাসনীয় উদ্যোগ, যাতে শেয়ারহোল্ডারদের সর্বোচ্চ মূল্যায়ন নিশ্চিত করা যায়।

যদিও লো ইউনিট প্যাক-এর শক্তিশালী প্রবৃদ্ধির কারণে সব ক্যাটাগরি-তে অনুপ্রবেশের হার বৃদ্ধিকরণ সম্ভব হয়েছে, তবে হরলিক্স-এর বড় প্যাকেট এ বছর চ্যালেঞ্জিং বাজার অবস্থার সম্মুখীন হয়েছে। এর মূল কারণ ছিল গড় পারিবারিক ব্যবহারের পরিমাণ কমে যাওয়া। এর ফলে, এ বছর সর্বোচ্চ উন্নতি চ্যালেঞ্জময় হওয়া সত্ত্বেও কোম্পানি ফার্মাসিউটিক্যাল ব্যবসা স্থগিতের পর পুনরায় লাভের মুখ দেখতে অত্যন্ত দৃঢ় কার্যক্ষমতার পরিচয় দিয়েছে। একইসাথে বন্ধ ফার্মাসিউটিক্যাল ব্যবসা সংশ্লিষ্ট জড়িত খরচ ২০১৯ সালে প্রকৃত অর্থে কমিয়ে আনা হয়, যার ফলে এই সময়ে মুনাফা হয় ৯৮৬ মিলিয়ন টাকা।

এটা উল্লেখযোগ্য যে, এ বছরের প্রতি শেয়ারে ৮১.৮৩ টাকা আয় ছিল কোম্পানির ইতিহাসে সর্বোচ্চ এবং এটি প্রমাণ করে যে ফার্মাসিউটিক্যাল ব্যবসা বন্ধ করার সিদ্ধান্ত যথোপযুক্ত ছিল। কোম্পানির কর্মফলাফলের ওপর ভিত্তি করে, পর্ষদ ২০১৯ সালের জন্য প্রতি শেয়ারে ৫৩.০০ টাকা চূড়ান্ত লভ্যাংশ প্রদানের সুপারিশ করছে।

মানবসম্পদ উন্নয়ন এবং সংস্কৃতি

দেশের উচ্চাকাঙ্ক্ষী পেশাজীবীদের কাছে জিএসকে (GSK) বরাবরের মতো এখনো পছন্দের নিয়োগকর্তা। কোম্পানি সবসময়ই একটি কর্মী কেন্দ্রিক সংস্কৃতি বজায় রাখে এবং কর্মী উন্নয়নের বিষয়টি সর্বদা কেন্দ্রবিন্দুতে রাখে। আপনাদের কোম্পানি, জিএসকে গ্লোবাল দ্বারা পরিচালিত জরিপে এমপ্লয়ি এংগেজম্যান্ট-এর হার ৮৭% অর্জন করেছে, যেটি প্রমাণ করে কর্মীরা এই প্রতিষ্ঠানে কতটা মূল্যায়িত এবং সম্মানিত। দক্ষতা বৃদ্ধির প্রশিক্ষণ, সফল ক্যারিয়ার গড়ার জন্য সুযোগের সমতা এবং কাজ ও ব্যবসায়ের লক্ষ্যের মধ্যে সামঞ্জস্যতার বিষয়ে ইতিবাচক দৃষ্টিকোণ স্থাপনের মাধ্যমে কোম্পানি কর্মীদের উন্নয়নে অব্যাহতভাবে কাজ করে যাচ্ছে।

ঝুঁকি ব্যবস্থাপনা ও শাসনব্যবস্থা

পর্ষদের লক্ষ্য হচ্ছে যথাযথ প্রক্রিয়া ও পদ্ধতির মাধ্যমে জিএসকে বাংলাদেশ এর ব্যবসায়িক কার্যক্রমের বিশুদ্ধতা বজায় রাখা। ২০১৯ সালে কোম্পানি তার আর্থিক কার্যক্রম পরিচালনার জন্য ইআরপি ফিন্যান্স ইন্টারনাল কন্ট্রোল ফ্রেমওয়ার্ক নামে একটি শাসন কাঠামো প্রয়োগ করে, যা জিএসকে গ্রুপ দ্বারা নির্দেশিত। এই ফ্রেমওয়ার্ক-এ রয়েছে নিয়ন্ত্রণব্যবস্থা, যা আর্থিক কার্যক্রম ঝুঁকি নিরূপণে প্রসিদ্ধ এবং তা স্থানীয় ও বৈশ্বিকভাবে পরীক্ষিত।

সঠিক কর্পোরেট গভর্ন্যান্স এবং কমপ্লায়েন্স নিশ্চিত করতে আমাদের প্রতিশ্রুতির প্রমাণস্বরূপ কোম্পানিটি বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশন (BSEC) দ্বারা প্রণীত ২০১৮ সালের ৩রা জুন থেকে কার্যকর কর্পোরেট গভর্ন্যান্স কোড-এর সকল মানদণ্ড সফলভাবে পূরণ করেছে। এ বিষয়ে বিস্তারিত পরিচালক পর্ষদের রিপোর্ট-এর পরিশিষ্ট নং ৪-এ দৃষ্টব্য।

পর্ষদের পরিবর্তন এবং গঠন

আলোচ্য বছরে পর্ষদ আমাকে কোম্পানির চেয়ারম্যান হিসেবে নিযুক্ত করেছে যা ২০১৯ সালের ১৮ এপ্রিল থেকে কার্যকর হয়েছে। জনাব রিয়াজুল চৌধুরী স্বতন্ত্র পরিচালক হিসেবে নিযুক্ত হয়েছেন, জনাব দেবশীষ দাসগুপ্ত এবং জনাব হাসনাইন তৌফিক পরিচালক হিসেবে নিযুক্ত হয়েছেন এবং জনাব আবুল হোসেন অনির্বাহী পরিচালক হিসেবে নিযুক্ত হয়েছেন। এছাড়াও, জনাব রাকেশ ঠাকুর পর্ষদ থেকে অবসর গ্রহণ করেছেন, যা ২০১৯ সালের ১৬ই মে থেকে কার্যকর হয়েছে। পাশাপাশি, আইসিবি কর্তৃক মনোনয়ন প্রত্যাহারের কারণে জনাব কাজী সানাউল হক ২০১৯ সালের ২১ আগস্ট পর্ষদ থেকে অবসর গ্রহণ করেন। পর্ষদ অত্যন্ত গভীরভাবে অবসরগ্রহণকারী পরিচালকদের নিজ নিজ কর্মকালে কোম্পানিতে মূল্যবান অবদানের জন্য কৃতজ্ঞতা প্রকাশ করছে এবং তাদের পরবর্তী নিয়োগের জন্য শুভকামনা জানাচ্ছে। নতুন সদস্যরা পর্ষদে নতুন সক্ষমতা ও দৃষ্টিভঙ্গি বয়ে আনবে। তাদের বিষয়ে ক্ষুদ্র বিবরণী পরিচালকদের পরিলেখ বা ডিরেক্টরস প্রোফাইল বিভাগে অন্তর্ভুক্ত রয়েছে।

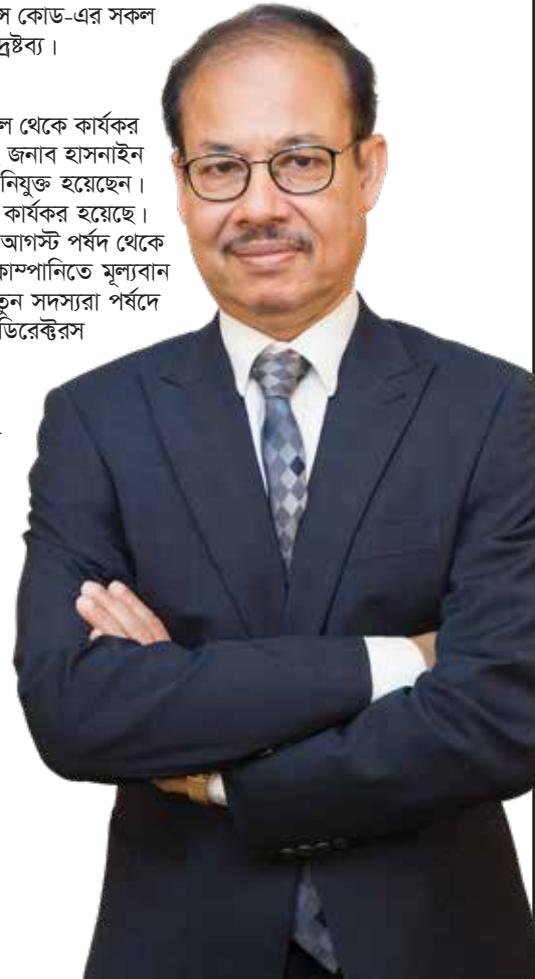
আমাদের মূল্যবোধের প্রতি অঙ্গীকার

কোম্পানি ব্যবসায় কার্যক্রম পরিচালনায় সর্বোচ্চ নৈতিক মানদণ্ড বজায় রাখতে এবং সিদ্ধান্ত গ্রহণে ভোক্তা নিরাপত্তার বিষয়টিকে সর্বদা অগ্রাধিকার দিতে অঙ্গীকারাবদ্ধ। কোম্পানির প্রতিটি কর্মী তাদের মধ্যে জিএসকে মূল্যবোধগুলো ধারণ করেন, যেগুলো হল- বিশুদ্ধতা, মানুষের প্রতি সম্মান, ভোক্তা কেন্দ্রিক মনোভাব এবং তাদের দৈনন্দিন কর্মজীবনে স্বচ্ছতা।

আমি জিএসকে বাংলাদেশ-এর সমস্ত কর্মীদেরকে তাদের বিগত বছরের কঠোর পরিশ্রমের জন্য আন্তরিক ধন্যবাদ জানিয়ে আমার বক্তব্য শেষ করছি। পাশাপাশি আরো কৃতজ্ঞতা জানাচ্ছি আমাদের মূল্যবান শেয়ারহোল্ডারদের, ব্যবসায়িক অংশীদারদের, স্বাস্থ্যসেবা পেশাজীবী ও প্রতিষ্ঠানসমূহকে, সরবরাহকারীদেরকে এবং সরকারি কর্তৃপক্ষকে আমাদের ওপর ভরসা রাখার জন্য এবং কোম্পানিকে অব্যাহতভাবে সহায়তা করার জন্য।



মাসুদ খান
চেয়ারম্যান
৯ মার্চ ২০২০



46th Annual General Meeting



The Board of Director of GSK Bangladesh Limited at the 46th AGM





Shareholders at the AGM



General Information

▶ **Board of Directors**

Mr. Masud Khan, Chairman
Mr. Prashant Pandey, Managing Director
Mr. Hasnain Thoufiq Ahmed, Finance Director
Mr. Zahedur Rahman, Director
Mr. Mohammad Naharul Islam Molla, Director
Mr. Devashish Dasgupta, Director
Mr. Md. Abul Hossain, Director
Mr. Mohsin Uddin Ahmed, Independent Director
Mr. Reazul Haque Chowdhury, Independent Director

▶ **Company Secretary**

Mr. Faridul Hoque Sikder

▶ **Head of Internal Audit**

Mr. Prasenjit Dev, ACA

▶ **Head of Legal and Compliance**

Ms. Ishrat Zerín, Barrister-at-Law

▶ **Registered Office**

Fouzderhat Industrial Area
North Kattali, Chattogram, Bangladesh.

▶ **Corporate Office**

House 2A, Road 138
Gulshan 1, Dhaka-1212, Bangladesh.

▶ **Audit Committee Members**

Mr. Mohsin Uddin Ahmed, Chairman
Mr. Reazul Haque Chowdhury, Member
Mr. Md. Abul Hossain, Member

▶ **Nomination and Remuneration Committee Members**

Mr. Reazul Haque Chowdhury, Chairman
Mr. Mohsin Uddin Ahmed, Member
Mr. Md. Abul Hossain, Member

▶ **Statutory Auditors**

Hoda Vasi Chowdhury & Co
Chartered Accountants

▶ **Compliance Auditor**

MABS & J Partners
Chartered Accountants

▶ **Tax Advisor**

Rahman Rahman Huq (a member firm of KPMG)
Chartered Accountants

▶ **Bankers**

The Hongkong and Shanghai Banking
Corporation Limited
Standard Chartered Bank Limited
Citi Bank N.A.
Sonali Bank Limited

▶ **Legal Advisors**

Syed Ishtiaq Ahmed and Associates
Concord Ovilash (1st floor), House 62
Road 11A, Dhanmondi, Dhaka-1209, Bangladesh.

▶ **Legal Counsel**

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Free School Street, Kathalbagán
Dhaka-1205, Bangladesh.

Tanjib Alam & Associates

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102 Kazi Nazrul Islam Avenue
Karwan Bazar,
Dhaka-1215, Bangladesh.

Mr. Subhas Chandra Lala

Advocate
18, Gurkha Doctor Lane
Patharghata, Chattogram, Bangladesh.

Dr. Kamal Hossain and Associates

Metropolitan Chamber Building (2nd floor)
122-124 Motijheel, CA
Dhaka-1000, Bangladesh.

Rokonuddin Mahmud and Associates

Delta Dahlia (8th floor),
36 Kemal Attaturk Avenue
Bananai, Dhaka-1213, Bangladesh.

Mr. Abdullah Al Mamun

Barrister-at-Law
Admiralty Chambers
House # 48, Road # 8A, Dhanmondi R/A
Dhaka, Bangladesh.



Profile of the Company

GlaxoSmithKline plc is a science-led global healthcare Company with a special purpose: to help people do more, feel better, live longer research and develop a broad range of innovative medicines, vaccines and consumer healthcare products. With Headquarters in UK, the Company employs nearly 93,000 individuals united by its special purpose and values & expectations. The Company has three primary areas of business in consumer healthcare, pharmaceuticals and vaccines.

The wide strategy of GSK is to bring quality healthcare products to as many people as possible, with its scientific and technical know-how and talented people. To deliver the strategy, everyone at GSK is focussed on three priorities: Innovation, Performance, Trust. The Company's goal is to be one of the world's most innovative, best performing and trusted healthcare companies. Since 2017, the Company set out three long-term priorities, which it believes will deliver improved performance and better returns over the short and long term.

All activities in the Company are strictly guided by "GSK values" which include showing respect for people, being consumer focussed, commitment to transparency and demonstration of highest integrity in conduct.

The heritage of GSK Bangladesh goes back to almost 7 decades and following a number of mergers and acquisitions, GSK Bangladesh Limited, a subsidiary of GSK plc, started its journey in 2002. GSK Bangladesh's product lines include nutrition and oral healthcare products, led by brands like Horlicks and Sensodyne.

GSK Bangladesh Limited maintains a leading presence in the Health Food Drink Category market. Horlicks continues to be one of the top Brands in Bangladesh across all categories, due to the brand's consistent delivery of its 'promise of nutrition' to the consumers.

GSK plc. has made a global commitment to re-invest 20% of the profits it makes in developing countries to address issues around providing healthcare services to the underserved communities. In line with the above, in Bangladesh, more than 1 million GBP per year has been invested through GSK plc since 2010 in a number of projects in partnerships with CARE, ICDDR,B and Friendship.

GSK's perennial commitment is to uphold the highest ethical standards while carrying out its business activities, and ensuring that consumer and patient safety is always a priority in all decision making.



Innovation

Performance

Trust



BUSINESS ACTIVITIES

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Business Activities

Horlicks Sachet- Creating Access to Nutrition

Several initiatives such as new TV campaign, door to door activation through which mothers were given information on nutrition, digital marketing as well as wholesale activations for sachet were undertaken. The amalgamation of these initiatives has resulted in the double-digit growths as well as continuous increase in household penetration for sachets.

To take our effort one step ahead, Horlicks tied up with an NGO, called **Bidyanodo Foundation** as part of their '1 Tk Meal Project'. Through the project, 18g sachet Horlicks were distributed and fed to over 5000 underprivileged children.



Launch of Horlicks Thematic Campaign

Horlicks launched a mega thematic campaign in 2019 which highlighted the trust and legacy of the brand. Mothers across the country have faith in this iconic brand, which has worked to provide tasty nutrition to families across Bangladesh over decades. This campaign brought forward three mothers of notable achievers who had put faith in Horlicks for their child's nutrition.

The campaign was aired across all top channels and generated interest and positivity on the brand. Aside from the TV Commercial, there was an extensive print campaign, digital campaign along with a door to door activation to reach consumers. The digital campaign involved sessions with mothers and renowned nutritionists. The session involved the nutritionist raising awareness on children as well as female nutritional requirements and a two-way discussion forum wherein mothers discussed their concerns.

Horlicks ended the year with highest ever household penetration.



Launch of Mother's Horlicks "No Added Sugar" formulation

As a scientifically designed specialised nutrition solution for expecting and lactating mothers, this brand is comparatively new to the nutrition portfolio of GSK Consumer Healthcare. In February 2019, "No added sugar" formulation was launched which was appreciated by experts. The brand continued to maintain a healthy presence on television and digital media throughout the year in addition to expert focused marketing strategies.

Mother's Horlicks Engaging 360° Campaign 2019

Digital Activity
Nutritionist based OVC

Radio
Content based Execution

TV News presence
Product placement when Nutritionist spoke about the importance of Breastfeeding
Presence in 3 National News Channels
O Ekattor TV
O News 24
O Independent TV

Press
Content based Execution

In August 2019, Mother's Horlicks observed and celebrated **breastfeeding awareness month** by carrying out a 360 Marketing campaign, which included a week-long radio programme on breastfeeding awareness, followed by news presence and digital activities. It helped create an interactive platform for consumers to connect with the brand in a meaningful way and provide an emotionally enriching experience to consumers.

Mother's Horlicks, Women's Horlicks and Lite Horlicks observed the **World Diabetes day 2019** by partnering with a Clinical Nutrition Update Conference held in BSMMU on November 16, 2019. It was held in celebration of the World Diabetes Day. The products were available for the consumers to see and understand their nutrition benefits.

Junior Horlicks

Junior Horlicks maintained healthy media presence throughout 2019, receiving good response from the target audience in terms of brand connection and proposition. Junior Horlicks has continued to be a brand of preference for mothers due to its strong equity and recall.

A new pack design for Junior Horlicks was launched in 2019 which was very well appreciated by consumers and retailers.



Relaunch of Boost

Boost came back with a bang in a new jar in 2019, simultaneously with an integrated campaign encompassing a thematic, trade visibility & Shakib signed merchandise as promotion, along with extensive sampling to enhance trial.



Glaxose D

Glaxose D, the no.1 Glucose Brand in the country continued to have a strong hold in the category. Successful consumer facing and trade activities supported the growth of the brand in 2019. Packaging was revamped with the insertion of the image of our Glaxose D brand Ambassador; the world's no. 1 all-rounder Shakib al Hasan on the pack. A good burst in media, attractive container promotion, engagement on digital and sachet visibility in trade: all of these contributed in bringing about strong volume growth in 2019 along with ever highest penetration. Furthermore, an Integrated second season campaign with promo, TV, digital, press advertorials added to the momentum for Glaxose D.



Sensodyne

Sensodyne had a successful year in 2019, achieving multiple brand and commercial targets. The brand is consistently focused on raising awareness of tooth sensitivity in Bangladesh and providing an easy and effective solution.

Supply Chain & Manufacturing

In GSK, quality is the epitome of its commitment towards consumers. In 2019 GSK CMO (Contract Manufacturing Organization) successfully completed the following audits:

- GMP (Good Manufacturing Practice) Audit by an independent GSK audit body, demonstrating quality principles for manufacturing and other relevant processes.
- PCR (Product Commodity Rule) audit that ensures product packaging compliance
- BSTI audit that ensures right quality standards
- FSSC (Food Safety System Certification) audit which provides a trusted brand assurance platform to the consumer goods industry for Food Safety.

As a result, GSK continued to maintain its track record of zero safety incident and zero product recall from the market in 2019.

GSK Supply Chain has taken numerous initiatives to ensure a sustainable way of operating. This includes a recycling facility in a hygienic close loop system to allow less consumption of plastics and enhanced Overall Equipment Effectiveness (OEE) to optimize energy & resource consumption.

Human Resources

This year, GSK Bangladesh scored 87% in the employee engagement survey conducted by GSK global; which is a testament of how much the employees are valued and respected in the organisation. The company continued to enable employee development through capability building trainings and focused on creating a diverse and inclusive workplace for all employees.



Finance Team building and Line of Sight 2019

In November 2019, the Finance team had an off-site team building and Line of Sight workshop with a view to develop more teamwork and engagement, identify key finance priorities for 2020 and develop a smooth year closing plan.

It has been a great year with different cost minimisation projects like Trade Discount & Market Return reduction, efficiencies in COGS, Media spend efficiencies; which helped delivering significant profit maximisation from Consumer Healthcare business.

At this event challenges, opportunities, key finance priorities for 2020 with detail action plan were discussed.



Celebrating achievements in creating health impact in Bangladesh

At a high-profile event titled 'Partnership for Strengthening Health Care System in Bangladesh' organized by GSK on 17 July, 2019 in Dhaka, GSK and CARE Bangladesh celebrated their achievements through their innovative partnership which has created significant positive health outcomes for the underprivileged with limited access to basic primary health care.

GSK and CARE's partnership has focussed on addressing the unmet health needs of underprivileged communities through focussing on the shortage of frontline health workers through the Community Health Worker Initiative; the Emergency Response Refugee Influx (ERRI) in Cox Bazar, and through a tripartite partnership with M&S – the HALOW+ Programme in the ready-made garment industry.

At the event, British High Commissioner, Mr. Robert Chatterton Dickson, BGMEA President, Ms. Rubana Huq and Prof. Dr. Mudassar Ali, President, Community Clinic Health Support Trustee Board, spoke as the Guests of Honour. Mr. Zia Choudhury, CARE Bangladesh, Country Director and Mr. Prashant Pandey, MD, GSK BD also spoke on the occasion. Key Government health officials and other stakeholders along with GSK and CARE were also present.



Consumer Healthcare

Standard Horlicks

GSK Consumer Healthcare Bangladesh's largest brand, Standard Horlicks, maintained its position as the market leader by a significant margin in the health food drinks category. With an aim to make nutrition accessible to all, the 10Tk sachet was launched in 2019.



Mother's Horlicks

As a scientifically designed specialised nutrition solution for expecting and lactating mothers, this brand is comparatively new to the nutrition portfolio of GSK Consumer Healthcare. In February, 2019, the brand launched its "No Added Sugar" formulation considering the Gestational Diabetes phenomena observed during pregnancy.

Junior Horlicks

Junior Horlicks contains Vitamins, Minerals, Calcium and vital Micro-nutrients which helps in fulfilling nourishment need of toddlers. It contains DHA & Proteins which helps in brain development and height development respectively. It also has 6 Immuno nutrients which help in building immunity of children.



Horlicks Growth Plus

Horlicks Growth+ has been designed for healthy catch up growth of children. Lack of proper physical growth is a common health concern for children and this brand being a specialised solution for this issue, holds a lot of potential. Its advanced formulation has been designed to provide growth promoters (which is a combination of key nutrients such as Protein, Potassium, Phosphorus, Zinc and Sodium) and it also contains high quality protein.

Glaxose D

Glaxose D, one of the heritage Brands of GSK Bangladesh, contains Dextrose Monohydrate that directly mixes with the bloodstream to provide instant energy. Alongside base flavour of Glaxose D, it is also available in Orange Flavor.



Boost

Boost combines yummy chocolatey taste with the goodness of Malt. The key nutrients in Boost are essential to increase stamina, and help the child prepare to go that extra mile. Boost is scientifically proven to provide 3 times more stamina in 120 days.

Sensodyne

When the outer layer of the teeth (enamel) is worn away or gums recede, the dentine underneath becomes exposed. This can lead to tooth sensitivity, which can be felt by short sharp sensations when eating or drinking something cold, hot, sweet or sour. Sensodyne is especially formulated to help relieve tooth sensitivity.



20% Profit Re-investment Initiatives

At GSK, we are committed to be a catalyst for change in the health seeking behaviour; at the communities where we are present. To do so, we are continuously working towards creating access to quality healthcare in the communities through our different CSR initiatives. One such initiative is the 20% Reinvestment programme where 20% of the profits is reinvested to build capacity of the Community Health Workers (CHWs) at the hard to reach areas of the country and create access and facilitate healthcare service delivery.

GSK CARE Community Health Workers Initiative (CHWI)

Background and Inspiration

The inequitable distribution of qualified health services versus the vast population particularly in remote and rural areas of Bangladesh makes our health system vulnerable. At the hard to reach haor areas the picture is more grey, as the maternal and newborn death rate there is double from other regions of Bangladesh,

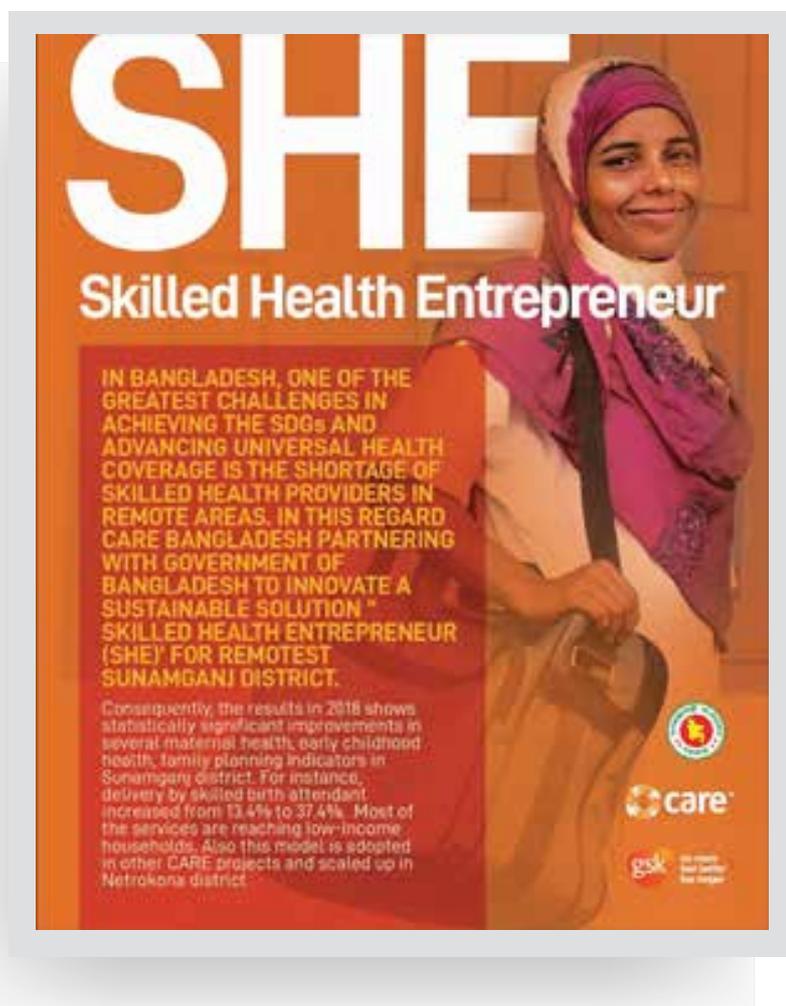
To address the lack of skilled health workforce issues at the remote areas, an innovative and sustainable Public Private Partnership (PPP) was developed amongst GSK, CARE and Ministry of Health & Family Planning Welfare (MOHFW) to address the human resource for health (HRH) issues in the Haors of Sunamganj district.

The objective of the project is to create a sustainable health service model through developing skilled health care providers, supported by local communities, government health system and Local Government (LG) bodies.

The private providers are accredited by Bangladesh Nursing Council with 06 months' community skilled birth attendant training complemented by community based integrated management of childhood illness (C-IMCI), Family Planning, Eye screening, Non-Communicable disease, nutrition, life skill, essential laboratory test and social entrepreneurship training.

The project along with other achievements added the following:

- A Self governing structure of SHE named 'Susheba network' was established in Sunamganj for ensuring it's long term institutional sustainability. The network coordinates with health and family planning department and are reporting to GOB by their own initiative at sub district level.
- The model was showcased and pitched in the 2nd international CHW symposium and at the National adolescent health strategy conference.



KEY ACHIEVEMENTS & RESULTS TILL DECEMBER 2019



410

Private Community based skilled health entrepreneur developed in Sumanganj and Netrokona district



3000

Community Health Volunteers (CHVs) developed



872

Community Group & Community Group & Community Support Group re-activated and



1,143

Government Health and Family Planning staff capacitated



2,03,058

pregnancies identified and registered



6,12,267 ANC &

2,75,614 PNC provided



49,043

safe deliveries conducted



255615 ENC &

201305 C-IMCI services provided



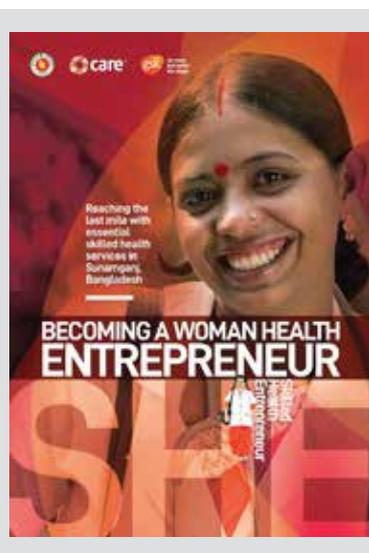
48298

women and children referred



228634

NCD cases screened and referred



GSK-CARE Ready Made Garment (RMG) Workers Initiative

Health Access and Linkage Opportunities for Readymade Garment Workers Plus (HALOW+)

The Readymade Garment sector in Bangladesh employs approximately 4.5 million workers. The vast majority of these workers are rural migrated women and are adversely affected by poor health and nutrition. The lack of adequate on-site health services and the workers depend largely on the public and private facilities and providers.

To support and address these issues the HALOW initiative was taken in 2015, to establish a comprehensive health and nutrition programme delivery model for the RMG workers and their families.



The HALOW initiative, which later got expanded and extended to HALOW+ was taken up in 15 factories in Tongi and Gazipur areas. The initiative is a partnership between GSK, Marks Spencer and CARE.



The initiative aims to reach out to 50,000 RMG workers and their 200,000 family members. The project objectives include 1) improvement of healthcare access for RMG workers and raising health-awareness and educating workers 2) increasing preventative and curative service uptake by workers 3) mobilising communities through creating health referral networks and connecting local health and Government services to RMG workers and their families 4) creating shared multi-stakeholder platforms across the factory and community to address underlying health and nutritional issues faced by workers.

The achievements till December 2019:



83,335 beneficiaries reached Directly & **280, 223** beneficiaries reached Indirectly



1,891 Health Champions were trained and equipped with Behavior Change Communication materials



12,100 workers now have access to free regular Family Planning services from factory clinic, **1,839** female workers received Iron and Folic Acid tablet from factory clinic, **2,300** workers received TT-vaccination from factory clinic, **564** female workers were scanned for cervical cancer through VIA test from Factory clinic



1,450 Children of worker were reached through EPI (Expanded Program on Immunization) from Factory Clinic



Almost **100** workers were trained on family planning services by Govt. FP department. 16 Factory started to receive FP Commodities from Govt. and 1 is in process. 7 Factories & 4 Communities are receiving Sanitary napkin at Low Cost and **2,481** sanitary napkins has been distributed



124 Service providers of factory were trained on different Health issues to improve quality service at factory medical corners



3000 factory workers of 2 factories are covered through Micro Health Insurance policy implementation



Anti-Sexual Harassment Committee has been formed in the factories

Myanmar Refugee Response by GSK

The huge influx of refugees from the Rakhine of Myanmar in 2017 has resulted in a critical humanitarian emergency and essential services which were available prior to the influx fell under severe strain due to the massive increase in the number of people in the area.

Considering the situation, along with Government and other health partners; GSK in partnership with CARE have been supporting the healthcare services at the Refugee camps in Ukhiya and Cox'sbazar since 2017.

Project goal and objectives

Goal: Increase access of sexual and reproductive health and primary care services for women, men, girls and boys from the refugee and host community

Objectives

1. Expand outreach activities to improve uptake of services at the static health clinics
2. Strengthen the capacity of staff to provide contextualised Sexual Reproductive Health Related services.

Project location

District: Cox's Bazar, Sub-district: Ukhiya, Camp: 16

Duration:

Phase II

Project duration: 15 November 2018 to 20 September 2019

Impact population: There are approximately 21,785 populations in the targeted area. This represents 5,407 women, 4355 men, 12026 girls, and boys. Among them 17400 are targeted who will be benefited by implementing this project.

Key achievements

- A total of 680 females have received maternal health services
- A total of 339 females have received family planning services
- Total of 36 GBV cases are screened and referred for counselling
- Other health services have reached 878 persons
- A total of 3,753 people were reached through different health education sessions



Environment, Health and Safety (EHS)

Environment, Health and Safety (EHS) remains to be the priority for the Company. Despite 2018 being a challenging year and the foreseen upcoming closure of GMS in Chattogram increased quality, EHS compliance and regulatory expectations for manufacturing and supply operations continued to be stringently maintained .

GSK Bangladesh is committed to ensuring 'Zero Accidents' by providing a healthy and risk-free environment for its employees, service providers and at the Contract Manufacturing site.

The contract manufacturing (CM) site for GSK Bangladesh Ltd. ended 2019 with "Zero" Lost Time Injury (LTI) cases. This is the result of regular safety briefing, promoting safe behaviour, closing unsafe conditions and reviewing the safety status in each Quality Council Meeting (QCM).

To ensure increased EHS risk awareness amongst the employees, CM carries out Risk perception training and awareness programme on the use of PPEs to reduce at-risk behaviour, Fire Safety & First Aid training by external Authority and mock drill. Furthermore, the factory has trained First Aid and Fire Fighting teams to respond to any untoward situation.

Of late, the Glaxose Manufacturing extension at CM site was delivered with "Zero" Lost Time Injury (LTI).





CORPORATE GOVERNANCE

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Corporate Governance Framework



Company's Philosophy of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligation to the stakeholders and is guided by a strong emphasis of transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practices and fully compliant with the relevant legal and regulatory requirements. All employees are bound by a code of conduct that sets forth the Company's policies on all important issues.

Corporate Governance Charter

The Board of Directors has adopted a Corporate Governance Charter which has been complied with throughout the year. The purpose of this charter is to codify the Company's system of corporate governance so as to assist the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Charter Specifics

- The relationship with other Group Companies
- The role of the Board of Directors
- Responsibilities of the Chairman
- Responsibilities of the Managing Director
- Responsibilities of the Finance Director
- Responsibilities of the Company Secretary
- Responsibilities of the Head of Internal Audit
- Important matters requiring the prior approval of the GlaxoSmithKline plc Board or its Committees
- Matters requiring prior approval of Group central functions
- Important matters requiring approval of the Company's Board
- Control of expenditure
- Professional advisor

The Board

The Board consists of four Executive Directors, three Non-Executive Directors and two Non-Executive Independent Directors. There is a clear division of responsibilities between the Chairman's functions and that of Managing Director. The Chairman is mainly responsible for chairing the Board Meeting as well as the Annual General Meeting. On the other hand, the Managing Director is responsible for implementing and coordinating the Company's corporate and commercial programmes to achieve its business objectives. All Directors have full and timely access to all relevant information and independent professional advice.

Role of the Board

The Board is responsible for the strategic direction, policies and overall management of the Company. It ensures that the Company's policies and activities

conform to Mission, Key Goals and Core Values. Code of Conduct, Key Strategies, Policies and Practices as set out in the statements of policies, safeguarding the assets of the Company and establishing an adequate as well as effective system of internal control.

The Board has authorised the formation of a number of Committees to implement the stated policies and activities. The Committees are: The Company Executive Committee; Pension Fund Trustees; Provident Fund Trustees; Gratuity Fund Trustees and Workers' Profit Participation Fund Trustees.

Frequency of Meetings

The Board meets at least once a quarter. The number of meetings that were held during the financial year ended 31st December, 2019 was 06.

Management and Conduct

The Board supports good Corporate Governance based on generally accepted framework. Compliance with statute governing the industry is of great importance to maintain the reputation of the Company. Key staff have been appointed and given specific responsibility to ensure compliance. Independence in decision without conflict of interest is considered important in discharging stewardship function of the Board of Directors. The Company, therefore, follows stringent policy which prohibits any financial accommodation to Directors. Also, the Directors are required to make declaration of their interest in any contract with the Company. These measures ensure that any conflict of interest does not arise.

Audit Committee

The Audit Committee reviews the financial and internal reporting process, the system of internal controls, the management of risks, and the external and internal auditing process. The Committee also proposes to shareholder the appointment of the external auditors and is directly responsible for their remuneration and oversight of their work. The Audit Committee consists of two Non-Executive Independent Directors and one Non-Executive Director, headed by an Independent Director. The Company Secretary acts as the Secretary of such Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) assists the Board in formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors and top-level executives. The Committee consists of two Non-Executive Independent Directors and one Non-Executive Director, headed by an Independent Director. The Company Secretary acts as the Secretary of such Committee.

Risk Management at GSK

We have a duty to ensure we protect patient and consumer safety, our people, the environment, company assets and our reputation, whilst also achieving our business objectives, safeguarding shareholder investment and complying with legal requirements. Risk management and internal control, along with the GSK Values, are an integral part of our business processes.

Risk management and internal controls ensure that the risks facing GSK are appropriately managed. GSK maintains sound risk management and internal controls as part of good business practice and in order to comply with the UK Corporate Governance Code. The Board of Directors discharge their responsibilities in this regard through the Audit and Risk Committee (ARC).

Company policies, standards and internal controls, together with our company values underpin our approach to risk management. We are committed to being a responsible, values-based business and our leaders are responsible for embedding this into our culture, decision making and how we work. Ensuring product quality, safety and sustainability are fundamental to our business model.

At GSK Bangladesh, Risk is defined as “a potential event that creates uncertainty or could adversely affect the expected achievement of our business objectives”. Our

Risk Management is a 5 step process of proactively identifying, assessing and implementing appropriate risk treatment to manage risks.



Employees at GSK are accountable for working to established standards and for identifying and escalating encountered risks so that they can be appropriately managed. GSK Bangladesh has comprehensive learning programmes to ensure employees are suitably trained including mandatory training on the GSK Code of Conduct and Anti-Bribery and Corruption policies.

Overview of Risk Governance

As a UK based organisation, the UK Corporate Governance Code requires companies to implement integrated risk management and internal controls that identify and manage significant risks that might have a material impact on its financial performance.

Governance structure of Risk Management



The Corporate Executive Team (CET) of GSK Group has operational accountability for maintaining effective management controls. Each year, CET reviews the risks facing the Group and agrees the Principal Risks that present a significant legal, operational or compliance risk to the Group. The CET also designate individuals responsible for developing and maintaining Enterprise Risk Strategies for certain Principal Risks that have a widespread impact across the Group.

Board of Directors of GSK Bangladesh has delegated accountability to its Audit Committee for assessing the effectiveness of management controls for significant

legal, operational or compliance risks facing the Company. External issues concerning corporate responsibility could potentially have a serious impact on the reputation of GSK Bangladesh.

Bangladesh Leadership team is responsible for executing corporate policies; ensuring robust internal control frameworks are being maintained and significant risks are adequately mitigated. The Leadership team uses Risk Management & Compliance Board (RMCB) as a forum for review and take necessary action to ensure Principal Risks are being adequately addressed in line with applicable Enterprise Risk Strategies.

GSK Enterprise Risks

Each year, the Corporate Executive Team (CET) reviews the risks facing the Group and agrees on a list of most significant risks – referred to as Enterprise or Principal Risks – that require particular attention from a Group perspective, including those that could cause our actual results to differ materially from expected and historical results.

A summary of our Enterprise Risks is set out below:

	<p>Patient (and Consumer) Safety Failure to appropriately collect, review, follow up, or report human safety information (HSI), including adverse events from all potential sources, and to act on any relevant findings in a timely manner.</p>
	<p>Product Quality Failure by GSK, its contractors or suppliers to ensure:</p> <ul style="list-style-type: none"> - Appropriate controls and governance of quality in product development. - Compliance with the terms of GSK product licences and supporting regulatory activities. - Compliance with good manufacturing practice or good distribution practice regulations in commercial or clinical trials manufacture and distribution activities.
	<p>Anti-Bribery and Anti-Corruption (ABAC) The ABAC risk comprises five sub-risk areas:</p> <ol style="list-style-type: none"> 1. Bribery of public officials by GSK. 2. Bribery of commercial and other non-public entities by GSK. 3. Bribery by third parties acting on behalf of GSK. 4. GSK employees receiving and / or requesting bribes and / or other undue personal benefit. 5. Other Corruption-non-compliance with laws and regulations related to money laundering or facilitation of tax evasion by third parties / clients / partners.
	<p>Commercial Practices Failure to engage in commercial activities that are consistent with the letter and spirit of the law, industry, or the Group's requirements relating to marketing and communications about our medicines and associated therapeutic areas; appropriate interactions with healthcare professionals (HCPs) and patients; and legitimate and transparent transfer of value.</p>
	<p>Financial Control and Reporting Failure to comply with current tax laws or incurring significant losses due to treasury activities; failure to report accurate financial information in compliance with accounting standards and applicable legislation.</p>
	<p>Third party oversight (TPO) There is a risk that our third parties fail to meet their contractual, regulatory or ethical obligations resulting in significant operational, reputational, legal and financial risk for GSK (and in some cases our employees directly).</p>
	<p>Environment, Health, Safety (EHS) Failure in management of:</p> <ul style="list-style-type: none"> - Execution of hazardous activities. - GSK's physical assets and infrastructure. - Handling and processing of hazardous chemicals and biological agents. - Control of releases of substances harmful to the environment in both the short and long term leading to incidents which could disrupt our R&D and Supply activities, harm employees, harm the communities we operate in and harm the environment and its longer-term sustainability.



Supply Continuity

Failure to deliver a continuous supply of compliant finished product; inability to respond effectively to a crisis incident in a timely manner to recover and sustain critical operations.



Research Practices

Research Practices risk is the failure to adequately conduct ethical and sound pre-clinical and clinical research. In addition, it is the failure to engage in scientific activities that are consistent with the letter and spirit of the law and industry, or the Group's requirements.



Privacy

The failure to collect, secure, use and destroy personal information (PI) in accordance with data privacy laws can lead to harm to individuals and GSK, including fines and operational, financial and reputational risk.



Information Security

The risk that unauthorised disclosure, theft, unavailability or corruption of GSK's Information or key information systems may lead to harm to our patients, workforce and customers, disruption to our business and/or loss of commercial or strategic advantage, damage to our reputation or regulatory sanction

Risk Management and Compliance Boards (RMCB)

Businesses and functions create a global level Risk Management and Compliance Board (RMCB) to ensure appropriate risk management supported by a hierarchy of RMCBs (or other governance forums) as appropriate e.g., Local Operating Companies and sites.

Each global business and function may create a hierarchy of further RMCBs (or other governance forums) further down in their organisation (e.g., at area, regional or functional levels) to support the effective oversight and escalation of risks and the cascade of risk plans (referred to as Subordinate RMCBs).

The RMCB is a forum for leaders to:

- Set a culture and tone for open and pro-active risk management.
- Ensure that their organisation complies with applicable policies and procedures on risk management.
- Escalate risks to senior management.
- Cascade requirements and define accountabilities for risk management activities.
- Support continuous improvement in ways of working as well as identify, share and discuss best practices in risk management across regions, business and markets.

RMCBs are expected to meet at least quarterly to discuss risks specific to their business. These include emerging risks in the external or internal environment and risks associated with third parties. RMCB membership includes representation for all the major parts of the business and functions.

Enterprise Risks

RMCBs assign owners for each applicable Enterprise Risk. Enterprise Risk Plans are reviewed at least once a year and RMCBs decide to adopt that plan (and implement its requirements) or adapt it based on justifiable differences.

Global RMCBs:

- At least once annually, assesses the applicability of each Enterprise Risk and appoints a risk owner, who shall be accountable for understanding the corresponding Enterprise Risk Plan and making an adopt or adapt decision.
- Approves any adaption of the Enterprise Risk Plan.
- Ensures that adopted or adapted Enterprise Risk Plans are communicated to and implemented through their organisation, including setting clear expectations for whether Subordinate RMCBs may further adopt or adapt the Enterprise Risk Plans.
- Uses available key risk indicators, monitoring results and other data to track implementation and compliance with the Enterprise Risk Plans and take appropriate actions to remediate where gaps are found.

Subordinate RMCB's shall align to the adopt-adapt and implementation approach to Enterprise Risk Plans as directed by their respective Global RMCB.

Business or function specific risks (referred to as 'Other Risks')

In addition to managing Enterprise Risks, RMCBs:

- Identify and assess Other Risks (including significant legal, operational and compliance risks) by performing a thorough risk assessment of the changing internal and external environment at least once annually.
- Prioritise Other Risks for active management.
- Appoint a risk owner for those Other Risks selected for active management who shall be accountable for developing a mitigation plan for endorsement by the RMCB.
- Oversee implementation of the mitigation plan.

Internal Control Framework

A Control Framework structures the basis of internal control. It is the process that ensures we comply with laws and regulations, that our financial reporting is reliable and that our operations are run efficiently and effectively. Furthermore, a Control Framework provides the basis on which we assess our control systems and identify how to enhance them. Control Frameworks also enable us to develop our systems of internal control in a structured and effective way. They ensure that we operate within applicable legislation and enhance our ability to deliver our strategic aims and adapt to the evolving nature of our business environment.

To make people Do More, Feel Better and Live Longer, we need to have great products that successfully meet the needs of patients and consumers throughout the world. However, to grow and sustain our business and to protect our reputation, we depend on the success of many Business Activities.

GSK Bangladesh adheres to the GSK Internal Control Framework (ICF) which defines the essential elements expected of our compliance and risk management programmes. GSK gains competitive advantage when the controls required to mitigate risks are clearly defined and simple to implement. Our internal control framework drives:

- Common language.
- Decrease in variability.
- Reduction of failures in execution.
- Reduction of rework.
- Reduction of internal and external audit observations.

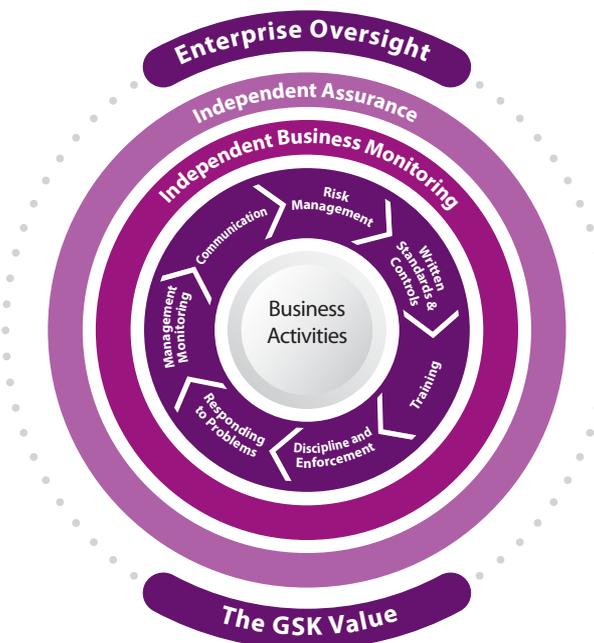
- Improvements in the processes used to deliver products and services.
- Confidence that risks are effectively managed.

GSK ICF is designed to ensure the risks associated with conducting our Business Activities are effectively controlled in line with GSK's risk appetite

Enterprise Oversight

As GSK is a large and complex business we need to approach management oversight in an organised and systematic way. This ensures we can confirm that all relevant parts of the Control Framework are either up to standard, or identify areas that need improvement. Most commonly, this is achieved by a Risk Management and Compliance Board (RMCB), although it may also be managed by other oversight boards, committees, or councils. These bodies report through to the Risk and Oversight and Compliance Council (ROCC) and Audit and Risk Committee (ARC).

The **GSK Values** provide the management tone for the whole organisation. They describe the spirit in which we operate and provide a reference point when we encounter difficult situations. The consistent demonstration and communication of Values by leaders at all levels is essential making the Control Framework effective.



Key

- Individual Accountability
- Line Management Accountability with compliance
- Business Management Accountability with Compliance
- Audit & Assurance



We focus on the individual, doing what is right for patients and consumers. We work with our partners and customers to improve healthcare and find new medicines and vaccines. Regardless of our role, we strive to understand how our work impacts patients and consumers.

We should always show respect for colleagues and the communities around us. Everyone has a part to play in creating a fair and inclusive work environment that respects human rights and the diversity of the cultures we operate in. When we embrace diversity and individuality we can support and inspire each other to achieve great things.



Respect



Transparency is vital to the way we work and helps us build trust. We strive to be honest and transparent about what we do and how we do it. This improves how we collaborate with each other and enhances the way we are seen by the communities we work with. It demonstrates that we are open to challenge, discussion and always want to improve how we operate.

We must all live up to the ethical standards that are rightly expected of us. That means we act with integrity and follow the law. More than that, we do everything we can to maintain the trust and respect of the organisations we work with and the communities in which we live and operate. By doing so, we protect the interests of our patients, consumers and our business.



Integrity



Management Accountability supported by Compliance

Risk Assessment: A risk assessment is a pre-requisite to establish a reference point for controls. It identifies all reasonable areas of scope and then assesses the impact and likelihood of potential risks. In turn, the Control Framework can provide focus on the greatest threats.

Written Standards are formal company policies, standard operation procedures, and guidelines (collectively called 'control documents') that communicate the ideas, rules, controls and expectations of the organisation. The objective is to establish in-process controls to ensure a process is actually happening as intended.

Training is provided to ensure staff operate competently in whatever activity they undertake.

Communication: Managers need to be able to articulate to their teams the importance of each part of the framework in a relevant and engaging way aligned to our Values and encourage a speak-up culture. Managers must also implement a process to receive complaints or questions and protect whistleblowers from retaliation.

Management Monitoring: Local managers are accountable for the controls in their area. Management monitoring is an ongoing process of assessing that the controls are in place, in use and effective. Monitoring can be conducted in many ways including but not limited to workplace observation of tasks, checklist activity inspection, and desktop review of data or documentation.

Responding to Problems: Failures and problems offer an important opportunity for learning and improvement. By understanding and correcting the root cause, they should not recur and thus the overall control framework is strengthened.

Discipline and enforcement generally refer to undertaking appropriate and consistent disciplinary action across the company for violations of policy or code of conduct.

Business Accountability supported by Compliance

Independent Business Monitoring involves managers conducting regular reviews of activities, data, exceptions and deviations in order to continuously improve their operations and quality. This review gives leadership objective evidence that the overall set of controls are effective, based on an understanding of current information. In GSK Bangladesh, this activity is performed by the Internal Audit function as well as independent overseas audit teams appointed by the group.

Audit and Assurance Accountability

Independent Assurance is provided by the group Internal Audit function "Audit and Assurance" (A&A).

A&A provides an assessment of management effectiveness at risk identification and mitigation. It also assesses the overall effectiveness of the local control framework.

GSK Enterprise Resource Planning (ERP) Finance Internal Control Framework (ICFW)

GSK Bangladesh also adopts a group mandated governance approach designed specifically to address financial process related risks called the ERP Finance ICFW. This framework, which spans many familiar global compliance concepts including Sarbanes-Oxley Act, is a best-practice in risk management for entities where ERP software has been implemented across GSK.

Main benefits of adopting such framework are:

- Process simplification and standardisation
- Ease of compliance and increased efficiency
- Reduced external audit effort and cost, i.e., audit fees

ERP ICFW controls are regularly tested both locally and globally as well as being monitored by above country forums within the GSK group.

Board of Directors





Board of Directors



Masud Khan
Chairman

Masud Khan joined the GSK Board in April, 2013 and became the Chairman of the Board in April 2019. He is currently the CEO of Crown Cement Limited, prior to which he was Finance Director of Lafarge Surma Cement Limited (a cross border joint venture project by Lafarge of France and Cementos Molins of Spain). With more than 3 decades of work experience, this seasoned professional has worked in increasingly higher responsibility in the fields of Finance, Audit and ERP implementation in leading multinational companies in Bangladesh including British American Tobacco Limited and James Finlay. His long work experience also include working abroad at Monrovia Tobacco Corporation, Liberia and Price Waterhouse & Co., Kolkata, India. He is a Commerce Graduate from University of Kolkata, India and qualified both as Chartered and Cost Accountant from Indian Institute with distinction.



Prashant Pandey
Managing Director

Prashant Pandey was inducted to GSK Bangladesh Board in October 2017. He is currently the Managing Director of GSK Bangladesh. Before assuming his current role he was the General Manager for MyBan. Prior to taking up his role in MyBan, Prashant was the Marketing Director for Nutrition & Digestive Health category, Expert Sales & Marketing and Marketing Excellence, and was based in Gurgaon, India. Prashant joined GSK in July 2008 as Nutrition Category Head for India. He subsequently moved into the Family Nutrition Category Development Director role in July 2013, and then as Marketing Director for India in February 2015. Under his leadership, exemplary examples of best in class marketing and business turnaround was set in GSK CH India. Prashant holds Postgraduate Diploma in Business Management from IMT Ghaziabad, India, 1995.



Mohsin Uddin Ahmed
Independent Director

Mohsin Uddin Ahmed joined the GSK Bangladesh Board in February, 2018. He was the Managing Director of LINDE Bangladesh Limited. Prior to joining LINDE Bangladesh, Mohsin was the President at Emami Group for its SAARC Countries' business operations. He started his career with British American Tobacco (BAT) where he spent about five years in various roles under Trade Marketing & Distribution function. He was also the Sales Director of Nestle Bangladesh from 2003 to 2011. He was expatriated to Nestle Maghreb region (Morocco, Algeria & Tunisia) as Regional Sales Development Manager in Morocco. He started his early career in Unilever and worked in various capacities under Sales Operations and later in 2011 rejoined Unilever as Customer Development Director. He was also the Member of Unilever Bangladesh Board of Directors. Mohsin has over 22 years of experience primarily in FMCG sector. He holds a Master's degree in Applied Physics & Electronics from the University of Dhaka.



Reazul Haque Chowdhury
Independent Director

Reazul Haque Chowdhury was inducted to the GSK Board as an Independent Director in April 2019. Currently he is the Managing Director & COO of Runner Automobiles Limited, prior to which, he was the Regional Director of Avery Dennison RBIS South Asia. He was also the Managing Director of Avery Dennison Bangladesh. Mr. Chowdhury started his career at Excelsior Shoes and after a short stint there moved to British American Tobacco as Territory Sales Manager. As a Business Manager he has more than two decades of wide experience in General Management, Sales, Brand Marketing, Trade Marketing and Shopper Marketing in FMCG industry in South Asia and East Asia. He gathered significant experience in FMCG business management by working in increasingly senior positions in British American Tobacco, Customer Management Director in Unilever and Managing Director, Reckitt Benckiser Bangladesh, Reckitt Benckiser Srilanka Cluster and Reckitt Benckiser Thailand Cluster. Mr. Chowdhury has a Bachelor (Hons.) and Master's degree in Marketing from Dhaka University. He also is a graduate in Advanced Management from INSEAD, Fontainebleau, France.



Md. Abul Hossain
Director

Md. Abul Hossain was inducted to the GSK Board in August 2019. He joined as Managing Director of Investment Corporation of Bangladesh (ICB) on 21 August, 2019. He started his career as a System Analyst/Senior Principal Officer in ICB on 19-02-1998 and served different positions in the same organisation. Prior to his current role, he was the Acting Managing Director at Karmasangsthan Bank (KB). He also served as Managing Director (Additional Charge) and Deputy Managing Director at Bangladesh Krishi Bank (BKB). In addition to that Md. Abul Hossain served as System Manager/Deputy General Manager and General manager at Investment Corporation of Bangladesh (ICB). In his 29 years of career he served different banks and financial institution and diversified experience in investment banking, specialised and commercial banking, Islamic banking, Asset management and ICT. In addition to this, he served as a Director to several organisations like Islami Bank Bangladesh Limited, The Farmers Bank Limited (Now Padma Bank), Nitol Insurance Company Limited, All Tex Industries Limited, ICB Securities Trading Company Limited, Aramit Limited, Kay & Que (Bangladesh) Limited, Business Automation Limited, DNS Satcomm Limited and Upload Yourself Systems Limited. Mr. Hossain has a B.Sc (Hons.) and M.Sc degree in Statistics from Jahangirnagar University.



Devashish Dasgupta
Director

Devashish Dasgupta was inducted to the GSK Bangladesh Board in April 2019. He is currently the Executive Vice President-Government Affairs, Public Policy & Advocacy, ISC at GSK Consumer Healthcare, India. Prior to his current role, Devashish was Corporate Affairs Director at ABinBev India. As a qualified Chartered Accountant, he started his career at the business advisory and taxation practice at Arthur Andersen. He later on moved to run his own consulting business. He also worked as Managing Director for APCO Worldwide's India/ South Asia operations, Head Corporate Relations, Diageo, Head Public Policy, Google India and other organisations. He has a varied experience in policy advocacy, handling regulatory matters, assistance in writing position papers and providing policy recommendations to Government. Devashish is a Qualified Chartered Accountant from the Institute of Chartered Accountants of India and holds Bachelor's in mathematics from the University of Delhi.

Board of Directors



Zahedur Rahman
Director

Zahedur Rahman joined GSK Bangladesh in April 2013 as Supply Chain Director for Bangladesh, Myanmar & Nepal (MyBaN) cluster. Zahed was inducted to the GSK Bangladesh Board in December 2018. Prior to joining GSK, he worked at ACI Limited as Director - Business Development. He has more than fourteen years of experience in different roles in the supply chain department of British American Tobacco; including the roles of Supply Chain Planning Manager & Manufacturing Manager. Zahed graduated from Bangladesh University of Engineering & Technology (BUET) in Electrical & Electronic Engineering and also has an MBA degree from IBA, University of Dhaka.



Md. Naharul Islam Molla
Director

Md. Naharul Islam Molla joined GSK on May 2016 as Head of Regulatory & Corporate Affairs - Myanmar, Bangladesh & Nepal for the Consumer Healthcare business and is currently, Director Regulatory Affairs. Nahar was inducted to the GSK Bangladesh Board in December 2018. Prior to GSK, he spent 19 years in Nestle Bangladesh Limited in various management positions including Expert Marketing, Business Excellence, Scientific Relations and Code Compliance. He did both his graduation and post-graduation from Geology Department, University of Dhaka.



Hasnain Thoufiq Ahmed
Director

Hasnain Thoufiq Ahmed was inducted to the GSK Bangladesh Board in July 2019. He is currently the Finance Director of GSK Bangladesh. He joined GSK on June, 2019. Prior to his current role he was the Deputy CFO and Head of Business (B2B) for Telenor Myanmar. He started his career in Nestle Bangladesh Ltd. as Accounts Officer back in 1997. Later he joined British American Tobacco and worked in various Finance and Accounting roles. He also worked in increasingly senior roles in reputed organisations like GrameenPhone Limited, Telenor ASA. In his more than 20 years of Financial management experience, he spent 8 years in international financial leadership roles. Hasnain has completed his Bachelor's (Hons.) and Master's in Commerce from the University of Dhaka and holds CMA and ACCA certification.

Company Secretary



Faridul Hoque Sikder

Company Secretary

Faridul Hoque Sikder was appointed as Company Secretary and Head of Govt. Affairs of GSK Bangladesh Limited in June 2018. He has over 30 years of professional experience at Pharmaceuticals, FMCG & Telecom sector. Prior to joining GSK, he worked with Sanofi Bangladesh Ltd, Linde Bangladesh and Nokia Networks in different leading roles. He is an MBA from Institute of Business Administration (IBA), the University of Dhaka.

Statement of Directors' Responsibility

Directors' statement of responsibility in relation to the financial statements

The Directors of GlaxoSmithKline Bangladesh Ltd. are:

- responsible for ensuring the maintenance of proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and from which financial statements can be prepared to comply with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, Corporate Governance Code 2018 and the Dhaka Stock Exchange (Listing) Regulations 2015;
- required by law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period;
- responsible also for ensuring the operation of systems of internal control and for taking reasonable steps to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

The financial statements along with the notes of the financials for the year ended 31 December 2019, are included in the Annual Report 2019, which is published by the Company in hard-copy printed form and made available on the Company's website.

The Directors confirm that suitable accounting policies have been consistently applied in the preparation of financial statements, supported by reasonable and prudent judgements and estimates as necessary; applicable accounting standards have been followed, and the financial statements have been prepared on the going concern basis.

The responsibilities of the auditors in relation to the financial statements are set out in the independent auditors' report signed by the auditor and included in this report (page 85-89).

The Annual Report for the year ended 31 December 2019, comprising the Financial Statements and the Directors' Report has been approved by the Board of Directors in its meeting dated 24 February, 2020 and 09 March, 2020 respectively and are signed on its behalf by:



Prashant Pandey
Managing Director



Hasnain Thoufiq Ahmed
Finance Director

Audit Committee Report

The Audit Committee, appointed by and responsible to the Board of Directors of GlaxoSmithKline Bangladesh Ltd., is constituted according to the internal control framework of the Company and as per Corporate Governance Code of the Bangladesh Securities and Exchange Commission's (BSEC). The Committee comprises of three members, all of whom are non-executive directors. The Chairman of the Committee is appointed by the Board of Directors and is a non-executive independent director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the Finance Director, Head of Internal Audit and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes.

The terms of reference of the Audit Committee has been determined by the Board in accordance with the Audit Committee Charter.

Role of the Committee

The Audit Committee's role flows directly from the Boards oversight function and it is authorised by the Board to investigate any activity within its terms of reference. The Committee reports regularly to the Board on the performance of the activities it has been assigned. The Committee's main responsibilities include:

Financial Reporting

To review the quarterly, half-yearly and annual financial statements of the Company along with management representatives, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval. Particular focus is given on:

- Any significant changes to accounting policies and practices;
- Significant adjustments arising from the audits;
- Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
- The going concern assumption

Related Party Transactions

To review any related party transactions and conflict of interest situations that may arise within the Company, including any transaction, procedure or course of conduct that may raise questions of management integrity.

Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes summary of its activities and review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report;
- To review the internal Audit Committee Charter and make necessary revisions for the year. The committee should determine that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed, and proposed updates presented to the Board for approval.

Internal Control

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner
- To consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management thereby ensuring that the system of internal control is soundly embedded, effectively administered and regularly monitored.
- To review the extent of compliance with established internal policies, standards, plans and procedures
- To recommend to the Board, steps to improve the system of internal control derived by the Committee from the findings of the internal and external auditors.



Internal Audit

- Monitor/evaluate whether internal audit functions are conducted independently from the management and ensure that Internal Auditors have open access to all activities, records, property and personnel necessary to perform its duties.
- Review and assess the annual internal audit plan and evaluate its consistency with the Risk Management Framework used.
- Review findings and recommendations made by the Internal Auditors for removing the irregularities and ensure that appropriate action is being taken.
- Recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified and raise/ensure special audit where necessary.
- Review the efficiency and effectiveness of internal audit function. Evaluate status reports from the Internal Audit and ensure that appropriate tracking is maintained on the action points agreed upon in order to implement the audit recommendations.

External Audit

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

Other matters

To act on any other matters as may be directed by the Board

Activities carried out during the year

In accordance with the "Audit Committee Charter", governed by the BSEC notification on Corporate Governance, the Audit Committee carried out its duties to work upon areas that were raised for consideration and discussed to evaluate issues related to key events of annual financial reporting cycle.

During the year 2019, the Audit Committee carried out the following activities:

1. Financial Reporting Assurance

- Reviewed the quarterly and annual financial statements of the Company, in light of the financial performance of the Company;
- Assessed compliance with applicable Financial Reporting Standards and other legal and regulatory requirements
- Assessed the external auditors report on all critical accounting policies, significant judgement and practices used by the company in producing the financial statements.

2. Internal Control and Risk Management Process

- Appraised on the risk management and GSK Internal Control framework;
- Reviewed the entity-wide risks and mitigation plans.

3. Internal Audit and Compliance

- Reviewed the revised Audit Committee Charter of the Company
- Appraised and approved the Internal Audit Activity Charter
- Assessed and endorsed the annual internal audit and compliance plan 2019 in consideration of major risks of the Company;
- Reviewed the outcome of internal audit conducted by overseas auditors;
- Reviewed all major findings arising from internal audit and monitored the corresponding management actions to improve the controls.

4. External Audit

- Evaluated the eligibility for re-appointment of Statutory (external) Auditors and recommended the selection to the Board
- Reviewed the scope of the services to be provided by the external auditors and did not approve any non-audit services to the external auditors;
- Reviewed the external auditors' findings, areas of concerns and the management's response thereto and is satisfied that the external auditors remain independent and that appropriate action is being taken on time.

The committee is of the opinion that adequate controls, procedures and risk management are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the company is adequately managed.

The minutes of the Audit Committee meetings are placed subsequently to the Board for approval on regular basis which contains all issues along with various suggestions and recommendations to the Management and the Board.

Meetings and Attendance

In the year 2019, the Audit Committee met four times. The details of attendance of each member of the Audit Committee meetings in 2019 are as follows:

Name	Representation in Board	Representation in Audit Committee	Date of joining the Committee	Date of resignation from Committee	No. of meetings in 2019	
					Held	Attended
Mr. Masud Khan, FCA	Independent Non-Executive Director	Chairman	28 th April 2013	29 th April 2019	1	1
Mr. Kazi Sanaul Hoq	Nominated Non-Executive Director	Member	22 nd October 2017	21 st August 2019	3	3
Mr. Mohsin Uddin Ahmed	Independent Non-Executive Director	Chairman	1 st December 2018	-	4	3
Mr. Reazul Huq Chowdhury	Independent Non-Executive Director	Member	10 th April 2019	-	3	3
Mr. Abul Hossain	Non-Executive Director	Member	21 st August 2019	-	1	1

Mr. Rakesh Thakur attended 2 meetings as Finance Director in 2019 to provide clarifications on all Company financial matters. His successor Mr. Hasnain Ahmed joined as Finance Director in June 2019 and attended 2 meetings in this role.

Other invitees to the Committee meetings included the External Auditors, who have been invited and has attended one meeting and Internal Audit Manager has attended all meetings of the Committee as Head of Internal Audit function during the year.

On behalf of the Audit Committee



Mohsin Uddin Ahmed

Chairman

Audit Committee

Dhaka, 24 February 2020

Nomination and Remuneration Committee Report 2019

The Nomination and Remuneration Committee ("Committee") constituted by the Board of Directors ("Board") of the GlaxoSmithKline Bangladesh Limited ("Company") as a sub Committee of the Board which is in pursuance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 (Corporate Governance Code), issued by Bangladesh Securities and Exchange Commission (BSEC).

The Committee comprises of three members, headed by an Independent Director and all of whom are Non-Executive Directors. The Company Secretary functions as the Secretary of the Committee.

The "Terms of Reference" of the Committee has been determined by the Board in accordance with the Corporate Governance Code.

Role of the Committee

The Committee is independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- i. Oversee and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and independence of Directors and top-level executives.
- ii. Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down and recommend their appointment/re-appointment and removal to the Board.
- iii. Oversee and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- iv. Review the Code of Conduct of Board on a periodic basis and recommend any amendments for Board consideration.
- v. Identifying the company's needs for employees at different levels and determine their selection,

transfer or replacement and promotion criteria.

- vi. Developing, recommending and reviewing annually the company's human resources and training policies.
- vii. Oversee and recommend a policy to Board relating to the remuneration of the Directors and top-level executive, considering the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully,
 - b. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c. Remuneration to Directors and top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
 - d. Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
 - e. Recommend a report to the Board on activities of the Committee during the financial year.

Activities carried out during the year

In line with "Terms of Reference" the Committee carried out the following activities during the year 2019:

- i. Recommended the appointment of Directors to Board in accordance with the nomination criteria.
- ii. Reviewed the Company's existing Human Resources and Training policies.
- iii. Reviewed the Terms of Reference of Committee and recommended it to Board for approval of required amendments.

The Minutes of the Committee meeting was presented at the next Board meeting following the Committee meeting.



Meetings and Attendance

In the year 2019, the Committee met one time. The details of attendance of each member of the Committee meeting are as follows:

Name	Representation in Board	Representation in Audit Committee	Date of joining the Committee	Date of resignation from Committee	No. of meetings in 2019	
					Held	Attended
Mr. Reazul Haque Chowdhury	Independent Director	Chairman	10 th April 2019	-	1	1
Mr. Mohsin Uddin Ahmed	Nominated Director	Member	1 st December 2018	-	1	1
Mr. Md. Abul Hossain	Nominated Non-Executive Director	Member	21 st August 2019	-	1	1
Mr. Masud Khan, FCA	Independent Non-Executive Director	Member	1 st December 2018	9 th August 2019	-	-
Mr. Masud Khan, FCA	Non-Executive Director	Member	1 st December 2018	21 st August 2019	-	-

Mr. Saiful Islam, Country HR Head attended the meeting to give clarifications on agendas of that meeting.

On behalf of the Committee



Reazul Haque Chowdhury

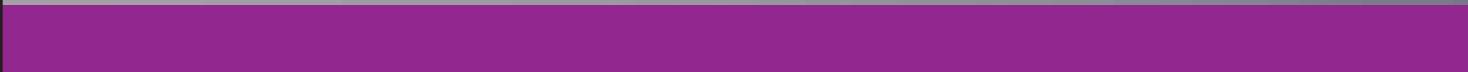
Chairman

Nomination and Remuneration Committee

24 February 2020

Leadership Team





Leadership Team



Prashant Pandey
Managing Director

As the Managing Director, Prashant is responsible for overall management of GSK Bangladesh. He also holds the General Manager position for Myanmar and Nepal. Prashant joined GSK in July 2008 as Nutrition Category Head for India. He subsequently moved into the Family Nutrition Category Development Director role in July 2013, and then as Marketing Director for India in January 2015. In January 2016, he took on the role of Area Marketing Lead for Nutrition DH, Expert & Marketing Excellence. Under his leadership, the Company has seen many exemplary examples of best in class marketing and business turnaround.



Zahedur Rahman
Supply Chain Director

As the Supply Chain Director, Zahed is responsible for all supply chain related functions of the 3-country (Myanmar, Bangladesh, Nepal) cluster. He joined GSK Bangladesh in April 2013 as Supply Chain Director for Bangladesh, Myanmar & Nepal (MyBaN) cluster. Zahed graduated from Bangladesh University of Engineering & Technology (BUET) in Electrical & Electronic Engineering and also has an MBA degree from IBA, University of Dhaka.



Md. Naharul Islam Molla
Director, Regulatory Affairs

As the Director Regulatory Affairs, Nahar is responsible for all regulatory affair related functions of MyBan. He joined GSK on May 2016 as Head of Regulatory & Corporate Affairs- Myanmar, Bangladesh and recently he was appointed as the Director, Regulatory Affairs. He did both his graduation and post-graduation from Geology Department, University of Dhaka.



Ishrat Zerine

Director, Legal & Compliance

Ishrat joined GSK CH, Bangladesh in 2014 as Head of Legal & Compliance for Myanmar, Bangladesh. Prior to joining GSK. She served as Head of Compliance Group in Samsung, R&D and had an expanded career as corporate legal counsel for over twelve years in various renowned organisations like Unilever, Airtel (previously Warid Telecom) and GrameenPhone. Ishrat holds degrees from the University of Dhaka, (LL.B. and LL.M), the University of London, (LL.B.) and City University, London, (BPTC). She was called to the Bar of the Honourable Society of Gray's Inn (UK) in 2013, and has been awarded the prestigious title, 'Barrister'.



Dev Anand Paul

Sales Director

As the Sales Director, Dev is responsible for the Sales function of GSK Bangladesh. He joined GSK India in 1995 as Sales Officer. He has over 24 years of experience across a diverse set of roles and geographies in Commercial functions. He joined GSK Bangladesh in 2013 as Sales Operations Manager and led multiple initiatives on GTM, Capability, Sales automation and Visibility. Dev took over his current role from 1st November 2018.



Hasnain Thoufiq Ahmed

Finance Director

As Finance Director, Hasnain is responsible for activities involving financial reporting and control, tax and treasury, investor relations, finance system, internal audit and other corporate affairs. He joined GSK Bangladesh Limited in June, 2019. Hasnain holds CMA and ACCA certification and also has Bachelor's & Master's in Commerce from the University of Dhaka.

Leadership Team



Asifur Rouf
Head of Marketing

As the Marketing Head, Asif is responsible for the overall Marketing activities of the Company. He joined as the Head of Marketing in May, 2019. A visionary and seasoned marketer of 17 years; Asif started his career with ACI and later moved on to progressively senior roles in renowned Companies like Square, Telenor (GrameenPhone), Reckitt Benckiser, GSK and Dabur Bangladesh Limited. He holds a BBA degree from Institute of Business Administration (IBA), Jahangirnagar University and MBA from East West University, Dhaka. Mr. Chowdhury has a Bachelor's (Hons.) and Master's degree in marketing from Dhaka University. He also is a graduate in Advanced Management from INSEAD, Fontainebleau, France.



Rumana Ahmed
Head of Communications

Rumana joined GSK in 2008. As Head of Communications, Rumana is responsible for all Internal & External Communications of the Company. She also leads all CSR related activities which include global initiatives e.g., 20% re-investment of profit to build healthcare infrastructure, etc. Prior to joining GSK, Rumana worked in a number of brand and corporate communication roles in renowned local and multinational organisations such as Social Marketing Company, Grey Worldwide, US Peace Corps, Asiatic MCL, Bitopi Leo Burnett, etc. She holds a Master's from Dhaka University in English Literature.



Mohammed Saiful Islam
Country HR Lead

Saiful has more than 11 years of diverse HR experience in Telecommunications & FMCG industries. He started his career as Management Trainee – HR in Warid Telecom (later Airtel) in 2008. He has worked in the areas of Talent Acquisition & Employer Branding, Talent Management, Business Partnership, Learning & Development in his various stints at Airtel. He was a key contributor in facilitating the transition from Warid to Airtel post acquisition. Saiful joined GSK Bangladesh in August 2016 as HR Manager, CH and Rewards Lead. During his tenure he partnered with MyBaN Leadership team in building an engaged workforce. Saiful has facilitated creating a culture of recognition, promoting internal talents and ensured significant improvement on recruitment process and lead time to close vacancies. He also contributed in simplifying salary structure. Saiful took over his current role from 25th February 2019. Saiful completed his MBA degree in HRM from American International University – Bangladesh.



Faridul Hoque Sikder
Company Secretary

As Company Secretary and Head of Govt. Affairs, Farid, is responsible for all Secretarial, Board and Government Affairs related issues of the Company. He joined GSK in June 2018. He is an MBA from the Institute of Business Administration (IBA), University of Dhaka.



BUSINESS REVIEW

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Directors' Report to the Shareholders

The Board of Directors of GlaxoSmithKline Bangladesh Limited has the pleasure of submitting the annual report together with the Company's audited financial statements for the year ended 31 December 2019.

The Directors' Report has been prepared in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 and Section 184 of The Companies Act 1994. This report is being submitted to the members at the Forty Seventh Annual General Meeting of the Company to be held on 16th April, 2020.

Industry Outlook and Possible Future Developments

In 2019, Fast Moving Consumer Goods (FMCG) market was valued at BDT 320 billion. Non-food Categories contributed 49% to this value, while Food categories contributed 48%. Health Food Drinks (HFD) was valued at BDT 4.1 billion and Instant Powder Drinks (IPD) category was valued at BDT 2.9 billion (Source Nielsen).

GSK continued to lead the Health Food Drink category with 91.8% market share and maintained a strong 2nd position in Instant Powder Drinks category with 19.2% market share in 2019 (Source Nielsen).

With rising incomes and increasing health awareness, there is a sustained opportunity to increase penetration level of HFD and IPD category in the future, by offering a range of relevant solutions at affordable price points.

Business Performance

After discontinuation of pharmaceuticals business in Bangladesh from October 2018, GSK Bangladesh continued its operation with consumer healthcare business throughout 2019. During 2019, the company focused on extensive brand building, commercial excellence and accelerating innovations. This was backed by simplification and cost efficiency initiatives in supply chain and sustained investment in employee capability building programs to ensure maximum delivery of shareholder value.

The company focussed on driving penetration and distribution of its products at affordable price points. Horlicks sachet selling at BDT 10 increased its penetration to 8.9% in 2019 from 6.9% in 2018 (Source: KANTAR) and significantly improved the retail availability of Horlicks brand. Overall Horlicks brand penetration increased to 12.4% in 2019 vs 11.7% in 2018 (Source: KANTAR), led by double digit growth in small packs consumption. Glaxose D continued to grow the reach of its BDT 10 sachet and increased its penetration to 5.5% in 2019 from 4.7% in 2018. Retail availability of Horlicks and Glaxose continued to expand in 2019 in line with the plan.

While there was strong progress made on increasing penetration in all categories, Horlicks large packs faced a challenging market situation this year with a decline in average household consumption. Two new advertising campaigns were introduced in the second half of the year and investment was enhanced in digital & print media to address this challenge.

In a year where overall topline growth was a challenge, the Company delivered a strong performance in coming back to profit after the closure of pharmaceutical operations. Strong cost saving initiatives were put in place leading to efficiency on cost of goods and improvement in gross profit of continued business, while costs related to discontinued pharmaceutical business reduced substantially in 2019 resulting in profit for the period at BDT 986 million versus a loss of BDT 635 million in 2018.

Employee engagement, capability building and maintaining a diversified work culture has been a consistent priority for the organisation over the years, resulting in a strong pool of talent with potential to take on roles of increasing responsibility. This year two senior leadership team positions were filled up by identified successors within the internal talent pool of the Company.

The Company also conducted programmes like "Energy for Performance" for its employees and as part of employee engagement, a two day "All Hand Meet" was arranged to foster strong trust and working relationships in the organisation.

Financial Results

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December, 2019.

Particulars	2019	2018
Revenue	4,474,898	4,816,557
Cost of Sales	(2,010,658)	(2,567,307)
Gross Profit	2,464,240	2,249,250
Profit before taxation	1,252,558	1,299,547
Less: Provision for taxation	(161,893)	96,874
Profit from Continuing Operation	1,090,665	1,396,421
Profit/(Loss) from discontinued operation	(104,930)	(2,031,901)
Profit for the period	985,736	(635,480)
Other comprehensive income/(loss), net of tax	(9,512)	(78,230)
Add: Transfer from Revaluation Reserve	-	1,871
Add: Unappropriated profit brought forward from previous year	1,123,623	2,498,017
Total amount available for distribution	2,099,846	1,786,178
Appropriations:		
Dividend paid for the previous year	(638,463)	(662,555)
Closing retained earnings at the year-end	1,461,384	1,123,623
Proposed dividend for the year (2019: 530%; 2018: 530%)	(638,462)	(638,462)
Retained earnings after proposed dividend	822,922	485,161

Figures in Tk 000

Revenue amounted to BDT 4,475 million vs. BDT 4,817 in 2018, 7% decline due to lower sales from Horlicks. However, Gross profit improved by 10% resulting from cost savings initiatives, one-off adjustment while offsetting incremental duty impact.

Profit before tax from the continuing operation has declined by 3.6% due to continued investments on Brand promotions and expenditures, one-off people cost and provision for Workers Profit participation fund (WPPF).

Following approval of the shareholders in the EGM, manufacturing and commercial operations of the Company's Pharmaceutical business were closed in 2018. As a result, expenses and other income of the Company's Pharmaceutical business have been reported as a 'Discontinued Operation' according to International Financial Reporting Standards.

Dividend

In consideration of the above business and financial performance, the Board of Directors recommended a final dividend of 530% i.e BDT 53.00 per share of BDT 10.00 each for the year 2019. The recommended dividend, if approved by the members at the Annual General Meeting, will involve a cash outflow of BDT 638.46 million.

Directors' Disclosures and Declarations

The full financial statements are presented in a later section of the annual report, along with the full notes of disclosures. The Board of Directors is further pleased to present you the following disclosures:

- a) The financial statement prepared by the management of the Company presents fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement;
- d) International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;
- e) A Statement of Management's Discussion and Analysis reviewed by Audit Committee has been presented in Annexure-I.
- f) There is no significant variance between Quarterly Financial Performance and Annual Financial Statements;

- g) All deviations from the last year's operating results of the Company have been highlighted under the above point (financial results);
- h) All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transactions". Related party transactions have been presented in notes to the Financial Statements;
- i) During the year, the Company has paid a total of Tk. 570,000 as Board meeting attendance fees including VAT. The remuneration of Directors has been mentioned in the notes to the Financial Statements;
- j) Utilisation of proceeds from public issues is not applicable;
- k) Explanation of financial results after IPO is not applicable;
- l) No bonus share or stock dividend has been declared as interim dividend during the year;
- m) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- n) The summarised key operating and financial data for the five years (2015-2019) is set out in Annexure-II.

The Directors also report that

- a) The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- b) The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- c) The Managing Director and Finance Director have further certified to the Board that there are to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.

Risks & Concerns

The Company has a robust system of managing its business risk which has been described under the Corporate Governance Chapter and the notes to the Financial Statements.

Internal Control

The Company maintains a sound internal control governance approach which provides reasonable assurance against any material misstatement of loss. The internal control framework is regularly reviewed by the Audit Committee in each meeting and outcome is reported to the Board of Directors. Furthermore, the Risk Management and Compliance Board (RMCB) of the Company also reviews the internal controls and risk management process on a quarterly basis.

The Board Audit Committee appraises the outcomes from both internal and external audit findings to assess the state of key controls. During quarterly meetings in 2019, the agenda of Audit Committee included:

- Review of the GSK Enterprise Risks and Internal Control Framework
- Review of the Statutory audit report and Management Letter
- Approval of annual Internal Audit Plan and review of findings and remediation

RMCB, led by Compliance function, is a forum for Senior Management to conduct internal assessment of the key risks and controls. During 2019, the RMCB agenda included:

- Review of Enterprise Risk assessment
- Management monitoring exercise and outcomes
- Review of third-party risks and oversight

Internal Audit function conducted periodic audits throughout the year to address key risks, governance and controls and reported outcomes to Audit Committee and RMCB. In addition to finding gaps, the audits were aimed to create awareness on improvement points for better alignment with the internal control framework.

The Company also adopts a group mandated governance framework for financial processes called ERP Finance Internal Control Framework (ICFW). This framework includes controls, considered global best-practices in addressing financial process risks, that. By the year end, all relevant controls tested locally achieved "pass" i.e. were effectively implemented.

This annual report further encloses detailed discussion on the risk management and internal control framework as well as activities of Audit Committee and RMCB under the Corporate Governance section.

Going Concern

The Directors are of the opinion that the Company is a going concern and there are no significant doubts upon the Company's ability to continue as a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

Contribution to the National Exchequer

Every year, the Company makes a significant contribution to the National Exchequer in the form of duties and taxes. During the year, 2019, GlaxoSmithKline Bangladesh Limited contributed to the Government exchequer a sum of BDT 1,038 million.

Board of Directors and Shareholding Information

Composition and Size of the Board

As at 31st December 2019 there were nine members in the Board. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. Four Directors, including the Managing Director, are Executive Directors. There are five Non-Executive Directors, out of which two are Independent Directors.

Board Meetings and Attendance

During the year 2019, 06 (Six) meetings were held. The following table shows the composition of the Board and members attendance at the Board meetings:

Name of Directors	Number of Meetings held Whilst a Board Member	Meetings Attended	Remarks
Mr. Masud Khan	06	06	Resigned from the position of Independent Director with effect from 09 th April 2019 and appointed as Director and Chairman with effect from 18 th April 2019
Mr. Prashant Pandey	06	06	Existing
Mr. Zahedur Rahman	06	06	Existing
Mr. Mohammad Naharul Islam Molla	06	06	Existing
Mr. Devashish Dasgupta	03	01	Appointed with effect from 16 th April 2019
Mr. Hasnain Thoufiq Ahmed	01	01	Appointed with effect from 24 th July 2019
Mr. Md. Abul Hossain	01	01	Appointed with effect from 21 st August 2019
Mr. Mohsin Uddin Ahmed	06	04	Existing
Mr. Reazul Haque Chowdhury	03	02	Appointed with effect from 10 th April 2019
Mr. Rakesh Thakur	04	04	Resigned with effect from 16 th May 2019
Mr. Kazi Sanaul Hoq	05	04	Nomination withdrawn by ICB with effect from 21 st August 2019

The members who could not attend the meeting were granted leave of absence.

Details of Directors being Appointed/Re-appointed

Pursuant to the section 91(2) of The Companies Act, 1994 and Article 85 of The Articles of Association of the Company, one-third of the Directors excluding the Managing Director shall be retiring by rotation at every Annual General Meeting and if eligible, qualify for re-election.

Accordingly, the Director retiring by rotation is Mr. Mohammad Naharul Islam Molla who being eligible, offers himself for re-election.

Pursuant to The Article 89 of The Articles of Association of the Company, Directors appointed at Casual Vacancy or as Additional Directors shall be retiring in the ensuing Annual General Meeting and if eligible, qualify for re-election.

Accordingly, Mr. Hasnain Thoufiq Ahmed and Mr. Md. Abul Hossain having been appointed to the Board since the last Annual General Meeting, shall retire and being eligible, offer themselves for re-election.

Pursuant to the Corporate Governance Code, the brief resumes of Mr. Mohammad Naharul Islam Molla, Mr. Hasnain Thoufiq Ahmed and Mr. Md. Abul Hossain are given below:

Mohammad Naharul Islam Molla

Mohammad Naharul Islam Molla was inducted to the GSK Bangladesh Board in December, 2018. Brief Profile of Mr Nahar is provided in Page No. 40.

Hasnain Thoufiq Ahmed

Hasnain Thoufiq Ahmed was inducted to the GSK Bangladesh Board on 24 July, 2019. Brief Profile of Mr Hasnain is provided in Page No. 40.

Md. Abul Hossain

Md. Abul Hossain was inducted to the GSK Board on 21 August, 2019. Brief Profile of Mr Md Abul Hossain is provided in Page No. 39.

Audit Committee

As per stipulation of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code, the Board has reconstituted the Audit Committee which governs the Internal Control Framework (ICFW) of the Company. The Committee comprises of 2 (two) Independent Directors and 1 (one) Non-Executive Director, headed by an Independent Director. The Company Secretary acted as the secretary of the Audit Committee. The Audit Committee met 4 times during the year. Further details of the Audit Committee's responsibilities are included in the Audit Committee Report.

Nomination and Remuneration Committee

As per stipulation of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code, the Board has constituted a Nomination and Remuneration Committee to assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top-level executives as well as a policy for formal process of considering remuneration of Directors and top-level executives. The Committee comprises of 2 (two) Independent Directors and 1 (one) Non-Executive Director, headed by an Independent Director. The Company Secretary acted as the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met 1 time during the year. Further details of the Nomination and Remuneration Committee's responsibilities and activities are included in the Nomination and Remuneration Committee Report.

Remuneration to Directors

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the above country management.

The Executive Directors and some senior employees of the Company are entitled to Share Value Plan of GlaxoSmithKline plc, UK.

Independent and Non-Executive Directors other than Directors who are in the employment of the GlaxoSmithKline Group Companies are paid attendance fees as stated under Administrative Expenses (ref: Note 27 of the Financial Statements).

The details of the remuneration paid to the Executive Directors during the year are given in Note 34 of the Financial Statements.

Shareholding Information

The shareholding information as at 31 December, 2019 and other related information are set out in Annexure-III.

Board of Directors of GlaxoSmithKline Bangladesh Limited were informed Monday, 03 December, 2018 vide a notification letter dated 3 December, 2018 from SETFIRST Limited ("Setfirst"), a member of the Company, that Setfirst has signed a Share Purchase Agreement dated 3 December, 2018 (the "SPA") to sell and dispose 9,875,144 (Nine Million Eight Hundred Seventy Five Thousand One Hundred Forty Four) shares in the Company to Unilever.

The relevant Price Sensitive Information has duly been notified to Dhaka Stock Exchange and Bangladesh Securities and Exchange Commission and also published in daily newspapers dated 03 and 04 December, 2018 respectively.

However, the actual Transaction is subject to the satisfaction or waiver of the condition's precedents (including necessary regulatory formalities and approval in accordance with the laws of Bangladesh) and is expected to be materialised in 2020.

Shareholders/Investors Grievance:

During the year under review, the Company has not received any reportable complaints from its Shareholders/Investors.

Corporate Responsibilities

In 2019, the Company continued its commitment towards the community through its ongoing multi-year healthcare initiatives. The initiatives include Community Health Workers' Programme, Readymade Garments Workers' Healthcare programme and the Myanmar Refugee crisis Programme in Cox's bazar

Details of these initiatives are provided in Page 23-25.

Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct based on the recommendation of the Nomination and Remuneration Committee for the Directors of the Company which is also readily available at Company's website. All employees are required to abide by the ethical code of conduct in relation to business and regulations as set out by Global Code of Conduct and Ethics. Throughout 2019, employees have demonstrated living the GSK values of Integrity, Respect for People, Patient/Consumer Focus and Transparency. They have also adopted the new expectations of Accountability, Courage, Development and Teamwork in their ways of work.

The Company has in place a 'Speak Up' mechanism where employees can promptly raise concerns of possible misconduct, potential conflicts or known breaches of the GSK Code of Conduct, Company policies and procedures. A supplementary policy of "Non-retaliation" ensures that employees can raise such concerns without risking any kind of reprisal.

Auditors

Appointment of Auditors

The present auditors, Messrs Hoda Vasi Chowdhury & Co Chartered Accountants, shall retire from their office in ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board has recommended the appointment of Messrs Hoda Vasi Chowdhury & Co Chartered Accountants as the auditor of the Company for the year 2020 subject to the approval of members in ensuing Annual General Meeting.

Appointment of Compliance Auditor

As per stipulation of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance

Code, Board has recommended the appointment of Mabs & J Partners, Chartered Accountants as

Compliance Auditor for the year 2020 subject to the approval of members in ensuing Annual General Meeting.

Corporate Governance Compliance Report

As part of its corporate policy, GSK Bangladesh always strives to maintain high standards of compliance in corporate governance. The Company's Corporate Governance Charter, outlined in the Corporate Governance section, outlines the way in which the Company will be operated and managed, and the process in place to ensure high standards of transparency, accountability and integrity.

We are pleased to conform that the Company has complied with all necessary guidelines in accordance with the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018. The Status of Compliance on Corporate Governance Code for the year 2019 is attached in Annexure-IV, along with the Certificate of Compliance required under the said code.

Acknowledgement

The Board of Directors would like to express their deepest appreciation to all employees, of the Company who exemplified the GSK spirit of putting consumers first and demonstrated the values of the company every day.

We are deeply grateful for the trust and confidence in your company from consumers and business partners who continue to inspire us. We are honour bound to continue to uphold this trust that we hold so dear.

GSK Bangladesh would like to express its heartfelt thanks to all its stakeholders, including The Bangladesh Securities and Exchange Commission, The Dhaka Stock Exchange Limited, the Bangladesh Investment Development Authority, the Ministry of Health, the Ministry of Labour, the Ministry of Food, Bangladesh Food Safety Authority (BFSA), Bangladesh Standard & Testing Institute (BSTI), the Central Depository Bangladesh Limited, Financial Institutions, Insurance Companies, National Board of Revenue (NBR), Utility Providers, various Government authorities and other individuals and agencies.

On behalf of the Board



Chairman
09th March, 2020

পরিচালনা পর্ষদ কর্তৃক শেয়ারহোল্ডারদের জন্য তৈরিকৃত প্রতিবেদন

GlaxoSmithKline (GSK) বাংলাদেশ লিমিটেড-এর পরিচালনা পর্ষদ কোম্পানির ২০১৯ সালের ৩১ ডিসেম্বর (সমাপনী) অর্থবছরের বার্ষিক এবং নিরীক্ষিত আর্থিক বিবরণ একযোগে আনন্দের সাথে উপস্থাপন করছে।

পরিচালনা পর্ষদ কর্তৃক প্রণীত এই প্রতিবেদনটি বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর ৩ জুন ২০১৮ তারিখের বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ নম্বর প্রজ্ঞাপন এবং কোম্পানি আইন ১৯৯৪-এর ১৮৪ নম্বর অনুচ্ছেদ অনুসারে প্রস্তুত করা হয়েছে। ১৬ এপ্রিল ২০২০ তারিখে অনুষ্ঠিতব্য কোম্পানির বার্ষিক সাধারণ সভায় উপস্থিত সদস্যদের কাছে এই প্রতিবেদনটি উপস্থাপন করা হবে।

শিল্পখাতের গতি-প্রকৃতি ও ভবিষ্যৎ সম্ভাবনা

২০১৯ সালে ফাস্ট মুভিং কনজুমার গুডস-এর (এফএমসিজি) বাজারমূল্য ছিল ৩২০ বিলিয়ন টাকা- যেখানে নন-ফুড ক্যাটাগরির পণ্য ছিল ৪৯%, আর ফুড ক্যাটাগরির পণ্য ছিল ৪৮%। এই সময়ে হেলথ ফুড ড্রিংকস (এইচএফডি) ক্যাটাগরির বাজারমূল্য ছিল ৪.১ বিলিয়ন টাকা এবং ইন্সট্যান্ট পাউডার ড্রিংকস (আইপিডি) ক্যাটাগরির বাজারমূল্য ছিল ২.৯ বিলিয়ন টাকা। (সূত্র: Nielsen) জিএসকে অব্যাহতভাবে হেলথ ফুড ড্রিংক ক্যাটাগরিতে ৯১.৮% মার্কেট শেয়ার নিয়ে শীর্ষস্থান দখল করে রেখেছে এবং ইন্সট্যান্ট পাউডার ড্রিংকস ক্যাটাগরিতে ১৯.২% মার্কেট শেয়ার নিয়ে ২য় স্থান নিশ্চিত করেছে। (সূত্র: Nielsen)

আয় এবং স্বাস্থ্য সচেতনতা বৃদ্ধির সাথে সাথে হেলথ ফুড ড্রিংকস এবং ইন্সট্যান্ট পাউডার ড্রিংকস ক্যাটাগরিগুলোকে ভবিষ্যতে একটি মজবুত অবস্থানে নেয়ার সুযোগ রয়েছে, যার মাধ্যমে ভোক্তাদেরকে সাশ্রয়ী মূল্যে পুষ্টির পণ্যসামগ্রী সরবরাহ করা সম্ভব হবে।

ব্যবসায়িক অর্জন

২০১৮ সালের অক্টোবর থেকে বাংলাদেশে ফার্মাসিউটিক্যালস ব্যবসা স্থগিত করার পর জিএসকে বাংলাদেশ ২০১৯ সাল জুড়ে মূলত কনজুমার হেলথকেয়ার ব্যবসায়ের কার্যক্রম অব্যাহত রেখেছে। ২০১৯ সালে কোম্পানি মূলত বিস্তার ব্র্যান্ড বিল্ডিং, বাণিজ্যিক উৎকর্ষতা এবং উদ্ভাবনী গতিবৃদ্ধির উপর মনোযোগ দিয়েছে। এসবের সহায়ক হিসেবে ছিল সাপ্লাই চেইন-এর সরলীকরণ এবং খরচ সাশ্রয়ী উদ্যোগ। সেই সাথে ছিল কর্মীদের দক্ষতা বৃদ্ধির প্রোগ্রামগুলোতে টেকসই বিনিয়োগ, যা শেয়ারহোল্ডারদের সর্বোচ্চ মূল্যায়ন নিশ্চিত করতে সাহায্য করে।

কোম্পানি বাজারে দখলের হার বৃদ্ধি ও সাশ্রয়ী মূল্যে তা বিতরণের প্রতি জোর দেয়। হরলিক্স-এর ১০ টাকা মূল্যের স্যাশে প্যাক বিক্রির ফলে এর বাজার অনুপ্রবেশের হার ২০১৯ সালে ৮.৯%-এ উন্নীত হয়েছে, যা ২০১৮ সালে ছিল ৬.৯% (সূত্র KANTAR)। একইসাথে এটি হরলিক্স ব্র্যান্ড-এর রিটেইল বা খুচরা বিপণীসমূহে উপস্থিতি উল্লেখযোগ্যভাবে বৃদ্ধি করেছে। সর্বোপরি হরলিক্স ব্র্যান্ড-এর বাজার অনুপ্রবেশের হার ২০১৯ সালে উন্নীত হয়েছে ১২.৪%-এ, যা ২০১৮ সালে ছিল ১১.৭% (সূত্র KANTAR)। এটির মূল ভূমিকায় ছিল ছোট প্যাকেট এর ব্যবহারে দুই সংখ্যার বৃদ্ধিহার। গ্র্যাক্সোজ ডি-এর ১০ টাকা স্যাশে প্যাক-এর প্রসারণ অব্যাহত থেকেছে এবং এর বাজার অনুপ্রবেশ হার ২০১৯ সালে ৫.৫%-এ উন্নীত হয়েছে, যা ২০১৯ সালে ছিল ৪.৭%। পরিকল্পনা মোতাবেক ২০১৯ সালে হরলিক্স এবং গ্র্যাক্সোজ ডি-এর খুচরা বিক্রির সহজলভ্যতা অব্যাহতভাবে বিস্তৃত হয়েছে।

যদিও সব ক্যাটাগরিতে অনুপ্রবেশের হার বৃদ্ধিকরণে দৃঢ় অগ্রগতি হয়েছে, হরলিক্স-এর বড় প্যাকেট এ বছর চ্যালোঞ্জিং বাজার অবস্থার সম্মুখীন হয়েছে, যার মূল কারণ ছিল গড় পারিবারিক ব্যবহারের পরিমাণ কমে যাওয়া। এই চ্যালোঞ্জটিকে মোকাবেলা করার জন্য বছরের শেষ অর্ধভাগে দুইটি নতুন ক্যাম্পেইন শুরু করা হয়েছিল এবং ডিজিটাল ও প্রিন্ট মিডিয়া তে বিনিয়োগ বৃদ্ধি করা হয়েছিল।

এমন একটি বছর যেখানে সর্বোচ্চ উন্নতিই ছিল একটি চ্যালোঞ্জ, সেখানে কোম্পানি ফার্মাসিউটিক্যাল ব্যবসা স্থগিতের পর পুনরায় লাভের মুখ দেখতে অত্যন্ত দৃঢ় কার্যক্ষমতার পরিচয় দিয়েছে। খরচ সাশ্রয়ের শক্তিশালী উদ্যোগ নেয়া হয়েছে যেটি পণ্যের সার্বিক উৎপাদন খরচ কমাতে কার্যকর ভূমিকা পালন করে এবং চলমান ব্যবসা-এর মোট লাভ বৃদ্ধিতে সহায়তা করে। একইসাথে বন্ধ ফার্মাসিউটিক্যাল ব্যবসা-জড়িত খরচ ২০১৯ সালে প্রকৃত অর্থে কমিয়ে আনা হয় যার ফলে এই সময়ে মুনাফা হয়, ৯৮৬ মিলিয়ন টাকা পক্ষান্তরে ২০১৮ সালে লোকসান ছিল ৬৩৫ মিলিয়ন টাকা।

কর্মচারীদের প্রবৃত্তি, দক্ষতা বৃদ্ধি এবং একটি বৈচিত্র্যপূর্ণ কর্মপরিবেশ বজায় রাখা সর্বদাই ছিল কোম্পানির অগ্রাধিকারপ্রাপ্ত বিষয়। যার ফলস্বরূপ কোম্পানিতে সৃষ্টি হয়েছে মেধাবী ও দক্ষ কর্মীদের একটি দল, যাদের মধ্যে ক্রমবর্ধমান দায়িত্ব নেয়ার সক্ষমতা রয়েছে। এ বছর দুইটি উঁচু পর্যায়ের নেতৃত্বস্থানীয় পদ পূরণ করা হয়েছে অভ্যন্তরীণ মেধাতালিকা থেকে চিহ্নিত উত্তরাধিকার দ্বারা।

এছাড়াও কোম্পানি কর্মচারীদের জন্য 'এনার্জি ফর পারফরম্যান্স' নামক একটি প্রোগ্রাম চালু করে। সেইসঙ্গে প্রতিষ্ঠানে কর্মীদের মধ্যে দৃঢ় বিশ্বাস ও কর্ম সম্পর্ক উৎসাহিত করার জন্য দুইদিনব্যাপী 'অল হ্যান্ড মিট' নামক অনুষ্ঠানের আয়োজন করা হয়।

আর্থিক ফলাফল

পরিচালকবৃন্দ অত্যন্ত আনন্দের সাথে ২০১৯ সালের ৩১ ডিসেম্বর অনুযায়ী বছরের আর্থিক ফলাফল উপস্থাপন করছে-

Particulars	২০১৯	২০১৮
রাজস্ব	৪,৪৭৪,৮৯৮	৪,৮১৬,৫৫৭
বিক্রিত পণ্যের ব্যয়	(২,০১০,৬৫৮)	(২,৫৬৭,৩০৭)
মোট মুনাফা	২,৪৬৪,২৪০	২,২৪৯,২৫০
কর প্রদানের পূর্বে লাভ	১,২৫২,৫৫৮	১,২৯৯,৫৪৭
বিনিয়োগ: কর প্রদানের পর	(১৬১,৮৯৩)	৯৬,৮৭৪
চলমান কার্যক্রম থেকে মুনাফা	১,০৯০,৬৬৫	১,৩৯৬,৪২১
বন্ধ কার্যক্রম থেকে লাভ/(লোকসান)	(১০৪,৯৩০)	(২,০৩১,৯০১)
মেয়াদকালীন মুনাফা	৯৮৫,৭৩৬	(৬৩৫,৪৮০)
অন্যান্য সমন্বিত আয়/(লোকসান) কর-পরবর্তী	(৯,৫১২)	(৭৮,২৩০)
যোগ: রেভ্যুয়েশন রিজার্ভ থেকে স্থানান্তর	-	১,৮৭১
যোগ: পূর্ববর্তী বছর হতে আগত আবিষ্কৃত মুনাফা	১,১২৩,৬২৩	২,৪৯৮,০১৭
মোট বন্টনযোগ্য পরিমাণ	২,০৯৯,৮৪৬	১,৭৮৬,১৭৮
অ্যাথ্রোপিয়েশন:		
পূর্ববর্তী বছরের জন্য পরিশোধিত লভ্যাংশ	(৬৩৮,৪৬৩)	(৬৬২,৫৫৫)
বছর শেষে ক্রোজিং রিটেইন্ড আয়	১,৪৬১,৩৮৪	১,১২৩,৬২৩
এবছরের প্রস্তাবিত লভ্যাংশ	(৬৩৮,৪৬২)	(৬৩৮,৪৬২)
(২০১৯:৫৩০%; ২০১৮:৫৩০%)		
প্রস্তাবিত রিটেইন্ড আয় পরবর্তী লভ্যাংশ	৮২২,৯২২	৪৮৫,১৬১

অর্থের পরিমাণ '০০০ টাকায়

২০১৯ সালে কোম্পানির বিক্রয়লব্ধ টাকার পরিমাণ ৪,৪৭৫ মিলিয়ন টাকা, যা ২০১৮ সালে ছিল ৪,৮১৭ মিলিয়ন টাকা। বিক্রয়লব্ধ টাকায় ৭% পতনের কারণ ছিল হরলিক্স-এর বিক্রি কমে

যাওয়া। তৎসত্ত্বেও মোট মুনাফা বৃদ্ধির হার ছিল ১০%, যা মূলত ক্রমবর্ধমান শুষ্কের প্রভাব ভারসাম্য করার পাশাপাশি খরচ সাশ্রয়ী উদ্যোগ এবং এককালীন সমন্বয়ের ফল।

চলমান কার্যক্রম হতে কর প্রদানের পূর্বের মুনাফা কমেছে ৩.৬%। এর কারণ হিসেবে ছিল ব্র্যান্ড প্রচারণায় বিনিয়োগ ও খরচাদি, এককালীন জনশক্তির ব্যয়, এবং ওয়ার্কস প্রফিট পার্টিসিপেশন ফান্ড (WPPF) এর ব্যবস্থা।

অতিরিক্ত সাধারণ সভায় (EGM) শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে ফার্মাসিউটিক্যালস ব্যবসা-এর উৎপাদন ও বাণিজ্যিক কার্যক্রম ২০১৮ সালে বন্ধ ঘোষণা করা হয়। যার ফলে, কোম্পানির ফার্মাসিউটিক্যালস ব্যবসা ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং অনুযায়ী 'ডিসকন্টিনিউড অপারেশন' হিসেবে বিবেচিত হয়।

লভ্যাংশ

উপরোক্ত বিষয়সমূহ বিবেচনা সাপেক্ষে, পরিচালনা পর্ষদ ২০১৯ সালের জন্য ৫৩০%, অর্থাৎ প্রতি ১০.০০ টাকার শেয়ারে ৫৩.০০ টাকার চূড়ান্ত লভ্যাংশ প্রদানের সুপারিশ করেছে। সুপারিশকৃত লভ্যাংশ যদি বার্ষিক সাধারণ সভায় সদস্যরা অনুমোদন করেন, তাহলে ৬৩৮.৪৬ মিলিয়ন টাকার নগদ বহিঃপ্রবাহ হবে।

পরিচালকদের ডিসক্লোজার এবং বিবৃতি

বার্ষিক প্রতিবেদনের পরবর্তী একটি অংশে সম্পূর্ণ আর্থিক বিবরণী ও ডিসক্লোজার-এর সম্পূর্ণ টীকাসমূহ উপস্থাপন করা হলো। পরিচালনা পর্ষদ সানন্দে নিচের ডিসক্লোজার-সমূহ আপনাদের কাছে উপস্থাপন করছে-

- কোম্পানির ম্যানেজমেন্ট কর্তৃক তৈরিকৃত আর্থিক বিবরণী-তে পক্ষপাতহীনভাবে এর সামগ্রিক অবস্থা, কাজের ফলাফল, অর্থপ্রবাহ এবং ইকুইটিতে পরিবর্তন সম্পর্কিত তথ্য উপস্থাপন করা হয়েছে;
- কোম্পানির অ্যাকাউন্টসমূহের উপযুক্ত হিসাবনিকাশ সংরক্ষণ করা হয়েছে;
- আর্থিক বিবরণী তৈরিতে যথাযথ হিসাবরক্ষণ নীতিমালা সামঞ্জস্যপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবরক্ষণ প্রাক্কলনসমূহ যুক্তিযুক্ত ও দূরদর্শী বিবেচনার ভিত্তিতে করা হয়েছে;
- ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস) বাংলাদেশে যেভাবে প্রযোজ্য, আর্থিক বিবরণী তৈরিতে সেই একই মানদণ্ড অনুসরণ করা হয়েছে এবং সেখান থেকে যেকোনো প্রকার বিচ্যুতি যথাযথভাবে উপস্থাপন করা হয়েছে;
- ব্যবস্থাপনা পর্ষদের বিবৃতির আলোচনা এবং বিশ্লেষণ অডিট কমিটি দ্বারা পর্যালোচনা করা হয়েছে, যা পরিশিষ্ট নং ১-এ প্রকাশ করা হয়েছে।
- ত্রৈমাসিক আর্থিক কার্যক্রম এবং বার্ষিক আর্থিক প্রতিবেদনের মধ্যে উল্লেখযোগ্য কোনো পার্থক্য নেই;
- কোম্পানির বিগত বছরের পরিচালনা ফলাফলের সকল বিচ্যুতি উপরের (আর্থিক ফলাফল) নম্বর পয়েন্টের অধীনে নির্দেশ করা হয়েছে;
- সংশ্লিষ্ট পক্ষদের সাথে সকল লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে। এই ভিত্তিটি ছিল 'আর্মস লেংথ ট্রানজ্যাকশন'-এর নীতি। সংশ্লিষ্ট পক্ষের সাথে লেনদেনসমূহ টীকা আকারে আর্থিক প্রতিবেদনে উপস্থাপন করা হয়েছে;

- পরিচালনা পর্ষদ সভায় উপস্থিতি সম্মানী হিসেবে কোম্পানি এ বছরে ভ্যাটসহ মোট ৫,৭০,০০০ টাকা পরিশোধ করেছে। আর্থিক প্রতিবেদনের টীকায় পরিচালকবৃন্দের সম্মানী উল্লেখ করা হয়েছে;
- পাবলিক ইস্যু হতে প্রাপ্ত অর্থের ব্যবহার প্রযোজ্য নয়;
- IPO-পরবর্তী আর্থিক ফলাফলের ব্যাখ্যা প্রযোজ্য নয়;
- অন্তবর্তী লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ এ বছর প্রদান করা হয়নি;
- প্রভাবশালী শেয়ারহোল্ডারদের দ্বারা কৃত কিংবা তাদের স্বার্থের সাথে জড়িত যেকোন অবমাননাকর কার্যকলাপ থেকে সংখ্যালঘু শেয়ারহোল্ডারকে প্রত্যক্ষ বা পরোক্ষভাবে ব্যবস্থা গ্রহণের মাধ্যমে এবং কার্যকর প্রতিকার পদ্ধতি প্রয়োগের মাধ্যমে সুরক্ষা প্রদান করা হয়েছে;
- বিগত পাঁচ বছরের (২০১৫-২০১৯) প্রধান প্রধান পরিচালন এবং আর্থিক তথ্য সংক্ষিপ্ত আকারে পরিশিষ্ট নং ২-এ উপস্থাপন করা হয়েছে।

পরিচালকবৃন্দ আরো জানান যে -

- পর্ষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং তারা বিশ্বাস করেন যে, এই আর্থিক প্রতিবেদনে তাদের জ্ঞাত সীমার মধ্যে প্রণিধানযোগ্য গুরুতর অসত্য কোনো বিবরণ নেই বা গুরুত্বপূর্ণ কোনো সত্য বাদ দেয়া হয়নি অথবা ভুল পথে পরিচালিত করতে পারে- এমন কোনো বিবৃতি প্রদান করা হয়নি।
- পর্ষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং তারা বিশ্বাস করেন যে, এই প্রতিবেদনটি একই সাথে কোম্পানির কর্মকাণ্ডের যথাযথ ও নিরপেক্ষ চেহারা উপস্থাপন করে এবং বিদ্যমান হিসাবরক্ষণ নীতি ও প্রযোজ্য আইন অনুসারে পরিচালিত হয়।
- পর্ষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক এ-ও প্রত্যয়ন করেন যে, কোনো ধরনের প্রতারণামূলক বা বেআইনি অথবা কোম্পানির আচরণবিধি লঙ্ঘন করে এই বছরে কোনো ধরনের লেনদেন করা হয়নি বলে তারা সর্বতোভাবে বিশ্বাস রাখেন।

ঝুঁকি এবং উদ্বেগসমূহ

ব্যবসায়িক ঝুঁকি নিয়ন্ত্রণের জন্য কোম্পানির একটি শক্তিশালী ব্যবস্থাপনা পদ্ধতি রয়েছে, যা কর্পোরেট গভর্ন্যান্স অধ্যায় এবং আর্থিক প্রতিবেদনের টীকায় বর্ণনা করা হয়েছে।

অভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানি একটি যথেষ্ট সক্ষম অভ্যন্তরীণ নিয়ন্ত্রণ শাসনপদ্ধতি বজায় রাখে, যা যেকোনো ধরনের ক্ষতির বস্তুগত ভুল বিবৃতি নিরোধে যৌক্তিক আস্থা প্রদান করে। প্রত্যেক সভায় অভ্যন্তরীণ নিয়ন্ত্রণ কার্টামো অডিট কমিটি কর্তৃক নিয়মিত পর্যালোচনা করা হয় এবং পরিচালনা পর্ষদের কাছে প্রতিবেদন দেয়া হয়। এছাড়া কোম্পানির রিস্ক ম্যানেজমেন্ট অ্যান্ড কম্প্লায়েন্স বোর্ড (RMCB) ত্রৈমাসিক ভিত্তিতে অভ্যন্তরীণ নিয়ন্ত্রণ এবং ঝুঁকি ব্যবস্থাপনা পদ্ধতি পর্যালোচনা করে।

অডিট কমিটি বোর্ড অভ্যন্তরীণ এবং বহিঃস্থ অডিট ফলাফল মূল্যাবধারণ করেন, যাতে তারা মূল নিয়ন্ত্রণ প্রক্রিয়া পরিমাপ করতে

পারেন। ২০১৯ সালের ত্রৈমাসিক সভাগুলোতে অডিট কমিটির আলোচ্য বিষয়বস্তুর মধ্যে ছিল:

- জিএসকে-এর (GSK) এন্টারপ্রাইজ বুকিং এবং অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামোর পর্যালোচনা
- সংবিধিবদ্ধ অডিট রিপোর্ট এবং ব্যবস্থাপনা পত্রের পর্যালোচনা
- বার্ষিক অভ্যন্তরীণ অডিট পরিকল্পনার অনুমোদন এবং ফলাফল ও প্রতিকারের পর্যালোচনা

কমপ্লায়েন্স কার্যক্রমের দ্বারা ধাবিত সিনিয়র ম্যানেজমেন্ট-এর একটি ফোরাম হলো আরএমসিবি (RMCB), যার কাজ হচ্ছে মূল নিয়ন্ত্রণ এবং বুকিংর অভ্যন্তরীণ পরিমাপ করা।

২০১৯ সালে এই আরএমসিবি-এর আলোচ্যসূচিতে ছিল:

- এন্টারপ্রাইজ বুকিং পর্যালোচনা
- ব্যবস্থাপনা পর্যবেক্ষণ অনুশীলন এবং ফলাফল
- তৃতীয় পক্ষ সম্পর্কিত বুকিং এবং ভুল পর্যালোচনা

অভ্যন্তরীণ অডিট ফাংশন বছর জুড়ে নির্দিষ্ট সময় অন্তর অন্তর নিরীক্ষা কার্যক্রম পরিচালনা করেছে, যেগুলোর উদ্দেশ্য ছিল মূল বুকিং, শাসনব্যবস্থা এবং নিয়ন্ত্রণসমূহ পর্যালোচনা করা। এসবের ফলাফল তারা অডিট কমিটি এবং আরএমসিবি-এর নিকট পেশ করেছেন। বৈসাদৃশ্য অনুসন্ধানের পাশাপাশি এই সকল নিরীক্ষা কার্যক্রমের উদ্দেশ্য ছিল অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামোর সাথে সামঞ্জস্যতা রক্ষায় উন্নয়ন পয়েন্টগুলোর সম্পর্কে উৎসাহিত করা।

এছাড়াও কোম্পানি তার আর্থিক কার্যক্রম পরিচালনার জন্য ইআরপি ফিন্যান্স ইন্টারনাল কন্ট্রোল ফ্রেমওয়ার্ক নামে একটি গ্রুপ গঠন করে। এই ফ্রেমওয়ার্ক-এ রয়েছে নিয়ন্ত্রণব্যবস্থা, যা বিশ্বব্যাপী আর্থিক কার্যক্রম বুকিং নিরূপণে প্রসিদ্ধ। বছর শেষে এই নিয়ন্ত্রণ প্রক্রিয়ায় সংশ্লিষ্ট সকল বিষয় স্থানীয়ভাবে অনুমোদিত হয় এবং কার্যকরভাবে প্রয়োগ করা হয়।

এই বার্ষিক প্রতিবেদনটিতে কর্পোরেট গভর্ন্যান্স সেকশনের অধীনে বুকিং নিয়ন্ত্রণ, অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো, এবং অডিট কমিটি ও আরএমসিবি-এর সকল কার্যক্রমের উপর একটি বিশদ বিবরণ উপস্থাপন করা হয়েছে।

গোয়িং কনসার্ন

পরিচালকবৃন্দ মতামত দিয়েছেন যে, এই কোম্পানি একটি গোয়িং কনসার্ন এবং গোয়িং কনসার্ন হিসেবে কোম্পানি পরিচালনার বিষয়ে বিশেষ সন্দেহের কোনো অবকাশ নেই। তদানুসারে, আর্থিক বিবরণী গোয়িং কনসার্ন-এর ভিত্তিতে প্রস্তুত করা হয়েছে।

জাতীয় কোষাগারে অবদান

প্রতি বছর এই কোম্পানি শুল্ক ও কর আকারে জাতীয় কোষাগারে উল্লেখযোগ্য অবদান রাখে। ২০১৯ সালে GlaxoSmithKline বাংলাদেশ লিমিটেড সরকারি কোষাগারে মোট ১,০৩৮ মিলিয়ন টাকার অবদান রেখেছে।

পরিচালনা পর্ষদ এবং শেয়ারহোল্ডিং তথ্য

পর্ষদের গঠন এবং আকার

৩১ ডিসেম্বর ২০১৯ তারিখ পর্যন্ত পর্ষদে ৯ জন সদস্য ছিলেন। পর্ষদটি নির্বাহী ও অনির্বাহী পরিচালকদের সমন্বয়ে গঠিত। অনির্বাহী পরিচালকবৃন্দ পর্ষদের আলোচনা ও সিদ্ধান্তে স্বাধীন মতামত প্রকাশ করে থাকেন। ব্যবস্থাপনা পরিচালক-সহ চারজন পরিচালক নির্বাহী পরিচালকের দায়িত্বে রয়েছেন।

৫ জন অনির্বাহী পরিচালক রয়েছেন, যার মধ্যে ২ জন স্বতন্ত্র পরিচালক।

পর্ষদ সভা এবং উপস্থিতি

২০১৯ সালে ০৬টি (ছয়) সভা অনুষ্ঠিত হয়। পর্ষদের সভায় পর্ষদের গঠন এবং সদস্যদের উপস্থিতি নিম্নলিখিত ছকে দেখানো হলো:

পরিচালকবৃন্দের নাম	পর্ষদ সদস্য থাকাকালীন অনুষ্ঠিত সভার সংখ্যা	সভায় উপস্থিতি	মন্তব্য
জনাব মাসুদ খান	০৬	০৬	৯ এপ্রিল ২০১৯ তারিখে স্বতন্ত্র পরিচালক পদ থেকে পদত্যাগ এবং ১৮ এপ্রিল ২০১৯ তারিখ থেকে পরিচালক ও চেয়ারম্যান পদে নিয়োগ কার্যকর
জনাব প্রশান্ত পাণ্ডে	০৬	০৬	বিদ্যমান
জনাব জাহেদুর রহমান	০৬	০৬	বিদ্যমান
জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা	০৬	০৬	বিদ্যমান
জনাব দেবশীষ দাসগুপ্ত	০৩	০১	১৬ এপ্রিল ২০১৯ থেকে নিয়োগ কার্যকর
জনাব হাসনাইন তৌফিক আহমেদ	০১	০১	২৪ জুলাই ২০১৯ থেকে নিয়োগ কার্যকর
জনাব আবুল হোসেন	০১	০১	২১ আগস্ট ২০১৯ থেকে নিয়োগ কার্যকর
জনাব মহসীন উদ্দিন আহমেদ	০৬	০৪	বিদ্যমান
জনাব রিয়াজুল হক চৌধুরী	০৩	০২	১০ এপ্রিল ২০১৯ থেকে নিয়োগ কার্যকর
জনাব রাকেশ ঠাকুর	০৪	০৪	১৬ মে ২০১৯ থেকে পদত্যাগ কার্যকর
জনাব কাজী সানাউল হক	০৫	০৪	আইসিবি কর্তৃক মনোনয়ন প্রত্যাহারকরণ যা ২১ আগস্ট ২০১৯ থেকে কার্যকর

যেসব সদস্য সভায় যোগ দিতে পারেননি, তাদের অনুপস্থিতি ছুটি হিসাবে মঞ্জুর করা হয়।

নিযুক্ত/পুনঃনিযুক্ত পরিচালকদের বিবরণ

কোম্পানি আইন ১৯৯৪-এর ধারা ৯১ (২) এবং কোম্পানি আর্টিক্যালস অব অ্যাসোসিয়েশন-এর ৮৫ নং ধারা অনুসারে, ব্যবস্থাপনা পরিচালক ব্যতীত এক-তৃতীয়াংশ পরিচালককে প্রতি বার্ষিক সাধারণ সভার রোটেশন অনুযায়ী বাধ্যতামূলক অবসরে যেতে হবে। তবে তারা যোগ্য হলে পুনরায় নির্বাচনের জন্য বিবেচিত হবেন।

সেই অনুযায়ী, রোটেশনে অবসর নিচ্ছেন পরিচালক জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা, যিনি যোগ্যতাবলে পুনরায় নির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

কোম্পানির আর্টিক্যালস অব অ্যাসোসিয়েশন-এর ধারা নং ৮৯ অনুযায়ী, নৈমিত্তিক শূন্যপদে নিযুক্ত পরিচালক বা অতিরিক্ত পরিচালক আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য হলে পুনরায় নির্বাচনের জন্য বিবেচিত হবেন।

সে অনুযায়ী, গত বার্ষিক সাধারণ সভা থেকে পর্ষদে নিযুক্ত জনাব হাসনাইন তৌফিক আহমেদ এবং জনাব আবুল হোসেন অবসর গ্রহণ করেন এবং যোগ্যতাবলে নিজেদেরকে পুনঃনির্বাচিত করার প্রস্তাব দেন।

কর্পোরেট গভর্ন্যান্স কোড অনুসারে, জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা, জনাব হাসনাইন তৌফিক আহমেদ এবং জনাব আবুল হোসেন-এর সংক্ষিপ্ত বিবরণ নিচে দেয়া হলো:

মোহাম্মদ নাহারুল ইসলাম মোল্লা

মোহাম্মদ নাহারুল ইসলাম মোল্লা ২০১৮ সালের ডিসেম্বরে জিএসকে (GSK) বাংলাদেশ-এর পরিচালনা পর্ষদে যোগদান করেন। জনাব নাহার-এর সংক্ষিপ্ত বিবরণী ৪০ নং পৃষ্ঠায় দ্রষ্টব্য।

জনাব হাসনাইন তৌফিক আহমেদ

জনাব হাসনাইন তৌফিক আহমেদ ২০১৯ সালের ২৪ জুলাই জিএসকে (GSK) বাংলাদেশ-এর পরিচালনা পর্ষদে যোগদান করেন। জনাব হাসনাইন-এর সংক্ষিপ্ত বিবরণী ৪০ নং পৃষ্ঠায় দ্রষ্টব্য।

জনাব আবুল হোসেন

জনাব আবুল হোসেন ২০১৯ সালের ২১ আগস্ট জিএসকে (GSK) বাংলাদেশ-এর পরিচালনা পর্ষদে যোগদান করেন। জনাব আবুল হোসেন-এর সংক্ষিপ্ত বিবরণী ৩৯ নং পৃষ্ঠায় দ্রষ্টব্য।

অডিট কমিটি

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর (বিএসইসি) কর্পোরেট গভর্ন্যান্স-এর বিধি অনুযায়ী, পর্ষদ এক অডিট কমিটি গঠন করেছে, যা কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো পুনঃতদারক করে। কমিটি ২ জন স্বতন্ত্র পরিচালক ও ১ জন অনির্বাহী পরিচালকের সমন্বয়ে গঠিত, যার নেতৃত্ব দেন ১ জন স্বতন্ত্র পরিচালক। কোম্পানির সচিব অডিট কমিটির সচিব হিসেবে কাজ করেন। কমিটি বছরে ৪ বার বৈঠক করে। কমিটির দায়িত্ব সংক্রান্ত অতিরিক্ত তথ্য অডিট কমিটির প্রতিবেদনে অন্তর্ভুক্ত করা হয়েছে।

মনোনয়ন এবং সম্মানী প্রদান কমিটি

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর (বিএসইসি) কর্পোরেট গভর্ন্যান্স-এর বিধি অনুযায়ী, পরিচালনা পর্ষদ একটি মনোনয়ন ও সম্মানী প্রদান কমিটি গঠন করে। মনোনয়নের মানদণ্ড অর্থাৎ যোগ্যতার মান নির্ধারণ, ইতিবাচক গুণাবলি, অভিজ্ঞতা, পরিচালক এবং উচ্চপদস্থ নির্বাহী কর্মকর্তাদের স্বাধীনতার জন্য নীতিমালা গঠন ও পরিচালক এবং উচ্চপদস্থ নির্বাহী কর্মকর্তাদের সম্মানী প্রদানের একটি সাধারণ প্রক্রিয়া অনুসরণে সহায়তার উদ্দেশ্যে ওই কমিটি গঠন করা হয়। কমিটি ২ জন স্বতন্ত্র পরিচালক ও ১ জন অনির্বাহী পরিচালকের সমন্বয়ে গঠিত, যার নেতৃত্ব দেন ১ জন স্বতন্ত্র পরিচালক। কোম্পানি-এর সচিব মনোনয়ন ও সম্মানী প্রদান কমিটির সচিব হিসেবে কাজ করেন। মনোনয়ন ও সম্মানী প্রদান কমিটি বছরে ১ বার বৈঠক করে। এই কমিটির দায়িত্বের আরও বিবরণ মনোনয়ন ও সম্মানী প্রদান কমিটি রিপোর্টে অন্তর্ভুক্ত করা হয়েছে।

পরিচালকদের সম্মানী

নির্বাহী পরিচালকদের সম্মানী, পারফরম্যান্স এবং সংশ্লিষ্ট বোনাস উপরিউক্ত দেশের GlaxoSmithKline ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক পর্যালোচিত এবং অনুমোদিত হয়।

নির্বাহী পরিচালকগণ এবং কোম্পানির কয়েকজন জ্যেষ্ঠ নির্বাহী

GlaxoSmithKline পিএলসি, যুক্তরাজ্য-এর শেয়ার প্ল্যানের অধিকারী।

GlaxoSmithKline গ্রুপ-এর মনোনীত পরিচালকবৃন্দ ব্যতীত স্বতন্ত্র ও অনির্বাহী পরিচালকবৃন্দ প্রশাসনিক ব্যয়ের অধীনে উপস্থিতির সম্মানী পান। (তথ্যসূত্র: আর্থিক বিবৃতির ২৭ নং পয়েন্ট)

প্রদেয় বছরে নির্বাহী পরিচালকদের প্রাপ্ত অর্থের বিবরণ আর্থিক ৩৪ নং টিকায় দেয়া হয়েছে।

শেয়ারহোল্ডিং তথ্য

৩১ ডিসেম্বর ২০১৯ পর্যন্ত শেয়ারহোল্ডিং তথ্য এবং অন্যান্য সংশ্লিষ্ট তথ্যাবলি পরিশিষ্ট-৩-তে বর্ণিত রয়েছে।

GlaxoSmithKline বাংলাদেশ লিমিটেড-এর পরিচালনা পর্ষদ কোম্পানির একটি সদস্য প্রতিষ্ঠান সেটফার্স্ট (SETFIRST) লিমিটেড-এর কাছ থেকে ২০১৮ সালের ৩ ডিসেম্বর ইস্যুকৃত একটি পত্র পায়, যেখানে উল্লেখ করা হয় যে- ৩ ডিসেম্বর ২০১৮ তারিখে সেটফার্স্ট একটি শেয়ার ক্রয় চুক্তি স্বাক্ষর করে, কোম্পানির ৯,৮৭৫,১৪৪ (নয় মিলিয়ন আটশত পচাত্তর হাজার একশত চুয়াল্লিশ) শেয়ার ইউনিলিভার-এর কাছে বিক্রি এবং হস্তান্তর করার জন্য।

উল্লিখিত মূল্য সংবেদনশীল তথ্য ঢাকা স্টক এক্সচেঞ্জ এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-কে যথাযথভাবে জানানো হয়েছে। এছাড়া ২০১৮ সালের ৩ ও ৪ ডিসেম্বর জাতীয় দৈনিকেও এই সংক্রান্ত বিজ্ঞপ্তি প্রকাশ করা হয়।

তদুপরি, লেনদেনটির বাস্তব রূপান্তর নির্ভর করে শর্তের নিদর্শনের সম্ভূষ্টি বা স্বত্বত্যাগ-এর উপর (যার অন্তর্ভুক্ত রয়েছে বাংলাদেশের আইন অনুযায়ী প্রয়োজনীয় আনুষ্ঠানিকতা এবং অনুমোদন)। ২০২০ সালে লেনদেনটি বাস্তবে রূপান্তরিত হবে বলে আশা করা হচ্ছে।

শেয়ারহোল্ডার/বিনিয়োগকারীদের অভিযোগ

বাৎসরিক পর্যালোচনা চলাকালে কোম্পানি তাদের শেয়ারহোল্ডার এবং বিনিয়োগকারীদের কাছ থেকে উল্লেখযোগ্য কোন অভিযোগ পায়নি।

কর্পোরেট দায়বদ্ধতা

২০১৯ সালে কোম্পানি বছরব্যাপি স্বাস্থ্যসেবা উদ্যোগগুলোর মাধ্যমে সমাজের প্রতি প্রতিশ্রুতি অব্যাহত রেখেছে। উদ্যোগগুলোর মধ্যে রয়েছে কমিউনিটি হেলথ ওয়ার্কারস প্রোগ্রাম, রেডিমেড গার্মেন্টস ওয়ার্কারস হেলথকেয়ার প্রোগ্রাম এবং কক্সবাজারে মিয়ানমার রিফিউজি ক্রাইসিস প্রোগ্রাম।

উদ্যোগগুলোর বিস্তারিত পৃষ্ঠা নং ২৩-২৫ তে দ্রষ্টব্য।

আচরণ বিধি

কোম্পানির পরিচালনা পর্ষদ মনোনয়ন ও সম্মানী প্রদান কমিটির সুপারিশে সকল পরিচালকবৃন্দের জন্য একটি আচরণ বিধি নির্ধারণ করেছে, যা কোম্পানির ওয়েবসাইটে দেয়া আছে। গ্লোবাল কোড অব কন্ডাক্ট অ্যান্ড ইথিকস অনুসরণ করে ব্যবসার সাথে সম্পর্কিত এই বিধিমালা তৈরি করা হয়েছে। প্রত্যেক কর্মচারীকে অবশ্যই এটি মেনে চলতে হবে। ২০১৯ সাল জুড়ে কর্মীরা সততা, মানুষের প্রতি শ্রদ্ধা, রোগীর/ভোক্তার গুরুত্ব, স্বচ্ছতা ইত্যাদি GSK মূল্যবোধ দেখান। একই সাথে তারা নতুন চারটি প্রত্যাশা- দায়বদ্ধতা, সাহস, উন্নয়ন এবং দলবদ্ধতাকে তাদের কাজের কেন্দ্রে ধারণ করতে সক্ষম হয়েছে।

কোম্পানি 'স্পিক আপ' নামক পলিসি চালু রেখেছে, যাতে কর্মীরা সম্ভাব্য বৈষম্য, সম্ভাব্য দ্বন্দ্ব বা GSK নীতিমালা, কোম্পানির নীতিমালা এবং পদ্ধতির লঙ্ঘন ঘটলে আওয়াজ তুলতে পারেন। 'নন-রিট্যাליয়েশন' নামের সম্পূর্ণ নীতি প্রণয়নের মাধ্যমে কোনো ধরনের ক্ষয়ক্ষতির ঝুঁকি ছাড়াই এই ধরনের অধিকার চর্চার বিষয়টি নিশ্চিত করা হয়েছে।

অডিটর

অডিটরদের নিয়োগ

বর্তমান অডিটর মেসার্স হুদা ভাসি চৌধুরী অ্যান্ড কো-চার্টার্ড অ্যাকাউন্ট্যান্টস আসন্ন বার্ষিক সাধারণ সভায় অবসর নেবেন এবং পুনরায় নিয়োগ যোগ্য হবেন। পরিচালনা পর্ষদ মেসার্স হুদা ভাসি চৌধুরী অ্যান্ড কো-চার্টার্ড অ্যাকাউন্ট্যান্টসকে আসন্ন বার্ষিক সাধারণ সভায় সদস্যদের সম্মতি সাপেক্ষে ২০২০ সালের জন্য কোম্পানির অডিটর হিসেবে অনুমোদনের সুপারিশ করেছে।

কম্প্লায়েন্স অডিটরদের নিয়োগ:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর (বিএসইসি) চুক্তির আলোকে কর্পোরেট গভর্ন্যান্স নীতিমালার অধীনে পরিচালনা পর্ষদ ম্যাবস অ্যান্ড জে পার্টনারস, চার্টার্ড অ্যাকাউন্ট্যান্টস-কে আসন্ন বার্ষিক সাধারণ সভায় সদস্যদের সম্মতি সাপেক্ষে ২০২০ সালের জন্য কোম্পানির কম্প্লায়েন্স অডিটর হিসেবে অনুমোদনের সুপারিশ করেছে।

কর্পোরেট গভর্ন্যান্স কম্প্লায়েন্স রিপোর্ট

কর্পোরেট নীতির অংশ হিসেবে GSK বাংলাদেশ কর্পোরেট গভর্ন্যান্স-এর সর্বোচ্চ মান বজায় রাখার জন্য সর্বদা সচেষ্ট। কোম্পানির কর্পোরেট গভর্ন্যান্স চার্টার কর্পোরেট গভর্ন্যান্স সেকশনে উল্লিখিত রয়েছে। কীভাবে কোম্পানি পরিচালিত হবে এবং স্বচ্ছতা, জবাবদিহিতা ও সততার মান নিশ্চিত করা হবে, এই পদ্ধতির মাধ্যমে তার প্রক্রিয়া নির্দেশ করা হয়।

এসইসির বিজ্ঞপ্তি নম্বর বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ ০৩ জুন ২০১৮ অনুযায়ী প্রয়োজনীয় সকল নির্দেশনা বাস্তবায়ন করতে পেরে আমরা আনন্দিত। ২০১৯ সালের কর্পোরেট গভর্ন্যান্স প্রতিবেদন পরিশিষ্ট-৪-এ যুক্ত করা হয়েছে। একই সাথে নির্দেশনা অনুযায়ী কম্প্লায়েন্স সনদও যুক্ত করা হয়েছে।

স্বীকৃতি

ভোক্তাদেরকে সর্বোচ্চ অগ্রাধিকার দেয়ায় এবং কোম্পানি মূল্যবোধ প্রতিনিয়ত প্রদর্শন করায় জিএসকে-এর (GSK) পরিচালনা পর্ষদ কোম্পানির সর্বস্তরের কর্মীদের গভীরভাবে কৃতজ্ঞতা জানায়।

কোম্পানির প্রতি বিশ্বাস ও আস্থা ধরে রাখার জন্য ভোক্তা এবং ব্যবসায়িক অংশীদারবৃন্দের কাছে আমরা গভীরভাবে কৃতজ্ঞ। তারাই আমাদের অনুপ্রেরণা। আমরা এই বিশ্বাস ধরে রাখার ক্ষেত্রে দৃঢ়প্রতিজ্ঞ।

আন্তরিক ধন্যবাদ জানাই বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক একচেঞ্জ লিমিটেড, বাংলাদেশ ইনভেস্টমেন্ট ডেভেলপমেন্ট অথরিটি, স্বাস্থ্য মন্ত্রণালয়, শ্রম মন্ত্রণালয়, খাদ্য মন্ত্রণালয়, বাংলাদেশ খাদ্য নিরাপত্তা কর্তৃপক্ষ (বিএফএসএ), বাংলাদেশ স্ট্যান্ডার্ড অ্যান্ড টেস্টিং ইনস্টিটিউট (বিএসটিআই), সেন্ট্রাল ডিপজিটরি বাংলাদেশ লিমিটেড, আর্থিক প্রতিষ্ঠানসমূহ, বীমা কোম্পানি, জাতীয় রাজস্ব বোর্ড (এনবিআর), ইউটিলিটি প্রদানকারী, বিভিন্ন সরকারি কর্তৃপক্ষ এবং সকল ব্যক্তি ও সংস্থার স্টেকহোল্ডারবৃন্দকে।

বোর্ডের পক্ষে



চেয়ারম্যান

০৯ মার্চ ২০২০

Pursuant to condition no. 1 (5) (xxv) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 31 December, 2019 is as follows:

- a. **Accounting policies and estimation used for preparation of Financial Statements, including any changes there of**
The financial statements are consistently prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the relevant local regulations. Details on accounting policies and estimates used as basis for preparation are disclosed in Note 3 of the financial statements.
- b. **Comparison of financial performance, financial position and cash flows are as follows**
Detailed comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes. The Directors' report section also provides in-depth analysis of performance of Consumer Healthcare businesses during the year 2019. However, Key Performance Indicators for last 5 years are as follows:

Key Performance Indicators	2019	2018	2017	2016	2015
Revenues (Taka '000)-continuing operation	4,474,898	4,816,557	4,657,200	N/A	N/A
Revenues (Taka '000)-company	4,474,898	6,336,472	6,796,559	6,284,015	6,698,828
Operating Profit (Taka '000)-continuing operation	1,144,536	1,183,204	1,033,262	N/A	N/A
Operating Profit (Taka '000)-company	1,039,606	(848,699)	884,892	786,807	1,040,612
Earnings before Interest, Tax and Depreciation (Taka'000)-continuing operation	1,274,296	1,211,910	1,076,956	N/A	N/A
Earnings before Interest, Tax and Depreciation (Taka'000)-company	1,169,366	(254,023)	1,011,002	908,568	921,341
Earnings per Share (EPS) (Taka)- continuing operation	90.54	115.92	67.88	N/A	N/A
Earnings per Share (EPS)(Taka)-company	81.83	(52.75)	55.56	53.51	68.99
Net Operating Cash Flow per Share-company (Taka)	82.84	44.67	117.75	71.87	84.42

- c. **Financial and economic scenario of the country and the global context**
Bangladesh has achieved the highest-ever 8.13% GDP growth in the 2018-19 fiscal year (source: Bangladesh Bureau of Statistics). World economy registered a 3.4% growth (source: IMF). Annual inflation rate remained at 5.5% (source: IMF).

In 2019, Fast Moving Consumer Goods (FMCG) market, valued at TK. 320bn (Source: Nielsen). Major contributions came from Non-food Categories (49% of FMCG) followed by Food category (48% of FMCG). Health Food Drinks (HFD) valued at Tk.4.1bn. GSK holds 91.8% market share in 2019 in Health Food Drink Category.

- d. **Risks and concerns related to the financial statements**
GSK maintains a sound system of internal controls governance to manage all risks facing the business which is overlooked by the Audit Committee. Details of risk management and controls governance is provided within separate sections titled "Risk Management at GSK" and "Internal Control Framework" in this report. Additionally, description of specific financial risks such as credit, liquidity, interest, etc, including the approach to manage them are disclosed within Note 43 of the financial statements.

- e. **Future plan for the Company's operation, performance and financial position**
The Company maintains 3 year rolling plan for the business founded on the growth strategy. Precisely defined actions are incorporated in the plan that are reviewed on a monthly basis with additional review on quarterly and annual basis.

In December 2018, Setfirst Limited signed a Share Purchase Agreement to sell and dispose their entire stake i.e., 9,875,144 shares (approx. 82% of total shareholding) in the Company to Unilever N.V. This transaction is subject to necessary regulatory approvals in accordance with the laws of Bangladesh and expected to materialise in 2020.



Prashant Pandey
Managing Director
GSK Bangladesh Ltd.



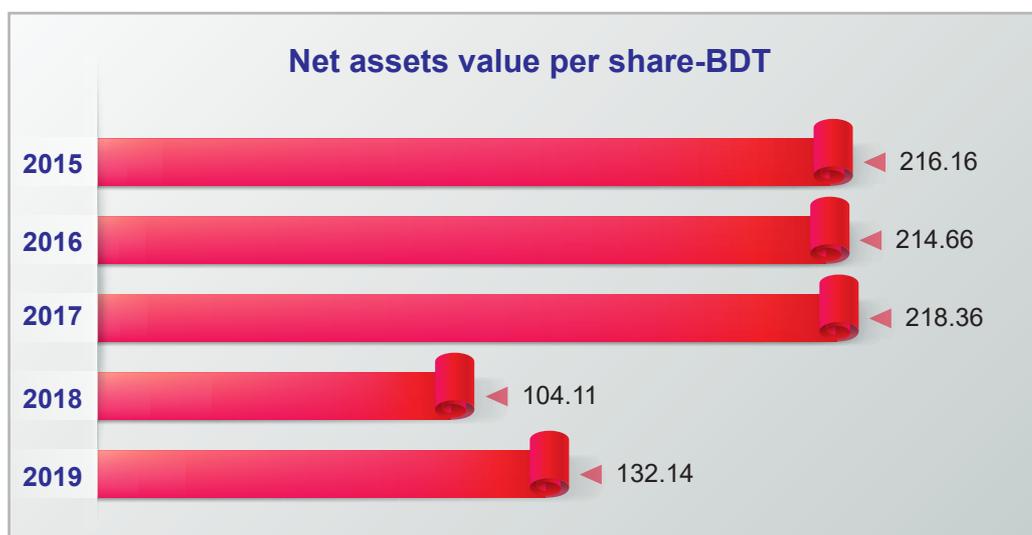
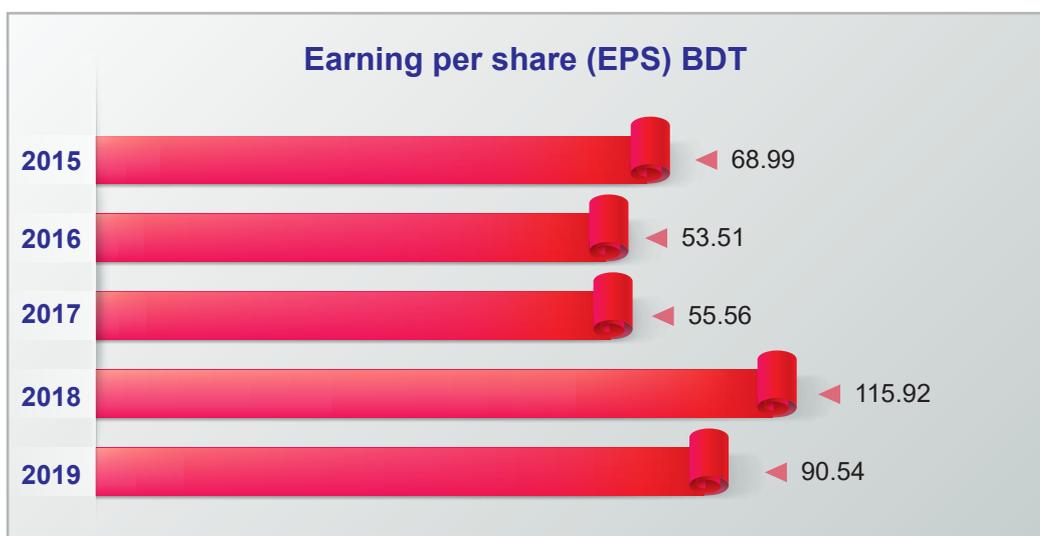
Hasnain Thoufiq Ahmed
Finance Director
GSK Bangladesh Ltd.

Key Operating and Financial Records

Annexure II

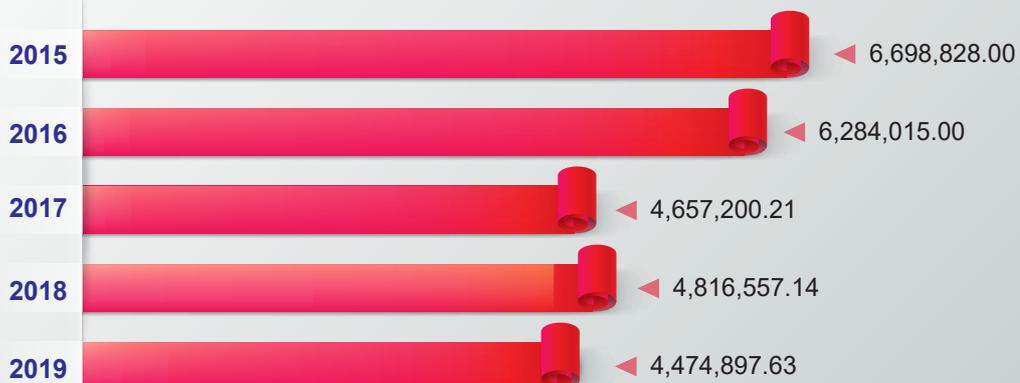
	2019	2018	2017	2016	2015
Assets Employed					
Property, Plant and Equipment	100,706.83	114,128.13	694,252.00	701,867.00	600,794.00
Intangible assets	14,028.41	16,617.28	51,638.00	23,911.00	3,437.00
Deferred Tax Asset	40,450.93	150,366.42			
Net Non-Current Asset	158,650.14	297,337.68	36,466.00	24,903.00	10,370.00
Net Current Asset	1,433,194.43	956,490.01	1,868,237.48	1,841,437.00	2,037,951.00
Total Assets Employed	1,747,030.75	1,534,939.53	2,650,593.48	2,592,118.00	2,652,552.00
Financed by					
Share capital	120,464.82	120,465.00	120,465.00	120,465.00	120,465.00
Reserves and Surplus	1,471,380.13	1,133,620.38	2,509,885.00	2,465,338.00	2,483,339.00
Shareholders' Equity	1,591,844.95	1,254,085.38	2,630,350.00	2,585,803.00	2,603,804.00
Retirement benefit Obligations	-	-	-	-	40,822.00
Obligation under finance lease	-	-	3,114.00	6,315.00	8,813.00
Deferred Tax Liabilities	-	-	17,129.00	-	(887.00)
	-	-	20,243.00	6,315.00	48,748.00
Total Capital Employed	1,591,844.95	1,254,085.38	2,650,593.00	2,592,118.00	2,652,552.00
Turnover and profit (Continuing Operation)					
Sales-net of VAT and trade discount	4,474,897.63	4,816,557.14	4,657,200.21	6,284,015.00	6,698,828.00
Profit/(Loss) from operation	1,144,535.92	1,183,203.56	1,035,777.41	786,808.00	1,040,612.00
Profit before Int, Dep & Tax	1,000,944.08	1,205,057.56	1,071,626.64	908,568.00	921,341.00
Profit/(Loss) for the year for continuing operation	1,090,665.19	1,396,421.35	820,189.06		
Profit/(Loss) for the year for company	985,735.12	(635,480.98)	669,303.64	644,554.00	831,079.00
Ratios					
Gross profit ratio - %	55.07	46.70	38.78	38.99	39.33
Earning per share (EPS)-Taka (Continuing operation)	90.54	115.92	68.09	53.51	
Earning per share (EPS)-Taka (Company)	81.83	(52.75)	55.56	53.51	68.99
Price/Earning (P/E) ratio-times (Continuing Operation)	19.40	12.51	27.92		
Price/Earning (P/E) ratio-times (Company)	21.46		27.92	28.65	26.09
Price/Equity Ratio-Times	175.63	145.02	155.10	153.29	179.98
Dividend per share (DPS)-Taka	53.00	-	55.00	50.00	55.00
Dividend payout-percentage	64.77	-	98.99	93.45	79.72
Dividend Yield-percentage	3.02	-	3.53	3.26	3.06
Net assets value per share-Taka	132.14	104.11	218.36	214.66	216.16
Net operating cash flow per share	82.84	44.67	117.75	71.87	84.42
Return on shareholders equity-% (Continuing Operation)	68.52	111.35	31.18		
Return on shareholders equity-% (Company)	61.92	(50.67)	25.45	24.93	31.92
Return on Capital employed -%	65.31	(67.67)	33.34	30.32	39.22
Current ratio-times	1.49	1.29	1.52	1.67	1.73
Market price per share at 31 December -Taka	1,756.30	1,450.20	1,551.00	1,532.90	1,799.80
Market Capitalisation at 31 December(Taka Million)	21,157.18	17,469.76	18,684.04	18,466.00	21,681.20
Average number of employees	210.00	771.00	967.00	940.00	906.00

Key Performance Indicators

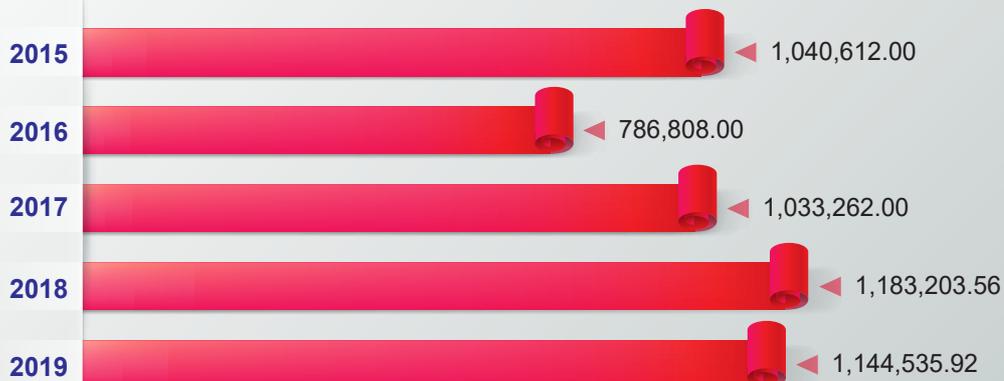


Key Performance Indicators

Sales-net of VAT and trade discount- BDT'000



Profit /(Loss) from operation-BDT' 000



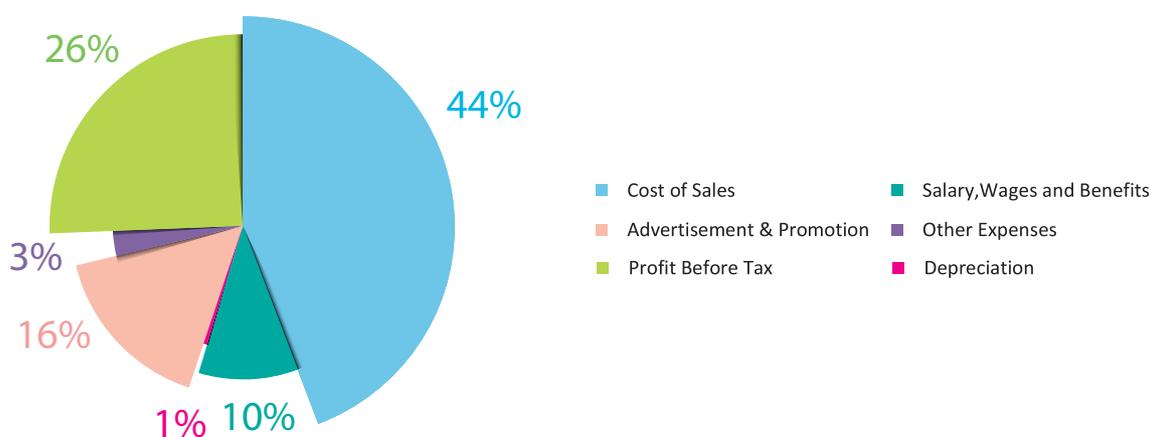
EBITDA- BDT'000



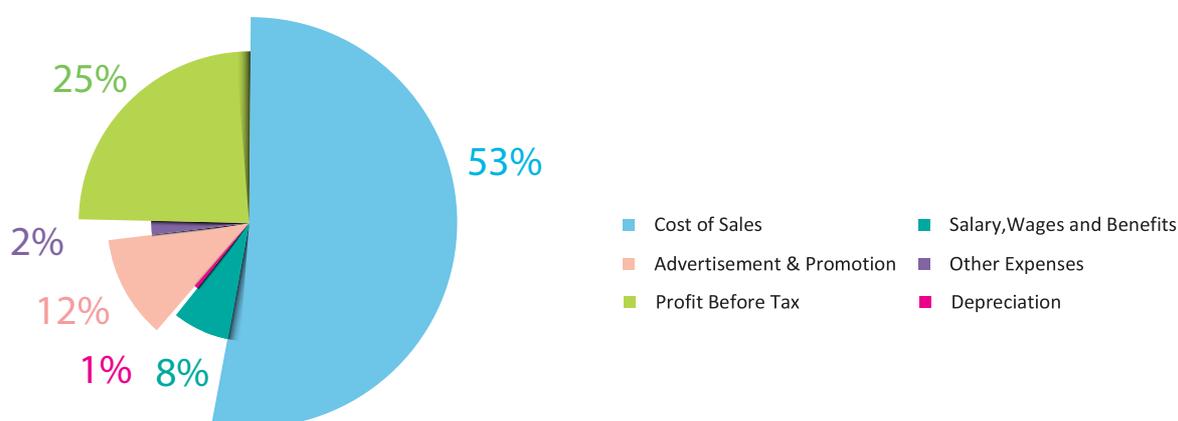
Analysis of Sales Revenue of Continued Operation

		2019		2018
Sales		4,474,898		4,816,557
Cost of Sales	44%	1,978,230	53%	2,540,106
Salary,Wages and Benefits	10%	465,187	8%	369,862
Depreciation	0.5%	21,738	1%	28,706
Advertisement & Promotion	16%	723,967	12%	558,009
Other Expenses	3%	141,240	2%	109,469
Profit Before Tax	26%	1,144,536	25%	1,183,205
Total	100%		100%	

2019



2018



Value Added Statement

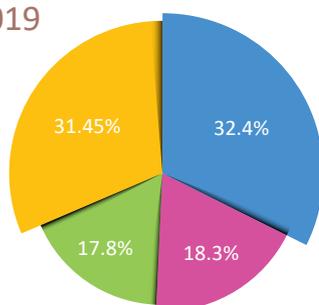
The value added statement provides a detailed account of total value addition and the distribution of the value created by the company.

Value Added :	2019 Amount	%	2018 Amount	%
Turnover	5,146,132		7,293,122	
Less Bought in Materials & Services	2,150,467		3,597,879	
	2,995,665	93.52	3,695,243	95.83
Other income	38,991	1.22	44,565	1.16
Financial Income	168,422	5.26	116,343	3.02
	<u>3,203,079</u>	<u>100</u>	<u>3,856,151</u>	<u>100</u>
Applied to :				
Government Revenue & Taxes	1,038,302	32.42	1,704,953	44.21
Employees Remuneration & Benefits	587,020	18.33	1,572,209	40.77
Dividends	570,283	17.80	592,586	15.37
	2,195,605	68.55	3,869,748	100.35
Depreciation & Retained Profit	1,007,474	31.45	(13,597)	-0.35
	<u>3,203,079</u>	<u>100</u>	<u>3,856,151</u>	<u>100</u>

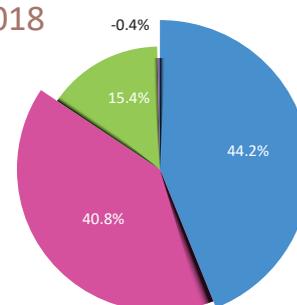
Distribution of value addition

- Government Revenue & Taxes
- Employees Remuneration & Benefits
- Dividends
- Depreciation & Retained Profit

2019



2018



GSK Bangladesh contributes positively to socio-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the shareholders; by assisting the regulatory authorities through paying taxes & duties.

Market share information of major categories of products - %

Categories	2019	2018 (Restated)
Health Food Drink	91.8	94.6
Oral Health Care	2	1.5
Glucose Powder	19.2	21.1

2018 numbers have been restated due to univrese change in Nilesen database.

Economic Value Added (EVA)

EVA provides a measurement a company's economic success over a period of time. It shows how well a company has added value for its investors and it can be compared against company's peers for an analysis of how well the company is operating in its industry.

Calculation of EVA	2019	2018
Net Operating Profit After Tax (NPAT)	985,735	(635,480)
Total Capital Employed	1,591,845	1,254,085
Cost of capital in %	40%	53%
Cost of capital (COC)	638,463	663,279
EVA = NPAT-COC	347,273	(1,298,759)

The positive number of EVA reveals that the Company has more than covered its cost of capital.

Shareholding Information

Annexure III

Pattern of shareholding

(a) Parent/Subsidiary/Associated Companies and other related parties:

Name	Position	No. of shares
Setfirst Limited, UK	Parent Company	9,875,144

(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Chief Financial Officer, Head of Internal Audit):

Position	No. of shares
	Self/Spouse/Minor Children
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit	Nil

(c) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit):

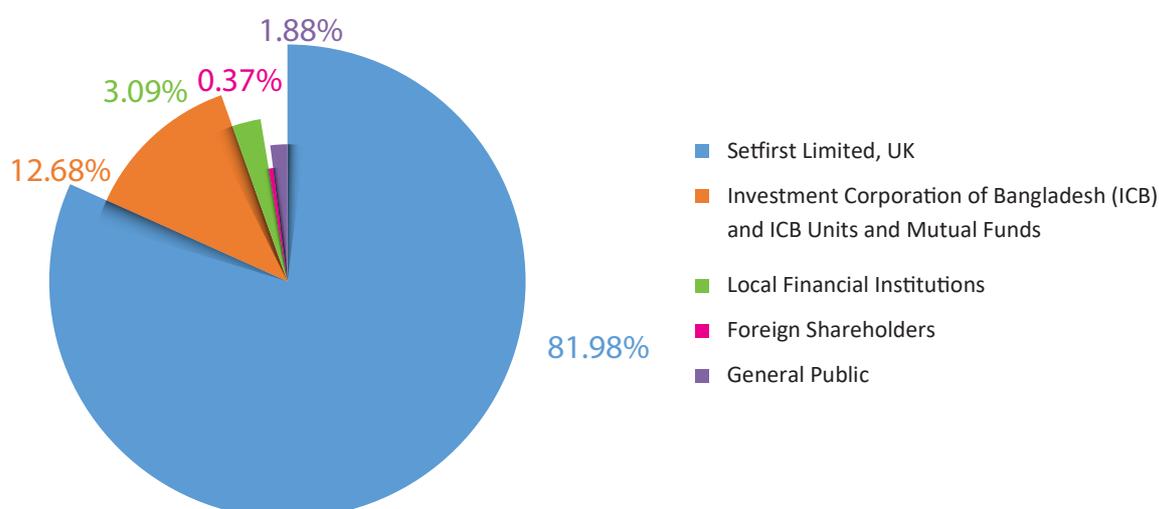
Position	No. of shares
Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit)	Nil

(d) Shareholders holding ten per cent (10%) or more voting interest in the Company:

Name	No. of shares	% of Holding
Setfirst Limited, UK	9,875,144	81.98%
Investment Corporation of Bangladesh (ICB) and ICB Units and Mutual Funds	1,527,581	12.68%

(e) Shareholders holding less than ten per cent (10%) voting interest in the Company:

Name	No. of shares	% of Holding
Local Financial Institutions	372,668	3.09%
Foreign Shareholders	44,934	0.37%
General Public	226,122	1.88%



Report to the Shareholders of GlaxoSmithKline Bangladesh Limited on compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance code by GlaxoSmithKline Bangladesh Limited for the year ended on 31 December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.



Nasir U Ahmed, FCA, FCS
Senior Partner
MABS & J Partners
Chartered Accountants

Place: Dhaka

Dated: 09 March 2020



Corporate Office:

SMC Tower (7th Floor)
33, Banani C/A, Road 17
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 : +88-02-9821365-66
E-mail : info@mabsj.com
Web : www.mabsj.com

Motijheel Branch Office:

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(4th & 7th Floor)
Dhaka-1000, Bangladesh
Phone : +88-02-58315469/ 58315471
 : +88-02-9332936
E-mail : info@mabsj.com
Web : www.mabsj.com

[AS PER CONDITION NO. 1(5)(XXVII)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD /2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Directors:			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the Company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)(i)	"Independent Director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994.	✓		
1.3	Qualification of Independent Director.			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Required
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1.5	The Directors' Report to Shareholders			
1(5)(i)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9	✓		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.0	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(a)	Appointment: The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such incidence arose
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.0	Board of Directors' Committee.			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	Audit Committee			
5(1)(a)	Responsibility to the Board of Directors: The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	Constitution of the Audit Committee: The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such vacancy arose
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	Chairperson of the Audit Committee: The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)(a)	Meeting of the Audit Committee: The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)(a)	Role of Audit Committee The Audit Committee shall: Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not Applicable
5.6	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: Report on conflicts of interests;			No such incidence arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incidence arose
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incidence arose
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incidence arose
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such incidence arose
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6(1)(a)	Nomination and Remuneration Committee (NRC). Responsibility to the Board of Directors: The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6(2)(a)	Constitution of the NRC: The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such vacancy arose

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such appointment/co-opt required
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)(a)	Chairperson of the NRC: The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incidence arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)(a)	Meeting of the NRC: The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incidence arose
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)(a)	Role of the NRC: NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		
6(5)(b)(i)(a)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.0	External or Statutory Auditors			
7(1)(i)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance; and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.0	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.0	Reporting and Compliance of Corporate Governance.			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

CEO & CFO's Certification

GlaxoSmithKline Bangladesh Limited
Declaration by CEO and CFO
As per condition No. 1(5)(xxvi) of CGC

23 February 2020

The Board of Directors
GlaxoSmithKline Bangladesh Limited
House: 2A, Road:138, Gulshan-1, Dhaka.

Subject: **Declaration on Financial Statements for the year ended on 31 December 2019.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of GlaxoSmithKline Bangladesh Ltd. for the year ended on 31 December, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that :-

- (i) We have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Prashant Pandey
Managing Director



Hasnain Thoufiq Ahmed
Finance Director



FINANCIAL STATEMENTS

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the Shareholders

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Independent Auditors' Report

To the Shareholders of GlaxoSmithKline Bangladesh Ltd.

Report on the audit of Financial Statements

Opinion

We have audited the financial statements of GlaxoSmithKline Bangladesh Ltd. (the Company), which comprise the statement of financial position as at 31 December 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the state of Company's affairs in all material respects of the financial position of the Company as at 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act (#18) 1994, Bangladesh Securities & Exchange Rules 1987, and Other rules and regulations applicable for this Company in Bangladesh.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under

those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We believe that, the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, we declare that, non-audit services as prohibited by the ethical requirements were not provided by us to the Company.

Key Audit Matters

Key matters are those matters that, in our professional judgments, were of most significant in the audit of the Company's financial statements of the current period. These matters and any comments we make on the result of our procedure thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters. This is not a complete list of all risks identified by our audit.

Key Audit Matters	Our response to the Key Audit Matters
<p>Revenue Recognition</p> <p>At year end the Company reported Total revenue of Tk. 4,474,898K.</p> <p>Revenue is measured net of discounts, commissions and rebates earned by the customers on the Company's sales. Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgemental.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p>

<p>Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p> <p>See Note no 24 to the financial statements</p>	<ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Within a number of the Group's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Disposal of Impaired property, plant and equipment</p>	
<p>The economic climate and levels of competition remain challenging for the Company. The Company has completed a Strategic Review and as a result has closed down its operations of Pharmaceutical business and impaired the assets in 2018.</p> <p>Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.</p> <p>During the year, the Company has disposed off the following impaired assets:</p> <ul style="list-style-type: none"> • Plant & machinery of Tk. 152,608K • Furniture, fixture and equipment of Tk. 32,705K <p>See Note no 4 to the financial statements</p>	<p>Our audit procedures included, among others, considering the impairment risk associated with the different types of assets:</p> <ul style="list-style-type: none"> • A fixed asset disposal committee was formed by the Board and the fixed asset disposal committee has made such activities. • We have verified these from the records produced to us by the management. • We have assessed the appropriateness of the discount rate including bench marked it against similar national retailers. We also recalculated the impairment model to assess the sensitivity of the key assumptions including growth rate and discount rate; • we have also considered the adequacy of the Company's disclosures about the degree of estimation involved in determining the amount of impairment and the sensitivity to key assumptions involved.
<p>Measurement of the Provision for Product Warranties and Distributor's claim</p>	
<p>The provision for product warranties and distributor's claim amounts to Tk. 291,968K as at 31 December 2019. The Company faces various claims under product guarantees for various kinds of product warranties, which are entered into for the error-free functioning of a its product sold or service rendered over a defined period of time.</p> <p>Significant uncertainty for the calculation of the provision arises with regard to the future loss event. The risk for the financial statements is that these provisions cannot be properly measured.</p> <p>See Note no 11.01 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of warranty provisions and the assumptions used in estimating future claims and losses.</p> <p>We have assessed the appropriateness of the carrying amounts, evaluated the relevant assumptions and their derivation for the measurement of the provisions.</p> <p>We also assessed the accuracy of forecasts of past warranty, guarantee and brand image on the basis of historical analysis.</p> <p>Also, we examined whether updated assessments and procedures were taken into account while checking the calculation of provisions.</p>
<p>Measurement of deferred tax assets</p>	
<p>The Company reported net deferred tax assets totaling Tk. 40,451K as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets.</p>

<p>tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>See Note no 14 to the financial statements</p>	<p>We obtained Company's Tax consultant's opinion to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Tax.</p>
<p>Claims, Litigations and Contingent Liabilities</p>	
<p>Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.</p> <p>The Company has several legal proceedings, claims and government investigations and inquiries pending that expose the Company to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. The significant contingent liabilities are as follows:</p> <ul style="list-style-type: none"> • Counter Guarantee of Tk.593K was issued by the Company to the banks against the Bank Guarantees issued by those banks to 3rd parties. • There is an Excise Duty claim for Tk. 873K from respective authority on sale of certain quantity of Mycil powder affected after 10th September 1981 and the case is presently pending with the Honorable High Court Division of the Supreme Court of Bangladesh. • The Income Tax authority issued Total demand of Tk.16,052K for the assessment year 2005-2006 and assessment year 2006-2007. The Company is contesting against the verdict of the Taxes Appellate Tribunal and submitted reference application before the Honourable High Court Division of the Supreme Court of Bangladesh. • The VAT authority issued Total demand of Tk 60,823K for the assessment year 2010-2011. <p>See Note no 22 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p>

Other Information

Sale of Shares of SETFIRST to Unilever N.V

GlaxoSmithKline Bangladesh Ltd is a subsidiary of GlaxoSmithKline Plc, UK through its fully owned subsidiary SETFIRST Limited, UK. The Company, SETFIRST Limited, UK has entered into an agreement with Unilever N.V in the year of 2018 to sell their entire shares to Unilever N.V. The information has been declared by the company through Price Sensitive Information to public on 3rd December 2018. SETFIRST LIMITED, UK holds 81.98% shares of the Company. The total sale procedure is still ongoing. Both GlaxoSmithKline Bangladesh Ltd and Unilever N.V are working to accelerate this acquisition procedure. Management confirms that SETFIRST LIMITED, UK

shall remain as the 81.98% owner of the shares of the Company until acquisition process is complete.

Management's responsibilities for other information

Management is responsible for the other information. The other information comprises the information in Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance, conclusion thereon.

Responsibilities of management and those charged with governance for the preparation of the financial

statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with applicable IFRSs and IASs, The Companies Act (#18) 1994, The Bangladesh Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act (#18) 1994 and the Bangladesh Securities and Exchange Rules 1987 and relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c. The statement of financial position and statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity dealt with by the report are in agreement with the books of account and returns; and\
- d. The expenditure incurred was for the purposes of the Company's business.

Dhaka, 24 February, 2020

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co

Chartered Accountants

Signed by:

Showkat Hossain, FCA

Senior Partner

Statement of Financial Position

As at 31 December 2019

	Note(s)	Taka in '000 At 31 December	
		2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	100,707	114,128
Intangible assets	5	14,028	16,617
Deferred tax asset	14	40,451	150,625
Retirement benefit assets	18	3,464	16,226
Total Non-current assets		158,650	297,596
Current assets			
Inventories	6	11,501	21,745
Trade and other receivables	7	492,456	445,267
Intercompany receivables	8	833	-
Advances, deposits and prepayments	9	28,836	100,219
Current tax assets	13	17,335	46,254
Cash and cash equivalents	10	3,796,022	3,419,507
Current assets directly related with discontinued operation	43.6	3,117	223,087
		4,350,100	4,256,079
TOTAL ASSETS		4,508,750	4,553,675
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	19.2	120,465	120,465
Retained earnings	21	1,461,383	1,123,623
General reserve		5,000	5,000
Revaluation reserve	20.1	4,831	4,831
Capital reserve	20.2	166	166
Total equity		1,591,845	1,254,085
LIABILITIES			
Non-current liabilities		-	-
Current liabilities			
Trade and other payables	11	2,804,218	2,992,769
Intercompany payables	12	30,210	33,184
Obligation under finance lease	17	-	3,113
Liabilities directly associated with discontinued operation	43.6	82,477	270,524
		2,916,905	3,299,590
Total liabilities		2,916,905	3,299,590
TOTAL EQUITY AND LIABILITIES		4,508,750	4,553,675
Contingent Liabilities	22	78,341	19,279
Commitments	23	35,368	18,632
Net Assets Value (NAV) per Share	42	132.14	104.10

1. Auditors' Report- Pages 1 to 8.

2. The accompanying notes 1 to 47 form an integral part of these financial statements.



Managing Director

Dhaka, 24 February, 2020



Director
Independent Auditors' Report
See our report of same date



Company Secretary
Hoda Vasi Chowdhury & Co
Hoda Vasi Chowdhury & Co
Chartered Accountants
Signed By
Showkat Hossain, FCA
Senior Partner

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

Taka in '000

	Note(s)	2019 Taka	2018 Taka
Continuing Operation			
Revenue	24	4,474,898	4,816,557
Cost of sales	25	(2,010,658)	(2,567,307)
Gross Profit		2,464,240	2,249,250
Operating Expenses			
Selling and distribution expenses	26	(990,476)	(815,351)
Administrative expenses	27	(322,046)	(254,377)
Other (expense) / income	28	(7,182)	3,683
Total		(1,319,704)	(1,066,045)
Profit from continuing operations		1,144,536	1,183,205
Finance income	29	168,653	117,167
Finance expense	30	(230)	(824)
Profit before WPPF & taxation		1,312,959	1,299,548
Contribution to WPPF	31	(60,401)	-
Profit before tax		1,252,558	1,299,548
Income tax expenses	33	(161,893)	96,874
Profit from continuing operations		1,090,665	1,396,422
Profit/(Loss) from discontinued operation	43.2	(104,930)	(2,031,901)
Profit for the period		985,735	(635,480)
Other comprehensive income net of tax			
Re-measurement of pension fund asset	18.3	(9,512)	(78,230)
Total other comprehensive income net of tax for the year		(9,512)	(78,230)
Total comprehensive income for the year		976,223	(713,709)
Profit for the year attributable to			
Setfirst Limited, UK	19.6	808,062	(521,094)
Non-Controlling Interest		177,673	(114,386)
		985,735	(635,480)
Earning per share for profit from continuing operation			
Basic Earnings per Share (EPS)	39	90.54	115.92
Earning per share for overall profit attributable to ordinary equity holders of the company			
Basic Earnings per Share (EPS)	41	81.83	(52.75)
1. Auditors' Report- Pages 1 to 8.			
2. The accompanying notes 1 to 47 form an integral part of these financial statements.			


Managing Director

Dhaka, 24 February, 2020


Director
Independent Auditors' Report
See our report of same date


Company Secretary
Hoda Vasi'chay & Co
Hoda Vasi Chowdhury & Co
 Chartered Accountants
 Signed By
 Showkat Hossain, FCA
 Senior Partner

Statement of Changes In Equity

For the year ended 31 December 2019

Taka in '000

Particulars	Note(s)	Share Capital	Revaluation Reserves	Capital Reserves	General Reserves	Retained Earnings	Total equity
Balance at 01 January 2018		120,465	6,702	166	5,000	2,498,017	2,630,350
Net profit after tax						(635,480)	(635,480)
Other comprehensive income						(78,230)	(78,230)
Cash dividend for 2017						(662,555)	(662,555)
Adjustment of depreciation on revalued assets during the year			(1,871)			1,871	-
Balance at 31 December 2018		120,465	4,831	166	5,000	1,123,623	1,254,085
Balance at 01 January 2019		120,465	4,831	166	5,000	1,123,623	1,254,085
Net profit after tax						985,735	985,735
Other comprehensive income						(9,512)	(9,512)
Cash dividend for 2018						(638,463)	(638,463)
Balance at 31 December 2019		120,465	4,831	166	5,000	1,461,383	1,591,845

1. Auditors' Report- Pages 1 to 8.

2. The accompanying notes 1 to 47 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Statement of Cash Flows

For the year ended 31 December 2019

		Taka in '000	
	Note(s)	2019 Taka	2018 Taka
A. Cash flows from operating activities			
Cash receipts from customers		4,678,675	6,546,350
Payment for cost and expenses		(3,751,880)	(5,928,345)
Other income		4,626	7,324
Cash generated from operations		931,421	625,329
Interest received		86,343	124,021
Interest paid on finance lease		(230)	(824)
Income tax paid		(19,628)	(209,675)
		66,485	(86,478)
Net cash provided by operating activities	37	997,906	538,851
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(18,726)	(24,720)
Sales proceeds of property, plant & equipment		38,360	45,526
Net cash from in investing activities		19,634	20,806
C. Cash flows from financing activities			
Dividend paid		(638,463)	(662,555)
Finance lease paid		(3,113)	(3,289)
Net cash used by financing activities		(641,576)	(665,844)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		375,964	(106,187)
E. Cash and cash equivalents at beginning of the year		3,419,507	3,526,422
F. Effect in foreign exchange rate on cash & cash equivalent		551	(728)
G. Cash and cash equivalents at end of the year (D+E+F)		3,796,022	3,419,507
Represented by			
Term deposits		3,200,000	3,100,000
Current account with scheduled commercial banks		596,022	319,230
Cash in hand		-	277
		3,796,022	3,419,507
Net Operating Cash Flows Per Share (NOCFPS)	38	82.84	44.73


Managing Director


Director


Company Secretary

Notes to the Financial Statements

For the year ended 31 December 2019

1 The Company and its nature of business

1.01 The Company

GlaxoSmithKline Bangladesh Ltd. (the Company) was incorporated on 25 February 1974 as a public limited company and is listed with Dhaka Stock Exchange Limited. The Company is a subsidiary of GlaxoSmithKline Plc, UK through its fully owned subsidiary Setfirst Limited, UK.

1.02 Nature of business

The principal activities of the Company throughout the year continued to be manufacturing and marketing of consumer healthcare products including Health Food Drink, Glucose Powder, Paste and Brush. Health Food Drink and Glucose Powder are manufactured in Bangladesh through third party under contract exclusively working for the Company. Paste and Brush are imported through Burroughs Wellcome & Co. (Bangladesh) Ltd. which is a related party of the Company.

2 Basis of preparation of Financial Statements

2.01 Principal accounting policies

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with IAS 1, Presentation of Financial Statements. The previous year's figures were re-arranged according to the same accounting policies. Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1, Presentation of Financial Statements.

2.02 Application of standards

The following IASs and IFRSs are applicable for the preparation and presentation of these Financial Statements for the year under review.

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effect of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 33	Earnings per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contract with Customers
IFRS 16	Lease

2.03 Going Concern

The Financial Statements have been prepared on a going concern basis. The Company reviews its resources available for continuing operation to assess its financial strength. As at end of December 2019, the Management concluded that the Company has adequate resources to continue its operation in foreseeable future. Therefore, the Financial Statements have been prepared on going concern basis.

2.04 Financial Statements

2.04.1 Composition

The Financial Statements comprise of:

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information

2.04.2 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial

Reporting Standards (IFRSs) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and the relevant requirements of the Schedule to the Securities & Exchange Rules, 1987, the Listing Regulations of Dhaka Stock Exchange Limited, 1996, Companies (#18) Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax and Supplementary Duties Act 2012, Value Added Tax and Supplementary Duties Rules 2016 and Other rules and regulations applicable for this Company.

2.04.3 Financial period

This Financial Statements cover the financial year from 01 January to 31 December 2019, with comparative figures for the financial years from 01 January to 31 December 2018.

2.05 Basis of measurement

These Financial Statements have been prepared on accrual basis except Statement of Cash Flows under the 'historical cost' convention except for certain fixed assets which were revalued in 1978.

2.06 Functional and presentation currency

These Financial Statements are presented in Bangladesh Taka which is the functional and presentation currency. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

2.07 Use of estimates and judgments

The preparation of Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that influence the application of accounting and reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and result may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the significant effect on the amounts recognized

in the Financial Statements are mentioned below:

	Policy	Note
Property, Plant & Equipment-Valuation	3.01.1	4
Property, Plant & Equipment-Depreciation	3.03.1	4
Valuation of Inventories	3.04	6
Deferred Tax	3.06	14
Impairment of Property, Plant & Equipment	3.02	4
Employee Benefit liabilities	3.05	18
Amortisation	3.03.1	5

3 Summary of significant accounting policies

3.01.1 Property, Plant and Equipment (PPE)

Recognition and measurements

Property, Plant and Equipment is stated at cost or valuation less accumulated depreciation and impairment.

Effective from January 2013, all personal computers (Desktop, Laptop, Note Book, Monitor) are charged off as revenue expenditure. PCs purchased up to 31 December 2012 were capitalized and will continue to be depreciated over the remaining useful life of the PCs.

Maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

3.01.2 Intangible assets

Intangible assets represent cost incurred for acquiring and developing computer software for Enterprise Resources Planning (ERP) of the company where the software supports a significant business system and the expenditure leads to the creation of a durable asset. ERP system software generally involves significant customization prior to implementation and is expected to have a useful economic life of eight years.

3.02 Impairment of PPE & Intangible

The carrying values of all PPE are reviewed for impairment on annual basis to assess whether there is any indication that the assets might be impaired. Any provision for impairment is charged to the Statement of Profit or Loss and Other Comprehensive Income in the year concerned.

3.03.1 Depreciation

Depreciation is provided on straight line method at the annual rates shown below and leasehold land is amortized annually in such a manner that at the end of the period of lease, the land is fully amortized:

Category of PP&E	Rate (%)
Freehold buildings	2.5
Leasehold land	2.5
Plant and machinery	5, 10 & 33.33
Furniture, fixtures and equipment	10, 12.5 & 15
Computers	25, 33.33 & 100
Vehicles	25

Depreciation on additions made during the year is charged from the date in which the newly acquired assets are ready for use in operation. Depreciation on disposal of Property, Plant and Equipment is made up to the date prior to the disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

3.03.2 Amortization of intangible assets

Amortization is calculated to write off the cost of the intangible assets, using the straight-line method, over their expected useful lives. The normal expected useful life of any computer software is as follows:

Category of PPE	Years
Commercial ERP	8
Software other than ERP	7

3.04 Basis of valuation of inventories

Inventories are measured at the lower of cost and net realizable value (NRV) under IAS 2. If the NRV falls below cost, the inventory is written down to its recoverable amount and charged to Statement of Profit or Loss and Other Comprehensive Income.

The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.05 Employee Benefits

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided

by the employee and the obligation can be estimated reliably.

Worker's Profit Participation Fund (WPPF)

The Company provides 5% of its profit before charging such expense as worker's profit participation fund in accordance with "The Bangladesh Labor Act 2006" (as amended in 2013).

3.05.1 Gratuity fund:

The Company operates a funded gratuity scheme named GlaxoSmithKline Bangladesh Ltd. Employees' Gratuity Fund with effect from 1st July 2018 after getting the approval from National Board of Revenue (NBR). The company contributes to the fund as per the GlaxoSmithKline Bangladesh Ltd. Employees' Gratuity Fund Trust deed and rules approved by NBR.

The Gratuity fund is for non management employees and any other employee who might be part of any future voluntary retirement scheme as per the gratuity fund trust deed & rule. There was no non management employee in 2019 and the company does not have intention of offering any voluntary retirement scheme in foreseeable future.

3.05.2 Pension fund:

The Company has a recognized pension fund which is operated for its eligible permanent management staff who joined on or prior 1 September 2012. The fund has been closed to new entrants since then.

The fund received contributions from the company up to May 2019. Subsequently the Trustee Board decided to close the fund by settling the dues to existing pensioners. Actuarial valuation was performed in May 2019 to calculate the liability of each individual member of the Fund and consent letters were obtained from the pensioners.

3.05.3 Provident fund:

The Company maintains contributory recognized provident funds for its eligible permanent employees.

3.06 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.06.1 Current tax

Provision for current year's taxation is based on the elements of income and expenditure as reported in the Financial Statements and is computed in accordance with the provisions of the Finance Act 2019/Ordinance (Income Tax Ordinance and Income tax Rules).

3.06.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.07 Foreign currencies translation/transaction

Foreign currency receipts and payments during the year are translated at the exchange rate ruling on the transaction date. However, assets and liabilities at the reporting date are converted at the rate existing on that date.

3.08 Revenue from Contracts with Customers

Revenue is recognized when invoice for products and service are made and the significant risk and reward of ownership are transferred to the distributor, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model has been complied in case of revenue recognition.

The five step model consists of:

1. Identification of contract(s) with a customer
2. Identification of performance obligation
3. Determination of transaction price
4. Allocation of transaction price to separate performance obligations
5. Recognition of revenue when entity satisfies performance obligations

3.09 Leases

Leases are classified as finance leases and leasehold land. Leasehold land is with Khulna Development Authority for 99 years. Vehicles were purchased through the finance lease from IDLC. In the current year the finance lease has been totally settled and no liabilities to the Company exists.

3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Financial Statements in the period in which the dividends are approved by the Company's Annual General Meeting.

3.11 Earnings per Share (EPS)

The Company calculates its Earnings per Share in accordance with International Accounting Standards (IAS-33) which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.11.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.11.2 Basic Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.11.3 Diluted Earnings per Share

During the year, no diluted Earnings per Share is required to be calculated per year, as there was no scope for dilution.

3.12 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Financial Statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.13 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.14 Discontinued operation

Pharmaceutical segment of the company has been identified as discontinued operation and financial statements have been prepared in accordance with IFRS 5 where applicable.

3.15 Accrual, provision and contingent liability

Accruals and provision and contingent liabilities have been recognized according to IAS 37: Provision, Contingent Liabilities and Contingent Assets.

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance

4.3 The following Property, Plant & Equipment were disposed off during the year

Items	Cost In Taka'000	Accumulated depreciation & Impairment	Carrying value In Taka'000	Sale proceeds In Taka'000	Profit/(Loss) on disposal Taka'000	Mode of disposal	Particulars of purchasers
Buildings	653	248	405	0	(405)	Company Policy	Write off
Plant & Machinery	52,501	52,243	258	3,211	2,953	Auction	Third Party
Furniture, Fixtures and Equipment	442,864	443,690	(826)	11,727	12,553	Auction	Third Party
Vehicles	47,567	34,404	13,162	23,422	10,260	Company Policy	Management Staff
2019	543,585	530,585	12,999	38,360	25,361		
2018	108,700	90,976	17,724	45,526	27,802		
				Notes	28.1 & 43.4		

5. Intangible Assets

5.1 Statement of Intangible Assets

Taka in '000

	2019													Carrying value As at 31 Dec
	Gross book value at cost / valuation				Amortization				Impairment					
	Opening	Additions	Disposals/ Transfers	Closing	Opening	Charged	Disposals	Closing	Opening	Charged	Disposals	Closing		
At cost														
Manufacturing ERP Software	7,654	-	-	7,654	7,654	-	-	7,654	-	-	-	-	-	-
Commercial ERP Software (*)	54,520	-	-	54,520	10,438	2,590	-	13,028	27,465	-	-	27,465	14,028	14,028
2019	62,174	-	-	62,174	18,092	2,590	-	20,682	27,465	-	-	27,465	14,028	14,028
													Notes :	14
2018	62,330	-	-	62,330	10,692	7,556	-	18,248	-	27,465	-	27,465	16,617	16,617
									Notes:	43.5				

(*) Commercial ERP Software (CERPS) (Assuming 62% related to Pharmaceutical operation) have been impaired in 2018 due to closure of pharmaceutical operation in 2018.

5.2 The amortization charge has been allocated to

	Note	2019	2018
Administrative expenses	27	2,590	2,068
Discontinued operation	43.5	-	5,488
		2,590	7,556

		Taka in '000	
		As at 31 December	
	Note (s)	2019	2018
6	Inventories (see Note 3.04)		
	Finished goods	11,501	21,515
	Raw and packing materials	-	230
		11,501	21,745
7	Trade and other receivables		
	Trade receivables-unsecured considered good	391,373	426,494
	Accrued interest on FDR	101,083	18,773
		492,456	445,267
8	Intercompany receivables		
	Receivable from SmithKline Beecham Bangladesh (Pvt.) Ltd	833	-
		833	-
9	Advances, deposits and prepayments		
	Advance to employees	5,274	5,710
	Prepayments	21,194	92,040
	Security deposits (*)	2,368	2,469
		28,836	100,219
	* Security deposits have been paid for rent and utility services.		
9.1	Prepayments		
	Vendor advance	15,933	19,246
	Insurance premium	2,086	2,350
	LC opening charges	496	-
	International Club subscription	800	-
	VAT Current A/C receivable	1,879	70,444
		21,194	92,040
10	Cash and cash equivalents		
	Term deposits	3,200,000	3,100,000
	Current account with scheduled commercial banks	596,022	319,230
	Cash in hand	-	277
		3,796,022	3,419,507
	Cash and cash equivalent represents cash in hand, cash at bank and short term FDR in 9 instruments with HSBC. The cash and cash equivalent are ready for use without any restriction.		
11	Trade and other payables		
	Trade payables	1,655,320	1,831,580
	Provision	879,859	984,859
	Withholding tax payable	14,252	28,974
	Expenses and other finance	231,633	137,906
	VAT Payable	13,014	-
	Unclaimed dividend payable	10,140	9,450
		2,804,218	2,992,769
11.01	Provision		
	Provisions for contract manufacturing	587,891	692,891
	Provisions for distributor's claims	291,968	291,968
		879,859	984,859
	Provision for contract manufacturing		
	As GSK engages in contract manufacturing, the company agrees to cover for probable claims, including control lapses, arising from such arrangement. GSK standing on the prudent side, makes suitable provisions to cover such claims.		
	Provision for distributor's claims		
	The agreement between GSK and the distributor requires GSK to give protection to its distributors from certain losses, if arise. Out of a notice from the distributor indicating a probable claim this provision was made.		
12	Intercompany payables		
	Intercompany payables	30,210	33,184
		30,210	33,184
13	Current tax liabilities/(assets)		
	Opening balance	(46,254)	118,619
	Charge during the year	48,547	44,802
		2,293	163,421
	Paid during the year	(19,628)	(209,675)
	Closing balance	(17,335)	(46,254)

	Taka in '000		
	As at 31 December		
	Carrying amount on reporting date	Tax base	Taxable temporary difference/ (Deductible temporary difference)
14 Deferred tax liability			
Year 2019			
Deferred tax relating to items of profit or loss			
Property, Plant and Equipment (Notes - 4 & 5)	114,735	263,998	(149,263)
Provision for pension fund Note: 18.2	142	-	142
Net taxable temporary difference			(149,121)
Applicable tax rate			25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)			(37,280)
Deferred tax liability relating to items of profit or loss at the beginning of the year			150,626
Deferred tax expense/ (income) recognized in profit or loss			113,346
Deferred tax asset relating to items directly recognized in other comprehensive income			
Actuarial gain/ (loss) directly recognized in other comprehensive income	(116,989)	-	(116,989)
Applicable tax rate			25%
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the end of the year			(29,247)
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the beginning of the year (b)			-
Deferred tax income recognized in other comprehensive income (b)			26,076
Deferred tax income recognized in other comprehensive income (b)			(3,171)
Net Deferred tax (assets) / liability (a+b)			(40,451)
Year 2018			
Deferred tax relating to items of profit or loss			
Property, Plant and Equipment	125,693	427,527	(301,833)
Business Loss	-	116,022	(116,022)
Deferred tax asset relating to items directly recognized in other comprehensive income			(417,855)
Applicable tax rate			25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)			(104,464)
Deferred tax liability relating to items of profit or loss at the beginning of the year			37,213
Deferred tax expense/ (income) recognized in profit or loss			(141,677)
Deferred tax asset relating to items directly recognized in other comprehensive income			
Actuarial gain/ (loss) directly recognized in other comprehensive income	(104,306)	-	(104,306)
Applicable tax rate			25%
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the end of the year			(26,076)
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the beginning of the year (b)			-
Deferred tax income recognized in other comprehensive income			(20,085)
Deferred tax income recognized in other comprehensive income			(46,161)
Net Deferred tax (assets) / liability (a+b)			(150,625)

		Taka in '000	
		As at 31 December	
	Note(s)	2019	2018
15 Dividend			
Shareholding details		Final for 2018	Final for 2017
15.1 Dividend paid			
a. Setfirst Limited, UK			
GBP 4,385,887.98 [2017: GBP 4,228,177.74]		523,384	543,133
b. Investment Corporation of Bangladesh (ICB) & ICB Unit & ICB Mutual Fund		81,400	87,605
c. General Public		11,298	12,885
d. Shadharan Bima Corporation		4,051	4,204
e. Other local financial /securities companies		18,330	14,728
		638,463	662,555
15.2 Unclaimed - on account of Bangladeshi shareholders			
Prior year		746	482
Years prior to that		9,394	8,968
Total	11	10,140	9,450
16 Dividend per share			
Subsequent to the date of these financial statement the Board of Directors in their 292 nd Board meeting held on 24 th February 2020 recommended 530% cash dividend i.e Taka 53.00 per share of Tk. 10 each. The dividend is subject to approval by the shareholders in the upcoming 47 th Annual General Meeting to be held on 16 th April 2020.			
17 Obligations under finance lease			
Amount payable under finance lease:			
Within one year		-	3,343
In the second to fifth years inclusive		-	-
		-	3,343
Less : Future finance charge		-	230
Present value of lease obligations		-	3,113
		-	-
Less : Amount due for settlement within 12 months		-	3,113
Amount due for settlement after 12 months		-	-
18 Retirement benefit obligations/(assets)			
Gratuity	18.1	-	-
Net pension fund	18.2	(3,464)	(16,226)
		(3,464)	(16,226)
18.1 Gratuity			
Opening balance		-	62,831
Provision made during the year		-	465,907
Paid during the year		-	-
Transferred to Gratuity Fund Trustees Board		-	(528,738)
		-	(62,831)
Closing Balance		-	-
The Gratuity fund is for non management employees and any other employee who might be part of any future voluntary retirement scheme as per the gratuity fund trust deed & rule. As there was no non management employee in 2019 and the company do not have intention of offering any voluntary retirement scheme in foreseeable future, no expense was recognized in 2019.			

		Taka in '000	
		As at 31 December	
	Note(s)	2019	2018
18.2 Pension fund			
Net pension fund			
Defined benefit obligation (a)		823	234,939
Plan assets (b)		(4,287)	(251,165)
Net funded status		(3,464)	(16,226)
The actuarial valuation of pension fund was carried out at May 31, 2019. The Projected Unit Credit Method, using the following significant financial assumptions has been used for the actuarial valuation:			
		%	%
Discount rate		5	5
Expected rate of increase in salaries		7	7
Expected rate of return on plan assets		5	5
Age difference between member and spouse		10 years	3 Years
Movement in the of present value of defined benefit obligation			
Opening balance		234,939	365,381
Current service cost		559	(5,150)
Interest cost		4,895	34,944
Actuarial (gain)/ loss on obligations		7,294	85,108
Benefits paid		(246,864)	(245,344)
Present value of defined benefit obligation (a)		823	234,939
Opening balance		251,165	460,645
Expected return on plan assets		5,233	39,885
Actuarial gain/(loss)		(5,389)	(19,198)
Contribution by employer	14	142	15,177
Benefits paid		(246,864)	(245,344)
Fair value of plan assets (b)		4,287	251,165
18.3 Net actuarial gain/ (loss)			
Actuarial gain/ (loss) on obligations	18.2	(7,294)	(85,108)
Actuarial gain/ (loss) on fair value of plan assets	18.2	(5,389)	(19,198)
		(12,683)	(104,306)
Deferred tax on actuarial gain/ (loss)	14	3,171	26,076
		(9,512)	(78,230)
As per the last audited balance sheet of GlaxoSmithKline Bangladesh Ltd. Pension Fund as of 31 December, 2019, the total fund stands at Tk. 6,195 (Tk. '000) (2018: Tk. 320,865) (Tk. '000) represented by liquid cash balance and uncleared cheques.			
The fund has been closed to new entrants since 1 September 2012. Subsequently the Trustee Board decided to close the fund by settling the dues to existing pensioners. Actuarial valuation was performed to calculate the liability of each individual member of the Fund and consent letters were obtained from the pensioners. On the assumption that all the beneficiaries would accept the actuary determined value the leftover fund is Tk. 3.4 million. The company paid off the benefits to the all the pensioners that provided consent regarding winding off of the Fund.			

		Taka in '000 At 31 December	
		2019	2018
19	Share capital (Ordinary shares)		
19.1	Authorized		
	20,000,000 Shares of Tk 10 each	200,000	200,000
19.2	Issued, subscribed and fully paid - up		
	No of Shares		
	Issued for cash		
	350 Shares of Tk 10 each in 1974	4	4
	4,943,949 Shares of Tk 10 each as rights issue	49,440	49,440
	4,944,299	49,444	49,444
	Issued for consideration other than cash		
	3,787,650 Shares of Tk 10 each in 1974	37,876	37,876
	3,314,500 Shares of Tk 10 each as bonus issue	33,145	33,145
	7,102,150	71,021	71,021
	12,046,449	120,465	120,465

19.3 Position of shares holding

The composition of share holders at 31 December were:

	2019		2018		2019	2018
	% of Holdings	No. of Shares	% of Holdings	No. of Shares		
a. Setfirst Limited, UK	81.98%	9,875,144	81.98%	9,875,144	98,752	98,752
b. Investment Corporation of Bangladesh (ICB) & ICB Unit and Mutual Funds	12.68%	1,527,581	12.75%	1,535,644	15,276	15,356
c. General public	1.97%	237,004	2.35%	283,341	2,370	2,834
d. Sadharan Bima Corporation	0.63%	76,437	0.63%	76,437	764	764
e. Other local institutions	2.74%	330,283	2.29%	275,883	3,303	2,759
	100%	12,046,449	100%	12,046,449	120,465	120,465

19.4 Classification of shareholders by holding:

Holdings	Number of holders		Total holdings%	
	2019	2018	2019	2018
Less than 500 shares	1,166	1,566	0.63	0.77
500 to 5,000 shares	111	90	1.28	1.11
5,001 to 10,000 shares	7	15	0.43	0.88
10,001 to 20,000 shares	8	6	0.88	0.68
20,001 to 30,000 shares	3	3	0.57	0.62
30,001 to 40,000 shares	3	2	0.84	0.56
40,001 to 50,000 shares	1	1	0.39	0.39
50,001 to 1,00,000 shares	2	2	1.43	1.43
100,001 to 1,000,000 shares	2	2	3.06	3.06
Over 1,000,000 shares	2	2	90.50	90.50
	1,305	1689	100.00	100.00

19.5 No. of shares held by the members of the Company Executive Committee :

	No. of shares	
	2019	2018
No. of shares held by the members of the Company Executive Committee	-	3

19.6 Profit attributable to

	Percentage	2019	2018
Setfirst Limited, UK	81.98%	808,062	(521,094)
Non-Controlling Interest	18.02%	177,673	(114,386)
	100.00%	985,735	(635,480)

		Taka in '000	
		As at 31st December	
	Note(s)	2019	2018
20 Reserves			
20.1 Revaluation reserve			
Opening balance		4,831	6,702
Transfer for depreciation charged including impairment		-	(1,871)
Closing balance		4,831	4,831
The balance represents surplus arising from the revaluation of fixed assets carried out in 1978. No depreciation charged on Land.			
20.2 Capital reserve			
Opening balance		166	166
Provided during the year		-	-
		166	166
Adjusted during the year		-	-
		166	166
This is the balance of surplus of assets over liabilities as at 28 February 1974 after issue of shares there against.			
21 Retained earning			
Opening Balance		1,123,623	2,498,017
Net profit after tax transferred from Income statement		985,735	(635,480)
Other comprehensive income	18.3	(9,512)	(78,230)
Final dividend	15.1	(638,463)	(662,555)
Adjustment of depreciation on revalued assets during the year			1,871
Closing balance		1,461,383	1,123,623
Retained earnings include capital gain, net of tax of Tk. 191,491 thousand arising out of disposal of Bogra, Chittagong and Dhaka properties. This is not remittable until the Bangladesh Bank's restriction thereon is waived.			
22 Contingent liabilities			
a. Guarantees issued by the Company's scheduled bank to third parties on counter - indemnities given by the Company against the bank's limit of Tk. 20 million.			
Less than 1 year		14	1,771
1 to 5 years		579	583
		593	2,354
b. Excise duty on sale of certain quantity of Mycil powder effected after 10 September 1981 which would be payable if the case presently pending with the hon'ble High Court Division of the Supreme Court of Bangladesh is decided against the Company.			
		873	873
c. The income tax authority imposed total demand of Tk 16.05 million for the assessment years 2005-06 and 2006-07. The Company does not accept such demand as its obligations. Reference applications have been placed before the High Court Division against the decision of the Taxes Appellate Tribunal.			
		16,052	16,052
d. The chattagram local VAT authority imposed total demand of Tk 6,08,22,774 for the audit year 2010-11 as short fall of payment of VAT on sales.			
		60,823	-
		78,341	19,279
23 Commitments			
a. Capital expenditure			
Contracted but not provided for in these accounts		-	-
Authorized but not contracted		-	-
b. L/C outstanding			
		35,368	18,632
		35,368	18,632

Taka in '000

	Unit	Quantity		2019 Taka	2018 Taka
		Quantity		Quantity	
		2019	2018	2019	2018
24 Revenue (Note 1.2 & 3.8)					
Powder Product	Ton	7,395	8,244	4,041,780	4,545,430
Oral Product	Thousand	4,170	2,761	433,118	271,127
				4,474,898	4,816,557
Revenue represents product invoiced during the year to customers net of value added tax, rebates, all discounts and commission.					
25 Cost of sales				2019	2018
Opening stock of finished goods					
Manufactured products				6,423	25,318
Imported products				15,093	22,884
				21,516	48,202
Manufactured during the year			25.1	1,789,812	2,366,573
Imported during the year				210,830	174,048
				2,000,642	2,540,621
Closing stock of finished goods					
Manufactured products				18	6,423
Imported products				11,482	15,093
				11,500	21,516
Cost of sales				2,010,658	2,567,307
Cost of sales has improved mainly contributed by positive price variances and reversal of some prior provisions which was made in 2018 in view of restructuring and manufacturing model change.					
25.1 Cost of products manufactured during the year					
Raw materials consumed					
Imported				1,128,902	1,726,845
Indigenous				35,722	40,399
Packing material - indigenous				295,950	343,156
Manufacturing overhead			25.2	329,238	256,173
				1,789,812	2,366,573
25.2 Manufacturing overhead					
Conversion cost				292,615	213,831
Salary & wages				32,428	26,083
Depreciation				4,195	13,671
Others expenses				-	2,588
Total			25.1	329,238	256,173
26 Selling and distribution expenses					
Salaries, wages and welfare				195,248	183,648
Retirement benefit expense				3,955	3,944
Fuel and utilities				2,556	2,551
Insurance				425	521
Depreciation & amortisation			4	2,340	3,664
Rents, rates and taxes				1,826	3,109
Travel, training and conference				45,669	42,074
Entertainment				2,207	893
Motor running expenses				8,401	7,719
Information and communication expenses				5,006	9,219
Advertisement and promotion				722,843	558,009
				990,476	815,351

Taka in '000

	Note(s)	2019 Taka	2018 Taka
27 Administrative expenses			
Salaries, wages and welfare		230,411	155,068
Retirement benefit expense		3,145	2,830
Fuel and utilities		3,550	2,420
Repairs and maintenance		7,576	11,391
Insurance		3,477	1,550
Depreciation & amortisation	4 & 5	15,203	11,371
Rents, rates and taxes (*)		28,177	33,188
Travel, training and conference		12,667	11,885
Entertainment		13	18
Motor running expenses		2,154	3,691
Information and communication expenses		3,957	3,995
Directors' fee		570	270
Professional fees and consultancy fees		9,352	15,213
Auditor's remuneration	27.1	670	670
Advertisement and promotion		1,124	817
		322,046	254,377
* Rent, rates and taxes include Subscription and Membership fees			
27.1 Auditors' remuneration			
Audit fee		600	600
Audit of provident, pension and workers' profit participation & welfare funds and special certifications		70	70
		670	670
28 Other expense / (income)			
Other income	28.1	1,822	3,520
Other expenses	28.2	(9,004)	163
		(7,182)	3,683
28.1 Other income			
Profit on sales of PPE		1,226	3,520
Scarp sales		596	-
	28	1,822	3,520
28.2 Other expenses			
Realized & unrealized exchange (gain)/loss		786	(163)
Professional fees and consultancy fee		8,218	
	28	9,004	(163)
Professional fees and consultancy fees includes restructuring project related expenses. Considering the one-off nature, it has been presented in Other expense. Exchange loss/ (gain) includes realized and unrealized exchange gain or loss.			
29 Finance income			
Term deposit and special notice deposit		168,567	116,939
Housing loan to employees		86	228
		168,653	117,167
30 Finance expenses			
Bank overdraft		-	100
Leasing		230	724
		230	824
31 Contribution to WPPF			
Profit before taxation & WPPF		1,312,959	1,299,548
Profit/(Loss) from discontinued operation		(104,930)	(2,031,901)
Profit before contribution to WPPF and Income Tax		1,208,029	(732,354)
WPPF (5 % of Profit before to WPPF and Income Tax)		60,401	-

Taka in '000

	Continuing Operation		Discontinued Operation		Total
	Note(s)	BDT '000	Note(s)	BDT '000	
32 Computation of total Income Tax liability					
Profit from operation		1,144,536		-	1,144,536
Less: Accounting profit on sale of fixed assets for separate consideration	28.1	(1,226)	43.4	(24,135)	(25,361)
		1,143,310		(24,135)	1,119,175
Less: Fiscal loss on sale of fixed assets		-		(100,290)	(100,290)
		1,143,310		(124,425)	1,018,885
Less: Other income					
Cost reimbursement		-	43.5	25,121	25,121
Scrap sales and other income	28.1	596		-	596
Interest income	29	168,422		-	168,422
		(169,018)		(25,121)	(194,139)
		974,292		(149,546)	824,746
Add: Inadmissible expenses as per provision of law:					
Accounting depreciation for separate consideration	4, 5	21,739		-	21,739
Excess perquisites as per section 30(e)		154,668		-	154,668
Overseas travelling for separate consideration	40	2,615		-	2,615
Entertainment expense for separate consideration	26 & 27	6,164		-	6,164
Free sample for separate consideration	26	16,473		-	16,473
Subscriptions for separate consideration	27	1,733		-	1,733
Provision for pension fund for separate consideration	18.2	5,233		-	5,233
		208,625		-	208,625
		1,182,917		(149,546)	1,033,371
Less: Admissible expenses as per provision of law:					
Overseas travelling as per section 30(k)		2,615		-	2,615
Free sample as per rule 65C		11,687		-	11,687
Fiscal depreciation as per 3rd schedule		45,946		-	45,946
Subscriptions expense allowable as per section 29(1)(xxvi)		197		-	197
		(60,445)		-	(60,445)
Profit before charging entertainment expense		1,122,472		(149,546)	972,926
Less: Entertainment expense allowable as per rule 65	26 & 27	(6,164)		-	(6,164)
Total income from business and profession		1,116,308		(149,546)	966,762
Less: Set off of last year loss					(932,148)
					34,614
Less: Set off of unabsorbed depreciation					(34,614)
Income from business and profession					-
Add: Other income					
Cost reimbursement					25,121
Scrap sales and other income					596
Interest income					168,422
Total taxable income during the year					194,139
a. Tax @ 25%					48,547
Minimum tax calculation					
Gross receipts		Taka			
Sales excluding export sales		4,474,898			
scrap sales and others income		594			
Finance income		168,474			
Cost reimbursement		25,121			
Proceeds from sale of fixed assets		38,222			
		4,707,309			
b. Minimum tax @ 0.60% of gross receipts as per section 82C (4) (b)(i) of ITO 1984					28,244
c. Tax deducted at source as per section 82 (C) & sub section 2(a)					15,152
Applicable Income tax expenses (higher of a or b or c)					48,547

		Taka in '000		
		Note(s)	2019 Taka	2018 Taka
33	Income tax expense			
	Current tax	32	48,547	44,803
	Deferred tax	14	113,346	(141,677)
			161,893	(96,874)

34 Remuneration of Directors, Managers and Officers

		2019			2018		
		Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
	Remuneration	88,139	364,577	452,716	71,716	748,821	820,537
	Housing:						
	Rent	7,105	40,102	47,207	5,175	98,432	103,607
	Utilities	1,374	3,146	4,520	1,220	7,442	8,662
		8,479	43,248	51,727	6,395	105,874	112,269
	Contribution to retirement benefit scheme	773	16,669	17,442	810	34,158	34,968
	Leave passage	1,203	12,783	13,986	3,620	16,936	20,556
	Medical	345	14,405	14,750	373	44,004	44,377
	Other	506	6,438	6,944	496	6,438	6,934
	Total	99,445	458,120	557,565	83,410	956,231	1,039,641
	Number	4	175	179	4	622	626

34.1 The Company based on respective employment terms having specified limits provides the following benefits :

- i. Directors : The expatriate Managing Director was provided with free furnished accommodation and a chauffeur driven full time vehicle. Executive Directors were provided with a full time vehicle with driver's costs and certain house furniture and equipment or applicable allowance.
- ii. The number of employees (including the Executive Directors) reflected is the average number of employees engaged during the year. Upon closure of pharma business in 2018, average number of employees significantly reduced during the year.
- iii. One Non-Executive Director appointed as Chairman of the company in 2019 and his remuneration was also reflected under Director's remuneration which was not in 2018.
- iv. All the managers, in defined grades, are provided with full time car and certain house furniture and equipment.

35 Number of employees engaged

The company employed a weighted average of 210 (2018 : 771) permanent employees and a varying number of casual & temporary workers throughout the year. As at 31 December 2019, 155 permanent employees were engaged. All permanent employees received total remuneration in excess of Tk. 36,000 per annum.

36 Related Party Disclosures

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosure.

Taka in '000

Name of the party	Nature of Transaction	Nature of Relationship	Purchase or Sales of Goods	Rendering or Receiving of Services/ Reimbursement of expenses	Transaction Value Receivable/ (Payable)
GlaxoSmithKline Services Unlimited, UK	Inter Company Services/ Fees, Meeting, Training and Seminar	GSK Group Company	-	12,661	2,982
GlaxoSmithKline Biologicals S. A, Belgium	Import of Finished Products, Promotional Allowance and Service Fee	GSK Group Company	-	16,324	-
GlaxoSmithKline Export Ltd., UK	Import of Raw materials and Finished Products and Promotional Allowance	GSK Group Company	-	-	-
GlaxoSmithKline LLC, USA	Inter Company Services/ Fees and Others	GSK Group Company	-	-	-
GlaxoSmithKline Research & Development Limited, UK	Inter Company Services/ Fees and Others	GSK Group Company	-	-	-
SmithKline Beecham Bangladesh (Pvt.) Limited (Note-8)	Inter Company Services (Note-12)	GSK Group Company	-	833	(29,377)
Burroughs Wellcome & Co. (Bangladesh) Ltd.	Purchased of Finished Goods	GSK Group Company	241,030	-	-
GlaxoSmithKline Consumer Healthcare, India	Import of Raw materials and Finished Products	GSK Group Company	-	-	-
GlaxoSmithKline Trading Services Ltd, UK	Inter Company Export Sales and partial reimbursement of pharmaceutical closure cost	GSK Group Company	-	-	-

	Note(s)	Taka in '000 As at 31 December	
		2019 Taka	2018 Taka
37 Reconciliation of net operating cash flow			
Profit after tax		985,735	(635,480)
Income tax expense	33	161,893	(96,874)
Finance income	29	(168,653)	(117,167)
Finance expense	30	230	824
Profit before interest and taxes		979,205	(848,697)
Adjustment for:			
Depreciation and amortization	4 & 5	21,739	120,470
Impairment		-	501,670
(Gain)/Loss on sale of fixed assets	4.3	(25,361)	(27,802)
Actuarial loss	18.2	(12,683)	(104,306)
		(16,305)	490,032
Net cash flow before changes in working capital		962,900	(358,664)
Changes in:			
Inventory	6 & 41	49,585	859,446
Trade and other receivables		311,523	299,388
Trade and other payables		(392,586)	(174,841)
		(31,478)	983,993
Cash generated from operating activities		931,422	625,329
Interest received		86,342	124,021
Interest paid on finance lease		(230)	(824)
Income tax paid	13	(19,628)	(209,675)
Net cash generated by operating activities		66,484	(86,478)
Net cash provided by operating activities		997,906	538,850
38 Net operating Cash Flows per share			
Net cash from operating activities (a)		997,906	538,851
Weighted average number of ordinary shares (b) ('000)		12,046	12,046
Net operating Cash Flows per share (a/b)		82.84	44.73
Clarification on significant changes in Net-Operating Cash Flow per Share (NOCFPS)			
The sharp rise in NOCFPS (85%) in 2019 has been driven by significant reduction in loss from discontinued operation as compared to 2018. Pharmaceutical operation was closed in third quarter of 2018 which led to significant cash outflow related to severance payment and decommissioning of the factory. Advance tax payment in 2018 contributed to lower tax payment in 2019. Cost saving measures taken to reduce cost of goods sold and efficient receivable collection also improved net operating cash flow.			
39 Earning per Share for profit from continuing operation			
Profit from continuing operations (a)		1,090,665	1,396,422
Weighted average number of ordinary shares (b) ('000)		12,046	12,046
Basic Earnings per Share		90.54	115.92
40 Expenditure incurred in foreign currency			
Foreign travel for the Company's business		2,615	9,934
		2,615	9,934

		Taka in '000 As at 31 December		
		Note(s)	2019	2018
41	Earnings per Share from overall operation			
	There is no dilutive effect on the basic Earnings per Share of the Company, which is based on:			
	Profit for the year (a)		985,735	(635,480)
	Weighted average number of ordinary shares ('000) (b)		12,046	12,046
	Basic Earnings per Share (Taka) (a/b)		81.83	(52.75)
	Diluted Earnings per Share (Taka)			
	No Diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under required.			
	Clarification on significant changes in Earnings per Share (EPS)			
	In 2019 the company observed a 95% drop in loss from discontinued operation and 10% growth in gross profit (contributed by lower COGS). In the year 2018, significant loss was incurred for severance payment to employees and decommissioning of factory. These were done to ensure smooth closure of pharmaceutical operations.			
	The company engaged in several cost saving activities to reduce the cost of goods sold in the year. Consequently, EPS for the year ended 31 December 2019 has increased in comparison to that of 31 December 2018.			
42	Net Assets Value (NAV) per Share			
	Total assets		4,508,750	4,553,675
	Total liabilities		(2,916,905)	(3,299,590)
	Net assets (a)		1,591,845	1,254,085
	Weighted average number of ordinary shares ('000) (b)		12,046	12,046
	Net Assets Value (NAV) per Share (a/b)		132.14	104.10
	Clarification on significant changes in Net Asset Value (NAV) per Share			
	The number of shares were same in both years. In the year 2018, significant loss was recognized, resulting in significant reduction in Shareholders' Equity as on 31 December 2018. Lower dividend payment and lower other comprehensive income related to re-measurement of retirement fund further increased shareholders equity in 2019. Consequently the Net Asset Value increased by 26.93%			

Taka in '000

43	Discontinued operation	Note(s)	2019 Taka	2018 Taka
43.1	Description			
	In July 2018 the Board of Directors proposed to close the manufacturing and commercial operations of the pharmaceutical business of GSK Bangladesh Ltd. Subsequently the proposal was approved at the Extra Ordinary General Meeting held in 14 th October 2018 to be effective immediately.			
43.2	Financial performance and cash flow information			
	The financial performance and cash flow information presented are for the year ended 31 December 2019 and the year ended 31 December 2018.			
	Revenue	43.3	-	1,519,915
	Other income	43.4	37,169	31,444
	Cost and expenses	43.5	(142,099)	(3,583,260)
	Profit/(Loss) before income tax		(104,930)	(2,031,901)
	Profit/(Loss) from discontinued operation		(104,930)	(2,031,901)
	Net Cash flow from operating activities		(110,175)	(404,752)
	Net Cash flow from investing activities		24,135	19,436
	Net Cash flow from financing activities		-	-
	Net increase in cash generated by discontinued operation		(86,040)	(385,316)
	Income tax on discontinued operation has been considered under the note 32.			
43.3	Revenue			
	Local		-	1,493,586
	Export		-	26,329
	Total		-	1,519,915
43.4	Other income			
	Profit on disposal of Property, Plant & Equipment	4.3	24,135	24,282
	Scrap sales and other income		13,034	7,162
			37,169	31,444
43.5	Cost and expenses			
	Cost of sales excluding overhead		94,236	1,376,759
	Employee benefit including severance pay		42,791	1,174,870
	Depreciation, amortization and impairment	4 & 5	-	593,435
	Repair maintenance and other expenses		(7,096)	190,552
	Travel and conference		3,282	49,862
	Promotional and distribution expenses		(388)	178,381
	Professional and consultancy fees		2,170	25,430
	Rent and office expenses		8,340	57,802
	Promo Support		(1,237)	(63,830)
			142,099	3,583,260
	The above note includes the expenses directly associated with the Pharmaceutical operation as well as the incremental expenses related to the closure of the same. Severance pay of Tk. 1,774,201 thousands has been accrued which has been netted of against the partial reimbursement of Tk. 1,317,600 thousands by the Group, GSK Trading Services Ltd.			
43.6	Assets and liabilities related to discontinued operation			
	The following assets and liabilities were related to the discontinued operation as at 31 December 2019			
	Asset related to discontinued operation			
	Inventories		-	39,340
	Trade and other receivables	43.6.2	3,117	183,747
	Total asset related to discontinued operation		3,117	223,087
	Liabilities related to discontinued operation			
	Trade and other payables	43.6.3	82,477	270,524
	Obligation under finance lease		-	-
	Total liabilities related to discontinued operation		82,477	270,524
			(79,360)	(47,437)

43.6.1 Inventory			
Raw materials		-	39,340
Finished goods		-	-
		-	39,340
43.6.2 Trade and other receivables			
Trade receivables		-	169,208
Intercompany receivables		2,982	10,288
Loan to employees		-	2,564
Prepayments		135	1,687
		3,117	183,747
43.6.3 Trade and other payables			
Trade payables		216	190,911
Expenses and other finance		82,261	79,612
		82,477	270,523

Trade payables mainly consist of provision for expense relating to closure of pharmaceutical business and provision for return of goods by distributor which are expected to be adjusted or paid by 2020.

44 Financial risk management objectives and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company has also formed 'Risk Management & Compliance Board (RMCB)'.
The objective of the RMCB is to review and assess the quality and effectiveness of the risk management system and ensure that the risk policies are effectively managed and incorporated in the management structure of the Company. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirements and identification of foreseeable trends that could significantly impact the Company's overall business objectives.

44.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises of trade receivables, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is as follows:

	Note(s)	Taka in '000 As at 31st December	
		2019	2018
Advances to employees	9	5,274	5,710
Advances to suppliers	9	21,194	92,039
Security deposits	9	2,368	2,469
Trade receivables	7	391,373	426,494
Cash and cash equivalent	10	3,796,022	3,419,507
		4,216,232	3,946,219
Analysis of trade receivables as on 31 December 2019:			
		< 30 days	> 30 days
Expected loss rate	0%	0%	Total
Gross carrying amount	345,756	45,617	391,373
Loss allowance provision	-	-	-
* The past due amount has been realized in January 2020			

The trade receivable is owed by Mutual Food Products Ltd (MFPL) which is the sole distributor of consumer healthcare business. MFPL has been distributing goods of consumer health since 2008 and there was no instance of default by MFPL.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The table below summarizes the maturity profile of the Company's financial liabilities as at the reporting date.

Financial liabilities	Taka in '000 As at 31st December		
	Less than 1 year	Greater than 1 year	Carrying amount
2019			
Finance lease	-	-	-
Trade and other payables	2,886,695	-	2,886,695
2018			
Finance lease	3,113	-	3,113
Trade and other payables	3,263,293	-	3,263,293

Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the Company manages the liquidity risk.

44.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

44.3.1 Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to Company's operating activities with the foreign suppliers.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	Note	Amount in '000 As at 31st December	
		2019	2018
Trade and other receivables	USD	-	69
	GBP	27	31
Cash and bank balances	USD	-	292
	GBP	-	13
Trade and other payables	USD	-	-
	GBP	-	-

The Company did not experience with any unusual profit or loss causing from foreign exchange fluctuation till date. The following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at reporting date represented in foreign currencies, with all other variables held constant, of the Company's profit/loss before tax.

Change in exchange rate	1%	1%
Effect on profit/loss before tax (Taka'000)	30	351

44.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's short-term deposits and running finances.

At the reporting date, the average interest rate of the Company's interest bearing financial instruments was as follows:

	Effective rates %		Amount in '000	
	2019	2018	2019	2018
Financial assets - Term deposit	3.1% - 9%	3.1% - 5.25%	3,200,000	3,100,000
Financial liabilities		13.75%	-	3,113

The Company's policy is to keep its short-term running finances at the lowest level by effectively keeping the positive bank balances. Further, the Company also minimizes the interest rate risk by investing in fixed rate investments like term deposit receipts.

Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares. The Company also is not exposed to commodity price risk.

45 Revenue from contract with customer

The Company has recognized the following amount in the statement of profit and loss

	Note(s)	Taka in '000 As at 31 December	
		2019	2018
Revenue from contract with customer	24	4,474,898	4,816,557
Segregation of revenue from contracts with customer			
	Powder	Oral	Total
2019			
Revenue from external customer	4,041,780	433,118	4,474,898
Timing of revenue recognition at a point in time	4,041,780	433,118	4,474,898
2018			
Revenue from external customer	4,545,430	271,127	4,816,557
Timing of revenue recognition at a point in time	4,545,430	271,127	4,816,557

Contract assets and liabilities

The Company has recognized no contract assets and liabilities.

Accounting policy

The Company sells a number of oral and healthcare products to distributor. Sales are recognized when products are delivered to distributor and there is no unfulfilled obligation that affects the recognition of sales and revenue.

46 Comparatives

Previous year's figures and account titles in the Financial Statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, however creating any impact on the profit and value of assets and liabilities as reported in the Financial Statements for the current year.

47 Events after the reporting period

Since the reporting period there has been no material events affecting the financial position of the Company.



Managing Director



Director



Company Secretary

GlaxoSmithKline Bangladesh Limited

Registered Office: Fouzderhat Industrial Area
North Kattali, Chattogram
Corporate Office: House: 2A, Road: 138
Gulshan: 1, Dhaka 1212



PROXY FORM

I/We, the undersigned being a member of above named Company hereby appoint

Mr

Of

..... another member of the Company, whom failing Mr

..... of

..... another member of the Company, as my proxy to vote and act for me, and on my behalf, at the 47th Annual General Meeting of the Company to be held on Thursday the 16th April, 2020 and at any adjournment thereof.

Dated this day of 2020

(Signature of the Proxy)

Dated:

(Signature of the Shareholders)

Folio No / BO ID:.....

Dated:.....

Note:

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy, another member of the Company to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Corporate Office addressing to Company Secretary not later than 48 hours before the time appointed for the meeting.

ATTENDANCE SLIP

I do hereby record my attendance at the 47th Annual General Meeting of GlaxoSmithKline Bangladesh Limited being held at Radisson Blu Chattogram Bay View, Chattogram on Thursday the 16th April 2020 at 11:00 a.m.

Full Name of the Shareholder

(in block letters)

Signature

Full name of the Proxy

(in block letters)

Signature

Shareholder's Folio No / BO Id

(Please complete this and deposit at the registration counter on the day of the AGM)



GlaxoSmithKline Bangladesh Limited

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