



do more
feel better
live longer

HEALTHIER
TOMORROW



GlaxoSmithKline Bangladesh Limited
ANNUAL REPORT 2018



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



GSK at a Glance

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.



Our New Priorities (IPT)



Millioni
HIV scientist, US

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.



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



Michael
Production line
operator, UK

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.

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 Focused



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 our corporate values and our 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 organization 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) Program

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 46th 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, 25th April 2019 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 2018 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend for the year ended 31st December 2018.
3. To elect Directors of the Company in the vacancies caused under Article 85 and 89 of the Articles of Association.
4. To appoint Auditors for the year 2019 and to fix their remuneration.
5. To appoint Compliance Auditor (Corporate Governance Certification) for the year 2019 and to fix their remuneration.
6. To approve the appointment of Managing Director as per The Companies Act 1994.
7. To approve the appointment of Independent Director as per Bangladesh Securities and Exchange Commission's Notification.

By order of the Board



Faridul Hoque Sikder
Company Secretary

Dhaka, 1st April 2019

Notes:

1. Members whose name appeared in the Members/Depository Register as on "Record Date" i.e. 21st March 2019 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 22nd April 2019 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.)**

General Information

Board of Directors

Mr. Prashant Pandey, Managing Director
Mr. Rakesh Thakur, Director
Mr. Zahedur Rahman, Director
Mr. Mohammad Naharul Islam Molla, Director
Mr. Kazi Sanaul Hoq, Non-Executive Director
Mr. Masud Khan, Independent Director
Mr. Mohsin Uddin Ahmed, Independent Director

Company Secretary

Mr. Faridul Hoque Sikder

Head of Internal Audit

Mr. Prasenjit Dev, ACA

Registered Office

Fouzderhat Industrial Area,
North Kattali, Chattogram.
Bangladesh.

Corporate Office/Share Office

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

Audit Committee Members

Mr. Masud Khan, Chairman
Mr. Mohsin Uddin Ahmed, Member
Mr. Kazi Sanaul Hoq, Member

Nomination and Remuneration Committee Members

Mr. Mohsin Uddin Ahmed, Chairman
Mr. Masud Khan, Member
Mr. Kazi Sanaul Hoq, Member

Statutory Auditors

Hoda Vasi Chowdhury & Co
Chartered Accountants

Compliance Auditor

MABS & J Partners
Chartered Accountants

Bankers

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

Legal Advisors

Mr. Abdullah Al Mamun

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

Syed Afzal Hasan Uddin

Barrister-at-Law (Lincoln's Inn, UK)
Advocate, Supreme Court of Bangladesh
Managing Partner
SYED ISHTIAQ AHMED & ASSOCIATES
Concord Ovalash (First Floor), House 62
Road 11A, Dhanmondi, Dhaka-1209
Bangladesh.

Md. Omar Bin Harun Khan

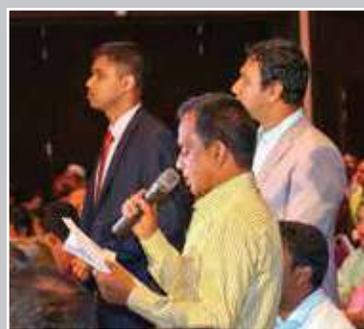
Barrister-at-Law (Lincoln's Inn, UK)
Advocate, Supreme Court of Bangladesh
Managing Partner
Legal Counsel
Principal Park (4th Floor)
11/7/G, Free School Street
Kathalagan, Dhaka 1205
Bangladesh.



45th Annual General Meeting



The Board of Director of GSK Bangladesh Limited at the 45th AGM





Shareholders at the AGM



Extraordinary General Meeting



The Board of Director of GSK Bangladesh Limited at the EGM





Shareholders at the EGM



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 our scientific and technical know-how and talented people. To deliver the strategy everyone at GSK is focused 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 our 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 make 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



Managing Director's Statement

On behalf of the Board, I am delighted to welcome you all to the 46th Annual General Meeting of GlaxoSmithKline (GSK) Bangladesh Ltd., and present the Annual Report of the Company for the year 2018.

I am pleased to report that the Company continues to deliver growth in 2018 in its consumer health care business, driven by focussed strategies around key product portfolios.

We continue to focus on global priorities set out Last year-

- Innovation
- Performance
- Trust

In line with this direction, our priority is to drive long term value for investors through renewed focus on innovation and improving performance of GSK Bangladesh.

Business Outlook and Financial Performance

The year 2018 was a year of significant transformation for the Pharmaceuticals business of GSK in both Bangladesh and other countries in the world. A strategic review of the business model which had commenced in Q1, was concluded with the closure of the manufacturing and commercial operations for its

Pharmaceutical business unit in Bangladesh which was endorsed through an Extraordinary General Meeting in October 2018 for immediate effect.

This was a difficult but necessary decision and the Company regretted that the action led to significant job losses. With a view towards GSK's value of respect to people, the Board had approved a separation scheme for relevant employees, with a contribution from GSK's holding company funding the closure activities. The Board acknowledged that the offer would ensure all affected employees would be treated with due respect and dignity and would be provided with support during this challenging time.

Further in 2018, your Company increased focus on introducing new products and expanding its product range in the market. In HFD, investment continued behind Horlicks Growth Plus and Boost was relaunched with a new mix. At the same time, four new products were launched: Glaxose Orange, Sensodyne Rapid Relief, Sensodyne Deep Clean and Sensodyne Brush, all achieving their targets for the year.

In 2018, the Consumer Healthcare Business continues to retain its leadership and has further increased its market share in the Health Food Drinks category. Our flagship brand Horlicks has further gained market share in a heavily competitive environment. Sensodyne consumption grew at 5 times the growth of toothpaste category (Source Nielsen) fueled by educating consumers and creating relevance of a tooth sensitivity solution.

With rising incomes and increasing health awareness, there is a sustained opportunity to increase penetration level of HFD category in the future, by offering a range of relevant nutrition solutions at affordable price points. In toothpaste category, consumers are looking for solutions to their specific needs, making Sensodyne well positioned to gain share. The Consumer Healthcare business has delivered a CAGR of 6.8% in last 2 years and grown by 3.4% in 2018, primarily led by growth in HFD category at 5.5%. Your Company continued to focus on bringing efficiencies in cost and working capital and made good progress.

However, to ensure the Company maintains its commitment to deliver maximum shareholder return, the Board recommends a final cash dividend of Tk 53 per share for 2018.

People Development & Culture

GSK continues to be a preferred employer for aspiring professionals in the country. GSK Bangladesh received 'Bangladesh Best Employer Brand Awards 2018', a prestigious award given by Employer Branding Institute, India. This award reflected the employee centric culture which is built and nurtured by GSK. In 2018, even during such uncertainties, the Company achieved an ever-highest 86% employees engagement level, which is a testament to the fact that employees believe, they are respected at work place. GSK ensures development of their capabilities, they have equal opportunity to have a successful career at GSK and the positive view regarding the correlation of their work and business objective.

Risk Management & Governance

The Board aims to assure the integrity of GSK Bangladesh business operations through rigorous processes and systems. In 2018, the Company also adopted a group mandated control governance framework for financial processes called ERP Finance Internal Control Framework (ICFW) which monitors and addresses financial process risks and tested both locally and globally.

As a symbol of our commitment to ensuring good governance and compliance, I am delighted to share that your Company's Annual Report 2017 has been recognized in the National Award for Best Presented Annual Reports by the prestigious Institute of Chartered Accountants of Bangladesh (ICAB). This marks the 18th consecutive year of such recognition for us.

Board Changes and Composition

This year, there have been below mentioned changes to the Board. During the course of the year, Board appointed Mr. M. Azizul Huq as Chairman with effect from 24 June 2018; Mr. Nakibur Rahman as Managing Director with effect from 01 July 2018; Mr. Noor Mohammad as Director with effect from 01 October 2018; Mr. Rakesh Thakur, Mr. Zahedur Rahman and Mr. Mohammad Naharul Islam Molla as Director with effect from 01 December 2018.

Furthermore, Ms. Erum Shakir Rahim resigned with effect from 01 July 2018; Mr. M. Azizul Huq, Mr. Nakibur Rahman, Ms. Zinnia Tanzina Huq, Mr. Noor Mohammad and Mr. David Pritchard resigned with effect from 01 December 2018. Board appointed Mr. Prashant Pandey as Managing Director with effect from 1 December 2018 in place of Mr. Nakibur Rahman. The directorship of Mr. Rajib Barua was ceased with effect from 22 June 2018 due to his death. The Board deeply appreciates the valuable services of resigned Directors during their respective tenure of association with the Company and wishes them the best on 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

We are committed to upholding the highest ethical standards while carrying out our business activities, and ensuring that consumer and patient safety is always a priority in our decision making. Every employee of the Company embeds the GSK values of Integrity, Respect for People, Patient/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 Business Partners, the Healthcare Professionals and Institutes, Suppliers and Government Authorities for their trust and continued support to the Company.



Prashant Pandey

Managing Director

11 March, 2019



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Brands & Launches

Glaxose D Orange Re-launch

Glaxose D Orange was re-launched in 2018 March marking its re-entry in the instant powder drink market. Its premium orange flavor along with its functionality of Instant Energy provides a unique positioning for Glaxose D Orange which is relatively nascent in the Bangladesh market. With Glaxose D Orange, the brand will be able to play in the Orange Flavoured drink segment, which will allow it to tap into greater opportunity areas.



Cricket celebrity All Rounder Shakib Al Hasan launched Glaxose D Orange as its Brand Ambassador. Thus, endorsing the legacy of 50 years of trust in the Glucose Category. Glaxose D is widely revered by consumers for living up to the promise of Instant Energy for years



Boost Re-launch

Boost was relaunched in April 2018 with great fervor across the team. With the blend of great chocolatey taste combined with energy and stamina, Boost draws on its legacy for success. With the relaunch, the aim is to have Boost as one of the major innovation growth drivers



Sensodyne

Sensodyne ended the year on a high note. The brand achieved several key milestones. Brand Building activities carried out throughout the year were centred around consumers, which benefitted us and reflected in our score card. We achieved the highest ever household penetration and awareness levels which in turn helped us gain share. This ultimately resulted in achievement of highest ever value internally. Sensodyne maintained consistent presence in top tier tv channels, national dailies and in digital to drive awareness about tooth sensitivity. In parallel, experts and consumers were engaged to sustainably build the brand. 3 Innovations were launched in 2018 which will further fuel the growth in the days ahead.



Sensodyne achieved highest ever scores across internal/external parameters in 2018

Sensodyne achieved highest ever numbers in its history across internal, trade and household level in 2018. The year ended with highest ever internal value which was driven by 52% offtake growth (2.8x category). This in turn was due to strong consumer pull with Household Penetration standing at 8.61% (+3.2% vs '17) with consumption volume growth of 51% (vs '17). Expert marketing also contributed immensely in building the brand as Sensodyne exited the year with 42% Recommendation Share.

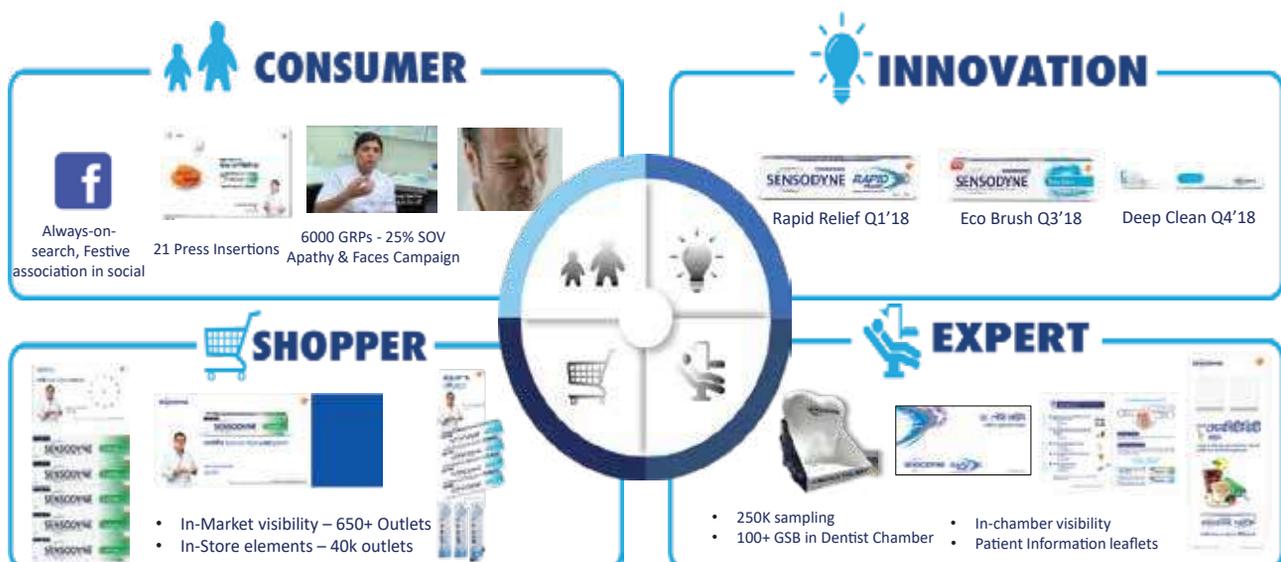
This performance was a result of right investment mix across key growth levers of the brand. Media spend was ramped up with 80% higher GRPs along with sustained presence throughout the year and followed up with In-Market & In-Store visibility across key Grocer & Chemist channels. Healthcare Professionals (HCP) and chemists were engaged by the expert team and consumer activation was carried out to sustain the growth trajectory.

Rapid Relief successfully completes Year-1 of launch

Rapid Relief was one of the biggest hits of 2018. Launched in late Jan'18, within a short span of time it achieved acceptance with HCPs, patients and consumers. It ended the year with 121% achievement of launch year target, contributed 6% to share of business along with 46% contribution to Oral Health Care (OHC) growth in 2018. As per RCPA (Dec'18), 45% of HCPs under GSK coverage are regularly prescribing Rapid Relief.

The secret to this successful launch was a correct Go To Market (GTM) which was spearheaded by expert marketing team. The team diligently established the brand equity amongst HCPs through face-to-face detailing, expert activations via PPMs and Focussed Group Discussions (FGDs). This was supported with chemist detailing and visibility at the right outlets.

Following the positive response from expert channel, distribution was gradually ramped up across trade along with media investment pouring in from Q4'18, fueling further market demand for the brand.



Deep Clean Launch

Sensodyne further strengthened its brand footprint in the market with Deep Clean 70g launch in September'18. Deep Clean received a very positive feedback from the market due to its unique proposition of having multiple benefits on top of tackling teeth sensitivity. From launch date till 2018 exit, Deep Clean has met its target. With 1/3rd of the Bangladeshi toothpaste market being dominated by Gel brands, Deep Clean is poised to drive Sensodyne share gains in the coming days.

Rapid Relief Launch



Expert Marketing: A Window for Better Consumer Focus

Expert Marketing team is the dedicated team that handles Experts of the medical fraternity by sharing updated product science and consumer benefits with them. Experts are the prime advisor for the patients and any endorsement from experts are regarded as beneficial for their health and wellbeing.



In 2018, the team launched to the Experts, our innovation product, Sensodyne Rapid Relief; the faster acting formulation of desensitising toothpaste. This product is a solely expert driven brand. The team took the challenge of creating dominance of the brand by creating trust of the Experts on the uniqueness of the brand's formulation. The team successfully established Sensodyne Rapid Relief through most advanced and aggressive detailing, product promotional meeting with experts and territory mapping of potential outlets for distribution with the Sales team.

The Expert Marketing Team also acted as a catalyst for growth for our another innovation brand; Horlicks Growth+. The brand which was launched in 2017 is another Expert driven brand. The Expert Marketing Team has been relentlessly working with the Experts to provide an unique solution for the children who are lagged with growth through Horlicks Growth+. Despite the challenges and difficulties with support of clinical evidence and products' unique qualities have been able to win over Experts' trust on the brand; and have translated to patients getting recommended for the brand itself. With all the hard work, the brand has seen three times growth in comparison to 2017.



Manufacturing

Project One

Post the pharma manufacturing unit closure in Chattogram, business model change for Glaxose Supply was mandatory. In order to optimize supply network of GSK Bangladesh through business model change and to setup new Glaxose manufacturing facility at business partner's end, Project One was initiated in 2018. The new business model came into effect from August 1, 2018 and Glaxose facility commenced operation from January 2019.

The key benefits which the project has brought in are:

- Supply Chain Network Simplification & Supply Continuity without business interruption
- Smooth transition of material sourcing responsibility.
- Reduction of Working Capital
- No adverse impact on Cost

The GSK and Mutual Food Products Team inaugurated the business model change model. Formal communication session was held at the GSK Head Office for the wider team. At the event, the Purchase Order was also handed over to the Mutual Food Product Limited's Management.



Human Resource

All Hands Meet

The annual meeting of all Consumer Healthcare employees “All Hands Meet” took place on the 11th March 2018 at a local hotel. The objective of the meeting is to discuss strategic point of view and re-energize employees for future challenges. In the meeting, teams discussed about their area performances and challenges/future opportunities. The meeting also opened discussions amongst the leadership team and the broader teams.

GSK- Bangladesh Best Employer Awards 2018

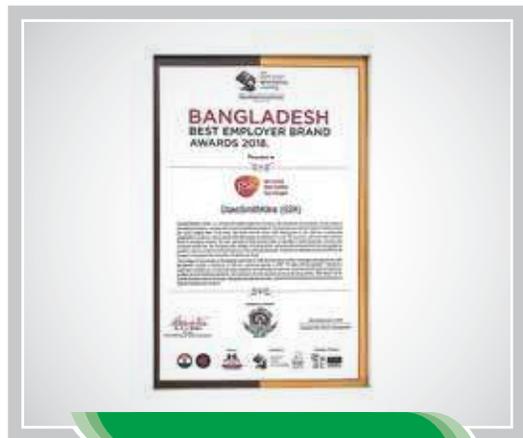
In September 2018, GSK Bangladesh received ‘Bangladesh Best Employer Brand Awards 2018’, a prestigious award given by Employer Branding Institute, India. This award reflected the employee centric culture which is built and nurtured by GSK. The Award was received at a local hotel by the HR team.

Roll out of Energy For Performance (E4P) Training/Workshop

GSK HR team rolled out two ‘Energy for performance’ sessions involving 48 employees of all, to reinforce the importance of health and a balanced lifestyle at both individual and team level. The sessions focussed on the importance of mental, spiritual, emotional and physical health for performance. The sessions included elaboration on the ground activities which created a lot of enthusiasm and fun amongst the participants.

Job Fair & Farewell Event for the exiting Pharma employees

Post announcement of Pharma business closure in Bangladesh, GSK has ensured that it treats all employees with respect, dignity and our values, providing the appropriate support at this time in full compliance with local laws and regulations. Grand farewells were arranged for both GMS and Corporate office employees respectively. To support and facilitate placement for the impacted employees, job fairs were held in Dhaka and Chattogram. The Dhaka job fair was partnered by The Bangladesh Pharmaceutical Association for Pharmaceutical Industries (BAPI) and the Secretary General of BAPI, Mr. S. M. Shafiuzzaman. Senior officials of a number of prospective employers from leading Pharmaceutical and FMCG companies of the country participated at the Job Fairs.



Finance

Finance Line of Sight 2018

The Finance Line of Sight 2018 was focussed on a smooth year closing as per Group and local statutory guidelines and successful transition of finance shared services from Pharmaceutical to Consumer business.

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. Despite being in an uncertain environment; this team was focussed on their deliverables and exceeded expectation with zero attrition. This was a crucial time to bring the whole team together to stay focussed. Team discussed the challenges and opportunities in coming days on this event with action plans.

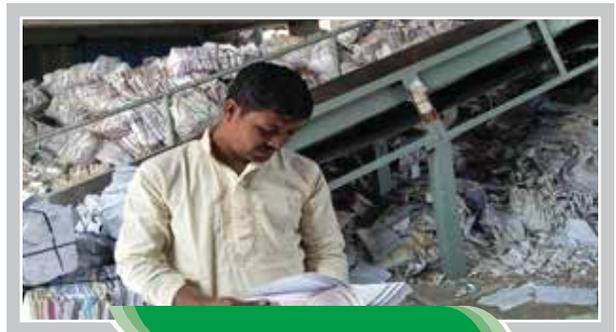


During a period of significant challenge due to pharmaceutical business closure and related transition within the Company, this was an ideal opportunity to re-energise and re-invigorate the team members. Individual members were recognised for their contribution to the Company, in particular for the services provided to Pharmaceutical Commercial and GMS business over the years. The event concluded successfully with specific activities being identified as targets to achieve the objectives.



Lighten Up and Entity Record Management

In 2018, the company carried out an extensive “Lighten Up” exercise in its corporate office as well as in Chattogram site. As part of this companywide records management programme, all documents were appropriately labelled, stored, transferred and disposed as per the Company’s Global Records Retention Schedule. With the completion of “Lighten-Up”, all company personnel are up-to-date on records management guidelines and all company documents are aligned to the guideline. The activity triggered a lot of enthusiasm and energy across the organisation with the support of the Departmental Record champions.



2nd National Food Safety Day

Government observed 2nd 'National Food Safety Day' on February 3rd and 4th, 2019 with the motto of ensuring nutrition and safe food for all. GSK had participated in this event as one of the prime sponsors since ensuring safe and quality products at every stage of operations is at the core of GSK.

Honourable Prime Minister of the People's Republic of Bangladesh, Sheikh Hasina, inaugurated the Ceremony as Chief Guest and Honourable Food Minister, Mr. Sadhan Chanda Majumder MP and Agriculture Minister, Dr. Muhammad Abdur Razzaque MP were present as Special Guests.

Secretary of Food Ministry, Mr. Sahabuddin, Chairman Bangladesh Food Safety Authority (BFSA), Mr. Mohammad Mahfuzul Haque, national and international food safety specialists, food producers and stakeholders, people working in various ministries, organisations and directorates, various journalists from print and electronic media were also present.



Speakers at the conference, presented various aspects of food safety in the light of national and international



experiences and presented many notions on building a food safety scheme in Bangladesh. Arun Kumar Mishra, Executive Vice President, Regulatory Affairs Indian Sub-continent, GSK Consumer Health Care India was one of the discussants. Managing Director of GSK, Mr. Prashant Pandey and Md. Naharul Islam Molla, Head of Regulatory Affairs were present as invited guests.

At this two-day event, around two hundred attendees from various ministry offices, national and international researchers and many top-level personnel were present.

There was a booth which displayed all GSK Bangladesh Ltd., products and detailed about the products to visitors and addressed their queries. During these two days, sales was also made from the booth to visitors. Members of the Marketing, Expert Marketing, Regulatory, Quality and Sales team were present during the event at the booth.

at the closing ceremony, BSFA awarded GSK for special contribution.



Product Details

Consumer Healthcare

Standard Horlicks

Like previous years, 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. Its extension Chocolate Horlicks also thrived in 2018.



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. The year 2018 was one of the notable years for Mother's Horlicks. The brand maintained a healthy presence on television and digital media throughout the year in addition to expert focussed marketing strategies. These yielded to good responses from our target audiences in terms of brand connection and scientific claims, along with an increase in expert endorsement through increased number of prescribers and prescriptions. GSK reached its highest ever monthly volume sales internally on 3 occasions along with increase in distribution. Thus, the brand continued its consistent growth trajectory.

Junior Horlicks

Junior Horlicks maintained healthy presence on television media throughout 2018, receiving good response from the target audience in terms of brand connection, proposition and scientific claims. In the last quarter, the brand also provided an attractive consumer promotion of free colouring book, which helped achieve great engagement among children. Junior Horlicks has continued to be a brand of preference for mothers due to its strong equity and recall.



Horlicks Growth Plus

The year 2018 saw the Horlicks Growth Plus brand successfully establish a strong foothold in the specialised nutrition category of Bangladesh through a largely expert focussed marketing strategy. Our expert endorsement rose with an increased prescriber base and number of prescriptions among paediatricians and general practitioners. A high science product with clinically proven claims, Growth Plus has steadily gained market traction and subsequent growth in 2018 since its launch in May 2017.

Product Details

Sensodyne

2018 was a very successful year for Sensodyne as the brand witnessed robust growth and was yet again the fastest growing brand in GSK Consumer Healthcare Portfolio. This growth was driven by both increased distribution nationally, increased brand equity and consumer pull in the market and multiple brand building initiatives across TV, print, digital & consumer engagement via activation. Three innovations were launched which drove the growth further.



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. Glaxose D continued its stronghold in the Glucose Category in 2018 as well, being the market leader by far in the category. Alongside base flavour of Glaxose D, the year 2018 also marks the re-launch of Glaxose D 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. With a renewed focus to establish Boost alongside Horlicks, it was relaunched in 2018 April in a 400g BIB.



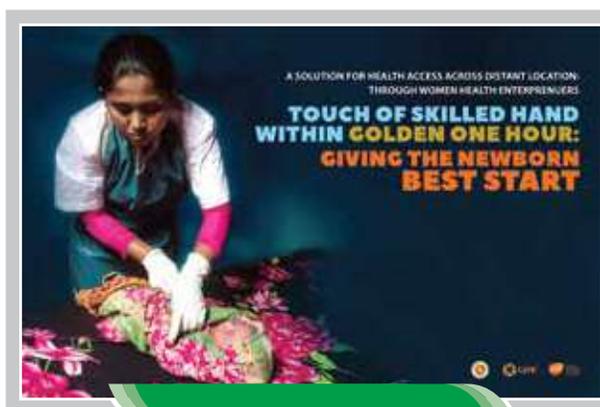
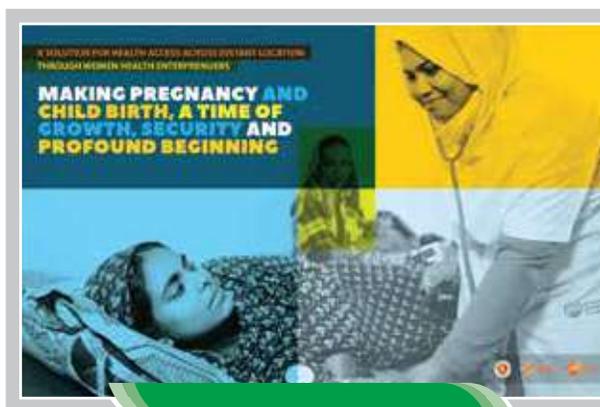
20% Profit Re-investment Initiatives

As a Health Care Company, at GSK we believe that we have a commitment to become 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. Under this initiative, GSK Bangladesh has been re-investing 20% of its profits since 2011 for creating Health Human Resources at the Hard to Reach areas of the country in multiple projects in partnership with Ministry of Health & Family Welfare, CARE, icddr,b and Friendship.

GSK CARE Community Health Workers Initiative (CHWI)

Background and Inspiration

Globally one of the greatest challenges in achieving SDGs and advancing universal health coverage is the vast shortage of trained, qualified human resources. Their inequitable distribution leaves people in remote and rural areas particularly vulnerable. Maternal and newborn death is double in haor regions of Bangladesh, with poor retention and high of skilled providers. Only 11% deliveries were attended by a medically trained provider as found in project baseline in 2012. Additionally, there are huge wealth disparities in accessing health services. Despite numerous efforts by the Government of Bangladesh (GoB), development partners and NGOs to strengthen the existing public health system, limited improvement has been made in health access and reduction of inequity in some remote districts.



To address the skilled health workforce issues at the remote areas, a participatory scoping exercise was initiated in July 2011 under the GSK CARE CHWI where health and access barriers and challenges were analysed. Based on the scoping findings, an innovative and sustainable solution to address the human resource for health (HRH) issues in remote areas through a public private partnership (PPP) was developed amongst GSK, CARE and Ministry of Health & Family Planning Welfare (MOHFW).



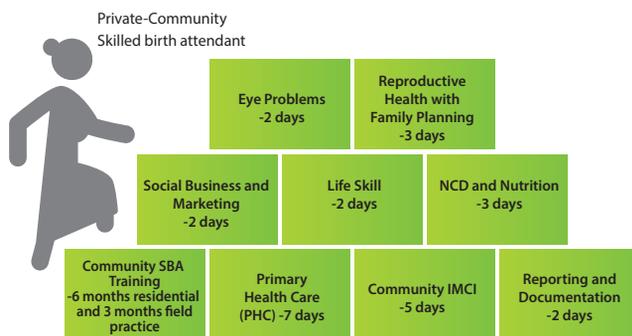
GSK CARE CHW Initiative Model

Skilled attendance at birth is recognised as one of the key drivers of reduced maternal and newborn mortality. So, to address the health service gap of 2.8 million in all 87 Unions of 11 sub districts of Sunamganj, and improve maternal, newborn and child health situation; MOHFW, CARE and GSK jointly decided to develop 3-4 Private-Skilled Birth Attendants (P-CSBA) in each Union.

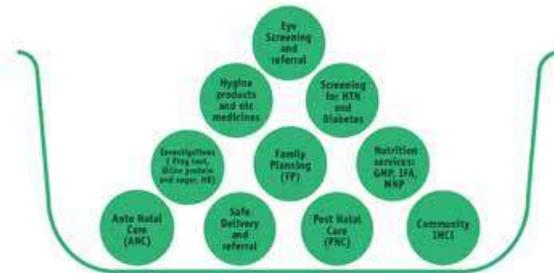
Since inception in 2012, the project developed 319 sustainable private skilled health care providers, supported by local communities, government health system, Local Government (LG) bodies and each of the providers are also supported by 10 Community Health Volunteers (CHVs). Each provider has a market size of about 7500 population.

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.

Training Steps Towards Multi Purpose Skilled Healthcare Provider.



The Basket of the Health Services by woman Health Entrepreneur



All these training helps the private providers to develop as multi-purpose skilled health service providers. So, they can offer different quality services for their community with minimum cost.

Health and FP department has been supporting through organising different basic and refresher trainings, providing supply of different medical commodities, review their monthly performance, monitor service quality through field visit and linking them into community level government service centres. In addition, a technical advisory group (TAG) headed by MOHFW with participation from UN, development partners, NGO and private sector representatives monitors progress and guides the initiative at the national level.

Local Government in collaboration and support from community support group has facilitated the selection process, sign MoU with P-CSBA, determine their service prices, support them in promotion and market development. In addition, they have been facilitating pro-active referral to health facilities for accessing lifesaving EmONC services. Moreover, they mobilise local resources to create fund to support poor, ultra-poor women to access to the services. Furthermore, Local Government also serves as local guardians, monitoring their service quality for establishing local health system accountability and facilitating linkage with the health facilities.

These Private providers also have their business plan, established linkage with market to access in different drugs and commodities for strengthening their earnings stream. As a result, these providers earned BDT 46,719,660 and 60% Entrepreneurs earning 5,000 BDT or more in a month.

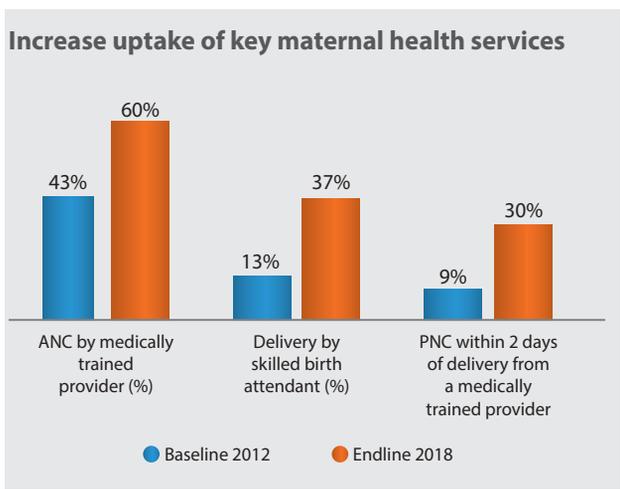
Key Achievements & Results: November 2013-November 2018

Last 5 years project has achieved some remarkable results which has been captured by project monitoring system and also through population based survey by ICDDR'B. As per project monitoring system:

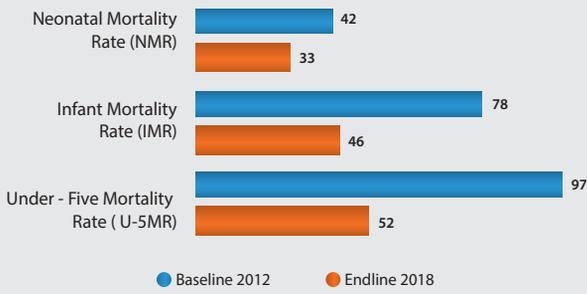
KEY ACHIEVEMENTS & RESULTS: NOVEMBER 2013- NOVEMBER 2018

 300 Private skilled health care providers	1109039 skilled health services 37910 skilled deliveries	37632 Referrals 112 Health services-month-Providers
 SOCIAL ENTREPRENEURSHIP Brings financial sustainability of the providers	60% Entrepreneurs earning 5000 BDT (\$67) or more in a month	
 3000 Community Health Volunteers (CHVs)		
 15,776 members trained from 232 Community Groups & 928 Community Support Groups	1677008 BDT (\$20,000) local fund raised in a year 586952 BDT (\$7,000) Utilized in a year 6,000 Women and children supported by CG and CSG during referral in three years	
 Institutional linkage	136 Private CSBA Seating at CC (Community Clinics) 29 Private CSBA once in a week Seating at UHFWC (Union health and family welfare)	
 Government provided safety net commodities	Such as 2.7 million iron & folic acid (IFA), 7.1% Chlorhexadine and misoprostol tablets to the Private CSBAs	
 Local Government allocated	BDT 4,635,000 (\$55277) in last fiscal year and utilised at least BDT 2314700 (\$27605) for blood grouping and ANC campaign, labour room construction at Community Clinic, UHFWC and helping poor families for seeking health care.	

As per end line evaluation of the project conducted by ICDDR'B on 2018; more than 3600 women were interviewed by ICDDR'B from Sunamganj and found the below results;

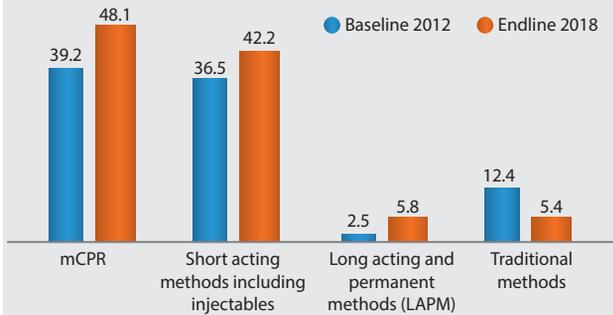


COMBINED EFFORT BY GOB AND DEVELOPMENT PARTNERS RESULTED IN REDUCTION OF EARLY CHILDHOOD MORTALITY



BDT 46,719,660 earned **50%** Entrepreneurs earning **5,000 BDT** or more in a month

Increase uptake of Family Planning services:

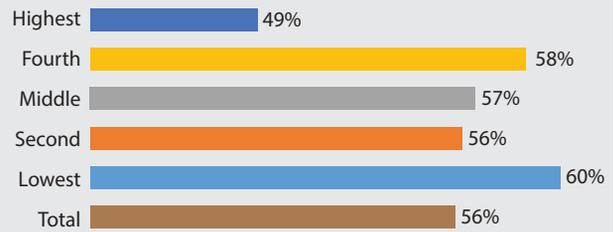


Uniqueness of the Initiative

- Use of marketing dynamics to develop sustainable solution for health access in remote and underserved communities in Bangladesh.
- Strong Community and local government engagement as well as MOHFW ownership.
- Mechanism of continuous quality improvement of private skilled providers and appropriate referrals.
- The providers initial journey started as a Private Community SBA but over time they are transforming into skilled community based health care provider through service expansion.
- Potentials to contribute in achieving Universal Health Coverage goal of GoB.

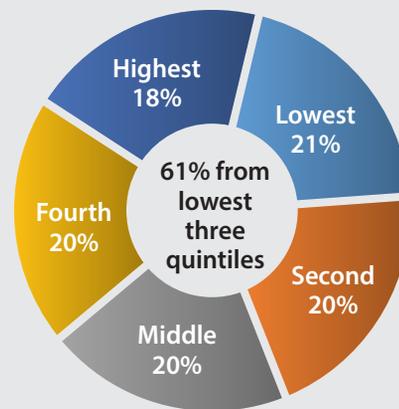
SUCCESSFULLY ADDRESS WEALTH INEQUITY: THE ENTREPRENEURS SERVED MORE MOTHERS FROM POOR AND EXTREME POOR FAMILIES

Coverage of **Any Services** by the Private CSBA by wealth Quintile



Served 60% Household from Lowest Wealth Quintile

Distribution of Clients of private CSBA by wealth Quintile



GSK-CARE Bangladesh Urban HealthCare Project

Background and Context

There are around 6,000 ready-made garment (RMG) factories in Bangladesh, employing approximately 4.5 million workers. The vast majority of RMG workers are women who have migrated from rural areas, living in slums near the factories where they work in the capital, Dhaka. Good quality and high volume production output depends on the consistency and efficiency of workers; factors which are adversely affected by poor health and nutrition. There is a lack of adequate on-site health services and the workers depend largely on the public and private facilities and providers.



Given the context, GSK took up multiple initiatives

1. GSK CARE Readymade Garment Workers Initiative (October 2014 - September 2018)
2. Health Access and Linkage Opportunities for Workers (Halow) Project- A project in partnership with Marks & Spencer (March 2015 - April 2016) & CARE
3. Health Access and Linkage Opportunities for Workers (Halow) Plus Project- The expanded project partnership with Marks & Spencer & CARE (September 2017- September 2020)

GSK-CARE Ready Made Garment (RMG) Workers Initiative

To support the Urban Health System specially for the RMG workers and their families living in the urban-peri urban areas of Dhaka city GSK, in partnership with CARE has been implementing a multi year project since October 2014. The project intends to establish a sustainable and comprehensive health and nutrition programme delivery model for the RMG workers and their families.

The project is working in six factories in the Gazipur area and aims that, by the end of this project in September 2018, the garment workers of these selected factories and their family members will be able to live a healthy, productive and secure life, free from violence and exploitation and supported by good governance and adequate policies.



Health Access and Linkage Opportunities for Workers (Halow) Project

The HALOW project between GSK, M&S and CARE was launched in April 2015 to support and build on existing health service provision for the 7,700 RMG workers of Interfab Shirt Manufacturing Ltd. and Interstoff Apparels Ltd. The project aimed to facilitate their access to needs-based health services including preventive care, health and nutrition information and education. The project systematically assessed existing gaps in basic health awareness, health-service needs and identification of areas where services could be improved and new services or linkages could be introduced. The project objectives were to:

- 1) Improve healthcare access for RMG workers and raising health-awareness and educating workers.
- 2) Increase the preventative and curative service uptake by workers.
- 3) Mobilise communities through creating health referral networks and connecting local health services to RMG workers and their families.
- 4) Create shared multi-stakeholder platforms across the factory and community to address underlying health and nutritional issues faced by workers.



The Project achievements were

- 4,620 female workers now have access to Tetanus vaccination and visual VIA test (for detecting cervical cancer) at the factory provided by the Health Department, Gazipur.
- 50,000 iron folic acid tablets were provided to the female workers through Health & Family Planning department.
- 952 factory workers received health services from Government and NGO referral health facilities.

Phase 2 HALOW Plus

The signs of success demonstrated in HALOW project in empowering workers to access services in factory and in the community led the expansion of the HALOW project to HALOW Plus. The HALOW project demonstrated that empowering worker 'champions' for transferring knowledge and information to workers and mobilising communities to engage with leaders and decision makers, creates positive platforms for change for individual workers, their families and communities. This also enables individuals to collectively influence the systems and policies which affect their lives.

The monitoring of the social impact of the HALOW has provided GSK along with its partners M&S, CARE; the insight to move into a 3-year extension programme, HALOW Plus, and achieve long-term sustainable social and economic impact for the individuals, businesses and communities involved. To widen the reach of the partnership and deepen impact, the 3-year HALOW PLUS programme (December 2017 - December 2020) was launched in December 2017.

Project Duration - October 2017 to September 2020

Project Location - 15 Factories in Savar, sub-district of Dhaka, Selected sub – district of Gazipur and Mymensingh District

Beneficiary: 50,000 RMG Workers and their 200,000 Family members

Project Objective

To empower workers, particularly women, to improve individual and community health, increase factory productivity and strengthen urban health systems.

The project aims to

- Empower workers with skills to represent their own health and social needs.
- Enable productive and healthy factory systems to support response to workers’ needs.
- Increase access to/awareness of appropriate healthcare for RMG workers and their communities.
- Mobilise communities to negotiate responses to health and social needs with other structures and institutions in the community.
- Share learning, business case and attribution data to scale partnership impact.

Achievement Till Date

- 1,406 health champions developed
- 54,091 beneficiaries have been reached directly
- 189,318 beneficiaries have been reached indirectly
- 12 Community Groups formed

- 2,666 workers received Family Planning commodities.
- 935 female workers received Iron and Folic Acid Tablets.
- 770 female workers received TT-vaccination.
- 245 female workers were screened for Cervical Cancer through VIA test.
- 102 workers screened for Tuberculosis.
- 935 children were reached through EPI (Expanded Programme on Immunisation).
- 283 Community people were served through health camp by Other NGOs.
- Most of the workers wear Personal Protection Equipment (PPE).
- Significant uptake and increase in usage of soap/liquid hand wash.
- Significant increase of consciousness and uptake of nutritious food amongst workers.

GSK-Friendship M-Health Project

The multiple year partnership GSK Friendship M-Health project with NGO Friendship was taken up to help bring the benefits of modern technology to the remote communities in the Chars of Gaibandha District, through a mobile phone based health diagnosis application. Since its inception in 2012, the project has built a health platform for the under served community living in these hard to reach remote villages.



Goal of the project

To improve the health status and well-being of men, women, adolescents and children in the hard-to-reach areas of Gaibandha char areas and selected coastal belt areas, through further development and expansion of mHealth based health service and care.

Objectives

1. To increase access to and utilisation of health care services by use of the mHealth App in hard to reach areas.
2. To complete the app development process by incorporating 24 more algorithms and reviewing existing ones.
3. To build the technical and operational capacity of both staff and FCMs in use of the mHealth tool and service delivery mechanism.
4. To strengthen and keep functional, the whole mHealth service delivery mechanism (including Doctor's Centre, monitoring and supervision, etc.).
5. To increase awareness of and demand by the community people in the hard to reach areas for the accessible, affordable and quality services provided by the mHealth App.



Achievement Till Date

- **Development of new 24 Algorithms for mHealth Software**
mHealth application had been developed in 1st phase with total 40 diseases and service algorithms and planned to develop new 24 algorithms in the 2nd phase. Now the software is running with total 64 algorithms in the field.
- **Recruitment of 150 mHealth Friendship Community Medic-Aides (FCM).**
- **Expansion of the project in the southern coastal belt of Bangladesh e.g., Shyamnagar Upazila under Satkhira district.**
- **Referral Linkage established with the FCMs e.g., local government hospital and clinics, Friendship satellite clinics, and hospitals and other NGO/private service delivery points.**

- **Adequate Communication materials developed.**
- **Functional back up Dhaka Doctor Centre established.**

Impacts of the mHealth project

- More than 600,000 health services have been rendered using the mHealth app.
- **Above 100,000** services have been rendered to children under **5 years of age**.
- Significant improvement (**99.9%** from **<57%** previously) has been achieved in implementing vitamin A supplementation and the government's Expanded Programme on Immunisation (EPI).
- A **50-75%** increase has been achieved in the average number of beneficiaries served by FCMs in a day.
- No maternal death has been reported in the mHealth intervention areas in the last 3 years.
- More than **10,000** patients have been referred to Friendship floating hospitals and other secondary/tertiary care centres for advanced treatment.

GSK- ICDDR, B Health System Strengthening Programme

Healthcare Associated Infections (HAIs) are considered as the most frequent adverse outcome that can cost millions of lives as well as resources. In Bangladesh, the HAI rates are 30% at tertiary level hospitals due to poor quality of care. To address the issue, GSK under its 20 % Re-investment Initiative is partnering with icddr,b in a Health System Strengthening Programme through module based training on infection control for selected hospital workers (from Ward boys - Doctors). The programme began with a Pilot project in 2013 in 3 hospitals which is now expanded till 2019 in 6 more hospitals in the greater Sylhet District, along with Sunamganj.



Name of Hospital	Physicians	Nurses	Lab Tech.	Ward/ OT Boy	Cleaning Staff	MATS	Paramedics	Pharmacists	Sterilisation Staff	Total Capacity building	Total Beneficiary
Sunamganj Sadar Hospital	14	134	1	10	8	34	21	3	5	230	310,250
RM General Hospital, Sunamganj	8	14	4	3	17	0	0	4	2	52	36,500
Kaitak Health Sub Center, Chattak, Sunamganj	3	9	1	5	2	0	0	2	0	22	146,000
Bishwamvarpur Upazila Health Complex, Sunamganj	3	8	0	2	6	3	0	1	0	23	118,625
Sylhet MAG Osmani Medical College	188	450	7	108	104	0	0	6	5	868	1,614,760
North East Medical College	53	220	10	77	30	0	0	7	6	403	146,000
Total	269	835	23	205	167	37	21	23	11	1,598	2,372,135

After implementation of GSK-icddr,b HSS programme, standard infection control practices have seen significant improvement with improved infection control practices by the Healthcare Workers (HCWs) in the project areas. The project has till date seen the below successes in the catchment area hospitals:

- Reduced rate of healthcare associated infections (HAIs).
- Minimized duration of hospital stay and associated healthcare costs.
- Less privileged people having more opportunity for medical care as the bed occupancy rate has decreased.

The programme in addition to the HCWs, through improved quality of care, is benefitting the population covered by the programme hospitals who regularly visit the facilities to seek healthcare through facilitating different hygiene and hospital management practices. Also the training modules which are being developed through the program is supporting to establish a comprehensive infection control National Guideline

Total number of population beneficiaries of the GSK-icddr,b HSS Program

Area	Population Covered
Sunamganj Sadar	3,19,000
Chattak Upazila (Kaitak sub center)	3,00,000
Bishwamvarpur & Other Upazilas	2,26,000
Total	8,45,000

Myanmar Refugee Response by GSK

Violence in Rakhine State which began on 25 August 2017 has driven an estimated 440,000 Rohingya refugees across the border into Cox's Bazar, Bangladesh. The speed and scale of the influx has resulted in a critical humanitarian emergency. The people who have arrived in Bangladesh since 25 August came with very few possessions. They have used the majority of their savings on transportation and constructing a shelter, often out of no more than bamboo and thin plastic. They are now reliant on humanitarian assistance for food, and other life-saving needs. Essential services that were available prior to the influx are under severe strain due to the massive increase in people in the area.

Considering the situation, all health partners have been providing support to district health department through establishing a number of medical teams in the new influx areas of Teknaf and Ukha and remote hard-to-reach areas of new settlements. Teknaf, Ukha and the District hospital received additional equipment to manage the increasing load of cases that include pregnant women, newborn, children, and other patients. Despite this support, there are still unmet needs, especially in two several settlements.

The Inter-Sector-Coordination-Group reports the main gaps as:

- o Insufficient essential reproductive health/maternal, child and newborn health services, including Skilled Birth Attendants, especially in the hard to reach areas
- o No adolescent-friendly health services at health facilities and makeshift settlements
- o Insufficient access to secondary health facilities due to lack of well-functioning transportation and referral system. The secondary Health facilities provide normal delivery, caesarean section and other health services needed hospitalisation.

In response to the current gaps and needs, government and private health posts, and community health worker networks need to further increase to ensure adequate coverage of the population to provide health and linkages with the health facilities as well.

Objectives

1. Provide health services for women, men, boys, and girls living in refugee camps.
2. Ensure adequate supply of essential medicines, supplies, and logistics.

Who Have We Supported?

1. Establishment of Community Clinics Two Community Clinics established for providing SRH and other general health services to Rohingya refugee.
2. Number of health workers trained during the reporting period and in total to date: 6 Paramedic and 2 Organiser cum Volunteers were recruited and provided basic training on SRH by CARE and FDSR.
3. The direct number of beneficiaries reached during the reporting period and in total to date: In this reporting period, the project has reached 19,359 direct beneficiaries. The direct beneficiaries are the beneficiaries who attended our static health facilities to receive different types of services.

4. The indirect number of beneficiaries reached during the reporting period and in total to date: In this reporting period, 50434 indirect beneficiaries have been reached. The indirect beneficiaries are those who were benefitted through our services but not directly attended to receive the services from our facilities, like benefitted through health campaigning, through the family members who attended the facilities.



The Employees are the lifeline of the Company. The Human Resources (HR) team is persistently supporting the business by recruiting, and retaining skilled employee base in the Company.

The Human Resources team has relentlessly supported the business to embed a performance driven culture in a challenging year which was full of uncertainties. GSK over the last few years, has introduced new ways of working and the Company thrives on a performance driven philosophy. The HR team is continuously working to embed the culture amongst the employees through different activities and initiatives.

Post Pharma Closure Activities

Post announcement of Pharma business closure in Bangladesh, GSK has ensured that it treats all employees with respect, dignity and according to our values, providing the appropriate support at this time in full compliance with local laws and regulations. In addition, GSK has offered a Gratuity for Voluntary Retirement (GVR) to all impacted employees and additionally provided outplacement support and facilitated job fairs for impacted employees. To ensure proper completion of all closure related activities, a group of staff from Sales, Quality, Support Functions (HR, Finance, IT), Medical and Engineering was assigned.

Employee Engagement Score

Even during such uncertainties, engagement level touched an ever-highest staggering 86%, which is a testament to the fact that employees believe they are respected at work place, GSK ensures development of their capabilities, regardless of background, they have equal opportunity to have a successful career at GSK and the positive view regarding the correlation of their work and business objective.

Enhance Development

With the view to enhancing reporting efficiency and catering personal development needs, 63 Laptops were handed over to the field force employees, which was also a step towards digitalizing work approach.

Energy for Performance

In the space of people development, GSK HR team has rolled out two 'Energy for performance' sessions involving 48 employees, to reinforce the importance of health and a balanced lifestyle at both individual and team level.

Marketing IQ Training

Marketing IQ training programme in Gurgaon, India was conducted with the intent to enhance capability. Personal resilience training was conducted to focus on developing the softer skills of employees.

LetsTalk Sessions

#LetsTalk is a Company-wide series of conversations about the things that matter most and will help make GSK even stronger. These sessions facilitate dialogues across teams and the Leadership team. In GSK Bangladesh, Lets Talk sessions across the year created the engagement opportunities led by the General Managers and Leadership Teams (LT) with employees. In the #LetsTalk sessions, two-way conversations were held on topics including our values, quarterly performance, sharing of future goals and objectives, etc., These sessions have also encouraged the employees to think about their improvement needs and critically consider how they can develop their career at GSK Bangladesh.

All Hands Meet

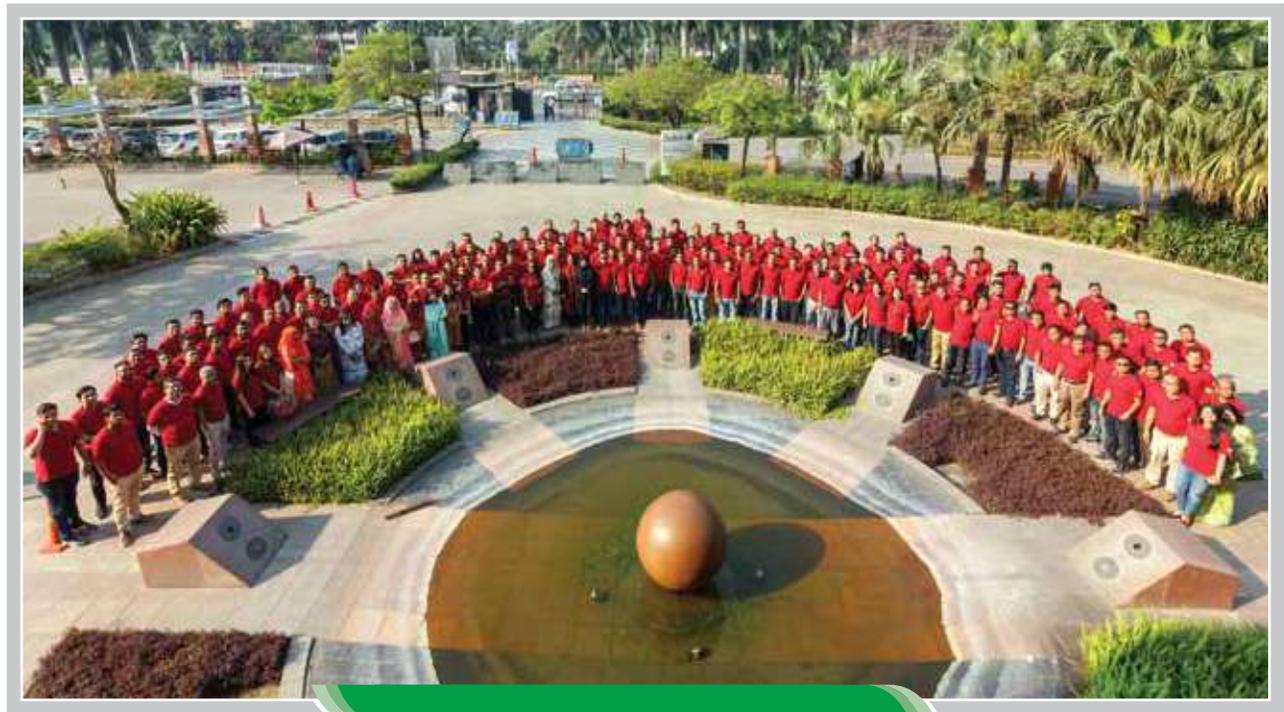
All employees yearly meeting “All Hands Meet” took place on the 11th March 2018 to discuss strategic point of view and reenergise employees for future challenges.

Bangladesh Best Employer Brand Award

All these efforts were duly recognised in September 2018, when GSK Bangladesh received ‘Bangladesh Best Employer Brand Awards 2018’, a prestigious award given by Employer Branding Institute, India. This award reflected the employee centric culture which is built and nurtured by GSK.

Rewards and Recognition

GSK employees are always recognised and rewarded for their contribution in the Company. The trend continued in 2018.



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 2018 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. Further, Factory is having trained First Aid and fire fighter team to attend 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, one Non-Executive Director 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 Committee of Directors, Pension Fund Trustees; Provident Fund Trustees; and Company Executive Committee.

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, 2018 was 10.

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 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 organization, 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.

Bangladesh business Units and Global Support Functions are responsible for executing corporate policies; ensuring robust internal control frameworks are being maintained and significant risks are adequately mitigated. Bangladesh Risk Management & Compliance Boards (RMCBs) exist within each Business Unit and Global Support Function to review and take action to ensure Principal Risks are being adequately addressed in line with applicable Enterprise Risk Strategies.

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.

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 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.



Patient Safety

Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.



Product Quality

Failure to comply with good manufacturing practice or good distribution practice regulations in commercial or clinical trials manufacture, through the distribution chain by GSK, its contractors or suppliers, or through inadequate controls and governance of quality through product development, and in supporting regulated activities.



Financial Controls & Reporting

Failure to comply with current tax law or incurring significant losses due to treasury activities, failure to report accurate financial information in compliance with accounting standards and applicable legislation.



Anti-bribery & Corruption

Failure of GSK employees, consultants and third parties to comply with our Anti-bribery and Corruption (ABAC) principles and standards, as well as all applicable legislation.



Commercial Practices

Failure to engage in commercial activities that are consistent with the letter and spirit of legal, 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.



Research Practices

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



Third Party Oversight

Failure to maintain adequate governance and oversight over third party relationships and failure of third parties to meet their contractual, regulatory, confidentiality or other obligations.



Supply Chain

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



Environment, Health & Safety & Sustainability

Failure to manage EHS&S risks inline with our objectives and policies and with relevant laws and regulations.



Information Security

Risk to GSK business activities if information becomes disclosed to those not authorised to see it, or if information or systems fail to be available or are corrupted.



Privacy

Failure to collect, secure and use personal information in accordance with data privacy laws.

Country Executive Board (CEB)

CEBs provide a means for different GSK business units operating in the country to manage the Enterprise Risks, which impact more than one business unit, from a country perspective. CEBs ensure country-specific risks are identified and addressed.

In Bangladesh, the CEB is chaired by the Managing Director and attended by the members including the Finance Director, Head of Legal and other functional heads across separate business units.

Objectives of the CEB include:

- ensure oversight and strategic coordination between the different GSK business units and sites in Bangladesh.
- manage GSK's Principal Risks and any Bangladesh specific risks which impact more than one business unit.
- formulate strategy, implement plans and monitor progress on joint enterprise initiatives e.g., sales compensation, recruitment and talent development etc.
- monitor the external environment to identify environmental risk.

- coordinate internal and external communications so we present one culture and voice externally for GSK Bangladesh.
- manage external stakeholders, e.g., government, media, regulatory more effectively.
- discuss and take actions on opportunities and issues of common interest across businesses while maintaining adequate oversight to facilitate the achievement of agreed solutions.

Risk Management and Compliance Board (RMCB)

The RMCB, at individual business unit level, reviews and assesses the quality and effectiveness of the risk management system and ensures that the risk policies are effectively managed. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirements and assists in identification of foreseeable trends that could significantly impact the Company's overall business objectives.

Major risks from individual business RMCBs are often escalated for discussion at the CEB.

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:

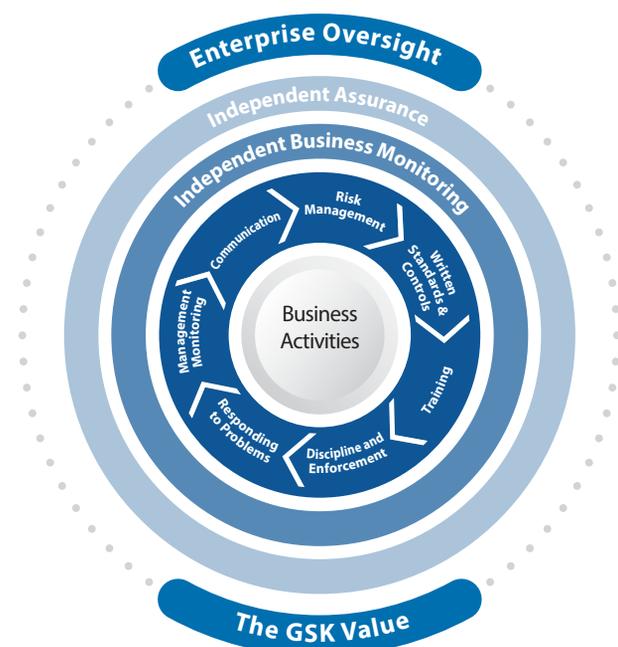
- Common language
- Decrease in variability
- Reduction of failures in execution

- 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 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 in making the Control Framework effective.



Key

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

GSK Values



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.



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.



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 refers 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

● Md. Naharul Islam Molla

● Rakesh Thakur

● Faridul Hoque Sikder

● Masud Khan



● Prashant Pandey

● Kazi Sanaul Hoq

● Zahedur Rahman

● Mohsin Uddin Ahmed



Board of Directors



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.

Rakesh Thakur joined GSK Bangladesh Limited in April, 2016 as Head of Finance, for the Consumer Healthcare Division and currently working as the Finance Director. Rakesh was inducted to the GSK Bangladesh Board in December 2018. Prior to joining GSK, Rakesh worked for 13 years in reputable organisations like Samsung and Pepsi in various capacities. As General Manager of Finance Controls at Pepsi's Beverages Division, Rakesh set new standards in the Accounting, Compliance and Cost monitoring procedures of Pepsi. He also played a significant role in Online Trade Business for Samsung Mobile Division. Rakesh is a qualified Chartered Accountant, and has a Bachelor of Commerce degree from University of Delhi.



Rakesh Thakur

Finance Director



Zahedur Rahman

Supply Chain 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, Regulatory Affairs

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.

Masud Khan joined the GSK Board in April, 2013. 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.



Masud Khan

Non-Executive Independent Director



Mohsin Uddin Ahmed

Non-Executive Independent Director

Mohsin Uddin Ahmed joined the GSK Bangladesh Board in February, 2018. He is currently the Managing Director of LINDE Bangladesh Limited. He joined Linde as Chief Operating Officer in July 2016 and was appointed as the Managing Director in January 2017. 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 Masters degree in Applied Physics & Electronics from the University of Dhaka.

Board of Director



Kazi Sanaul Hoq

Non-Executive Director

Kazi Sanaul Hoq was inducted to the GSK Bangladesh Board in October 2017. He joined as the Managing Director of Investment Corporation of Bangladesh (ICB) on 10 August, 2017. He started his career as a Senior Officer in ICB on 25 October, 1984 and served in various positions in the same organisation. Prior to his current role, he was the Acting Managing Director of Rajshahi Krishi Unnayan Bank (RAKUB). During his long illustrious career he worked in multiple Banks and Financial Institutions. He was the Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. He also was General Manager at BDBL and RAKUB. He served as CEO at ICB Securities Trading Company Ltd.

He is the Chairman of ICB Capital Management Ltd. and is a Director in the Board of Directors of British American Tobacco Bangladesh Co. Ltd. (BATBC), LINDE Bangladesh Limited, Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and others. He holds Masters degree in Accounting from the University of Dhaka.

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 in 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), 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 2018, are included in the Annual Report 2018, 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 in page 105.

The Annual Report for the year ended 31 December 2018, comprising the Financial Statements and the Directors' Report has been approved by the Board of Directors in its meeting dated 26 February 2019 and 11 March 2019 respectively and are signed on its behalf by:



Prashant Pandey
Managing Director



Rakesh Thakur
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 policy and as per conditions of the Bangladesh Securities and Exchange Commission's (BSEC) guidelines. 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 Board's 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, focussing 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 that 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 2018, 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 in line with BSEC Notification BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.
- Appraised and approved the Internal Audit Activity Charter.
- Assessed and endorsed the annual internal audit and compliance plan 2018 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 selection criteria for appointment of new 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 2018, the Audit Committee met four times. The details of attendance of each member of the Audit Committee meetings in 2018 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 2018	
					Held	Attended
Mr. Masud Khan, FCA	Independent Non-Executive Director	Chairman	28 th April 2013	Existing	4	4
Ms. Erum Shakir Rahim	Managing Director	Member	1 st January 2017	1 st July 2018	2	2
Mr. Kazi Sanaul Hoq	Nominated Non-Executive Director	Member	22 nd October 2017	Existing	4	4
Mr. Nakibur Rahman	Managing Director	Member	1 st July 2018	1 st December 2018	2	2
Mr. Mohsin Uddin Ahmed	Independent Non-Executive Director	Member	1 st December 2018	Existing	0	0

Ms. Zinnia Tanzina Huq, attended all the meetings held in 2018 as Finance Director to give clarifications on all financial matters. Mr. Rakesh Thakur was appointed as Finance Director in December 2018, after the last Committee meeting for the year was held in October 2018. Mr. S.O.M. Rashedul Quayum, Head of Legal & Government Affairs was the Company Secretary and attended all meetings till June 2018 as Secretary of the Audit Committee. He was subsequently replaced as Secretary of the Committee by Mr. Faridul Sikder, Company Secretary, from July 2018 onwards.

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



Masud Khan

Chairman

Audit Committee

11 March 2019

Nomination and Remuneration Committee Report

In pursuance of 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 in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance 1969, the Board of Directors ("Board") of the GlaxoSmithKline Bangladesh Limited ("Company") has constituted the Nomination and Remuneration Committee ("Committee") as a sub Committee of the Board with effect from 1st December 2018.

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's 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.
 - 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

After its formation, the Committee carried out the following activities in line with Committee's Terms of Reference during the year 2018:

- i. Reviewed and recommended the "Code of Business Conduct and Ethics" for Members of the Board of Directors for Board's approval.
- ii. Reviewed and recommended the meeting attendance fees of Non-Executive Directors of the Company for Board's approval.
- iii. Reviewed the Company's existing training policies.

The minutes of the Committee meeting is placed subsequently to the Board meeting.



Meeting and Attendance

In the year 2018, 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 Committee	Date of joining the Committee	No. of meetings in 2018	
				Held	Attended
Mr. Mohsin Uddin Ahmed	Independent Director	Chairman	1 st Dec 2018	1	1
Mr. Masud Khan	Independent Director	Member	1 st Dec 2018	1	1
Mr. Kazi Sanaul Hoq	Nominated Non-Executive Director	Member	1 st Dec 2018	1	1

Mr. Noor Mohammad, HR Director attended the meeting to give clarifications on agendas of that meeting.

On behalf of the Committee



Mohsin Uddin Ahmed
Chairman

Nomination and Remuneration Committee

Date: 11 March 2019

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.

As Finance Director Rakesh 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 April, 2016 as Head of Finance for the Consumer Healthcare



Rakesh Thakur

Finance Director



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 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'.



Ishrat Zerín

Director, Legal & Compliance



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.

Leadership Team



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 Masters from Dhaka University in English Literature.

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.



Faridul Hoque Sikder

Company Secretary



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.



BUSINESS REVIEW

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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 2018.

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 Sixth Annual General Meeting of the Company to be held on 25th April 2019.

GSK Globally had announced in 2017 that to deliver a sustainable growth ambition, the Company will run Emerging Markets Pharmaceuticals as an integrated operation, putting in place the right commercial structure in each market. This is believed to be the sustainable way to ensure access to medicine for patients in Emerging Markets. As part of this change and based on local shareholders' approval, GSK closed the manufacturing and commercial operations for its Pharmaceutical business unit in Bangladesh at end of 2018.

This change will not impact the vaccines GSK provides to Bangladesh, which are purchased via UNICEF and funded by GAVI (Global Alliance for Vaccines and Immunizations). GAVI intends to bring together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world's poorest countries.

During 2018, Consumer Healthcare Business focussed on extensive brand building, commercial excellence and accelerating innovations to ensure sustained growth.

This was backed by simplification and cost efficiency initiatives in supply chain and continued investment in employee capability building programmes to ensure maximum delivery of shareholder value. This report highlights the key business activities that the Company carried out and presents the necessary disclosure in relation to good corporate governance.

1. Consumer Healthcare

Industry Outlook and Possible Future Developments

In 2018, Fast Moving Consumer Goods (FMCG) market was valued at TK. 276bn. Non-food Categories contributed 50% to this value, while Food categories contributed 48%. Health Food Drinks (HFD) was valued at Tk. 3.8bn (Source Nielsen).

GSK continued to outperform competition in both its key categories of HFD and Toothpaste, with GSK share increasing to 95.8% in the Health Food Drink Category, a gain of 0.3% over 2017. Sensodyne consumption grew at 5 times the growth of toothpaste category (Source Nielsen) fueled by educating consumers and creating relevance of a tooth sensitivity solution.

With rising incomes and increasing health awareness, there is a sustained opportunity to increase penetration level of HFD category in the future, by offering a range of relevant nutrition solutions at affordable price points. In toothpaste category, consumers are looking for solutions to their specific needs, making Sensodyne well positioned to gain share.

Business Performance

The Consumer Healthcare business of your company has delivered a CAGR of 6.8% in last 2 years and grown by 3.4% in 2018, primarily led by growth in HFD at 5.5%. In 2018, sales growth was adversely impacted by increased parallel imports, however improved penetration and consumption ensured that Horlicks continued to grow at 4.9%.

Horlicks penetration is on a sustained growth path and has increased to 12.6% in 2018 vs 9.4% in 2017 (Source: MRB).

In 2018, the company focussed on driving penetration and distribution of its products at affordable price points. One of the key initiatives in this area was to reduce the price of Horlicks sachet from Tk 12 to Tk 10. This helped increase its penetration to 7.2% in 2018 vs 3.2% in 2017 (Source: MRB) and significantly improved the retail availability of Horlicks brand. Glaxose continued to grow the reach of its Tk 10 sachet, while Sensodyne expanded its reach and penetration to exit the year with 8% urban penetration (Source: MRB)

Further in 2018, your Company increased focus on introducing new products and expanding its product

range in the market. In HFD, investment continued behind Horlicks Growth Plus and Boost was relaunched with a new mix. At the same time, four new products were launched: Glaxose Orange, Sensodyne Rapid Relief, Sensodyne Deep Clean and Sensodyne Brush, all achieving their targets for the year.

Your Company is committed to providing more and more people access to high quality nutrition and oral health products in Bangladesh.

2. Pharmaceutical Business

Industry Outlook and Possible Future Developments

As per latest published reports titled Bangladesh Pharmaceutical Index (BDPI) by IQVIA (previously known as IMS & Quintiles), the Bangladesh pharmaceuticals market size stands at 2.5 Bn USD. The MAT Growth at the end of Q3 2018 in value stands at 6.33%, which is significantly lower than the last 3-year trend, although the CAGR (5Y) is maintained over 15%. Relatively lower contribution from new launches or line extensions as well from price increases compared to the previous year, led to the lower growth rate driven predominantly by organic volume growth. In terms of therapy area performance, the market continues to be dominated by gastro-intestinal products and antibiotics. Top selling molecules continues to be from the anti-ulcerants range, followed by anti-diabetic and antibiotic medications. In terms of driving the market growth, the top molecules are mostly from anti-diabetic and cardiovascular therapy areas, where GSK neither has presence nor has a pipeline locally or globally at the moment.

Business Performance

The year 2018 was a year of significant transformation for the Pharmaceuticals business of GSK in both Bangladesh and other countries in the world. In Q2 2017 Business Update, GSK globally announced that in order to deliver a sustainable growth ambition, the Emerging Markets Pharmaceuticals will be run as an integrated operation, putting in place the right commercial structure in each market.

A strategic review of the business model had commenced in Q1 to look at business outlook in context of the upcoming Global GSK changes and the current market scenario. For some time, the Pharmaceutical commercial and manufacturing operations in Bangladesh had been facing significant internal and external challenges. Despite best efforts to address these challenges, the review of the business unit showed that the operations in the country were no longer commercially sustainable over the long term. Subsequently, the Board agreed that a recommendation, endorsed by GSK's senior leadership in Emerging Markets and at global level, on the strategic direction regarding the pharmaceutical business was required to drive shareholder value of the Company.

As a result, in July 2018, the Board of GSK Bangladesh Ltd., proposed the closure of the manufacturing and commercial operations for its Pharmaceutical business unit in Bangladesh. The proposal was endorsed through an Extraordinary General Meeting in October 2018 for immediate effect.

This was a difficult but necessary decision and the company regretted that the action led to significant job losses. With a view towards GSK's value of respect to people, the Board had approved a separation scheme for relevant employees, with a contribution from GSK's holding company funding the closure activities. The Board acknowledged that the offer would ensure all affected employees would be treated with due respect and dignity and would be provided with support during this challenging time.

The Board has taken into consideration that Bangladesh has a strong local pharmaceutical industry and, as such, all of GSK's medicines and essential vaccines are substitutable with generics and therefore patients should be able to access a range of suitable alternatives. Furthermore, patients will continue to have access to GSK Vaccines, which are purchased via UNICEF and funded by GAVI. The GSK Bangladesh entity continues with the Consumer Healthcare business which is not impacted by the changes in the Pharmaceutical operations.

GSK Bangladesh will continue with the existing commitments that support community health in Bangladesh

3. Manufacturing

The strategic changes to the overall pharmaceutical business significantly impacted the Global Manufacturing Supply (GMS) Site in Chattogram. Over the years, the GMS site faced with increasing challenges due to increased quality, EHS compliance and regulatory expectations for manufacturing and supply operations. In 2018, the strategic review of the business outlook could not support the continued operations of the site.

After an announcement of the Board's proposal to close the manufacturing operations, outplacement services were provided to all employees and job fair was arranged both in Dhaka & Chattogram, which helped the recruitment of many of GSK employees. Furthermore, 100% exit health surveillance was carried out for the GSK Chattogram employees and no abnormalities were noted.

4. GSK People

The Human Resources team relentlessly supported the business to embed a performance driven culture in a challenging year which was full of uncertainties.

Post announcement of Pharma business closure in Bangladesh, GSK ensured that it treats all employees with respect, dignity and according to our values, providing the appropriate support at this time in full

compliance with local laws and regulations. In addition, GSK offered a voluntary retirement scheme to all impacted employees, additionally provided outplacement support and facilitated job fairs for impacted employees. To ensure proper completion of all closure related activities a group of staff from Sales, Quality, Support Functions (HR, Finance, IT), Medical and Engineering has been retained.

Even during such uncertainties, employees engagement level touched an ever-highest 86%, which is a testament to the fact that employees believe, they are respected at work place, GSK ensures development of their capabilities, they have equal opportunity to have a successful career at GSK and the positive view regarding the correlation of their work and business objective.

In the space of people development, GSK HR team rolled out two 'Energy for performance' sessions involving 48 employees, to reinforce the importance of health and a balanced lifestyle at both individual and team level. 'Marketing IQ' training program in Gurgaon, India was conducted with the intent to enhance capability. Personal resilience training was conducted to focus on developing the softer skills of employees. Additionally, all employees yearly meeting "All Hands Meet" took place on the 11th March 2018 to discuss strategic point of view and reenergise employees for future challenges.

All these efforts were duly recognised in September 2018, when GSK Bangladesh received 'Bangladesh Best Employer Brand Awards 2018', a prestigious award given by Employer Branding Institute, India. This award reflected the employee centric culture which is built and nurtured by GSK

5. Financial Results

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2018.

Particulars	2018	2017
Revenue	4,816,557	4,657,200
Cost of Sales	(2,567,307)	(2,433,248)
Gross Profit	2,249,250	2,223,952
Profit before taxation	1,299,547	1,095,971
Less: Provision for taxation	96,874	(278,297)
Profit from Continuing Operation	1,396,421	817,674
Profit/(Loss) from discontinued operation	(2,031,901)	(148,370)
Profit for the period	(635,480)	669,304
Other comprehensive income/(loss), net of tax	(78,230)	(22,434)
Add: Transfer from Revaluation Reserve	1,871	1,126
Add: Unappropriated profit brought forward from previous year	2,498,017	2,452,344
Total amount available for distribution	1,786,178	3,100,340
Appropriations:		
Dividend paid for the previous year	(662,555)	(602,322)
Closing retained earnings at the year-end	1,123,623	2,498,017
Proposed dividend for the year (2018: 530%; 2017: 550%)	(638,462)	(662,555)
Retained earnings after proposed dividend	485,161	1,835,462

Figures in Tk 000

Following approval of the shareholders in the EGM, manufacturing and commercial operations of the company's Pharmaceutical business were closed in this year. As a result, the operating result of the company's Pharmaceutical business have been reported as a 'Discontinued Operation' according to International Financial Reporting Standard.

Net Sales for the continuing operation of the Company amounted to Tk 4,817mn, against Tk 4,657mn last year. This represents a 3.4% growth from 2017. Profit before tax from the continuing operation has increased by 18.6% driven largely by the cost saving initiative and one-off adjustment in operating expenses. The discontinued operation of Pharmaceutical business incurred significant loss due to severance pay to the impacted employees, impairment and write-off for the assets and inventory as they don't have further economic benefit to the company. The loss from the discontinued operation has outweighed the profit from its continued operation this year and now has a loss of Tk 635.5 Million in 2018.

6. Dividend

In consideration of the above, the Board of Directors recommended a final dividend of 530% i.e Tk.53.00 per share of Tk 10.00 each for the year 2018. The recommended dividend, if approved by the members at the Annual General Meeting, will involve a cash outflow of Tk 638.46 million.

7. 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:

- 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;
- Proper books of accounts of the Company have been maintained;
- 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;
- 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;
- A Statement of Management's Discussion and Analysis reviewed by Audit Committee has been presented in Annexure I.
- 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 (5);
- 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. 270,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in the notes to the Financial Statements;
- j) Following approval of the shareholders in the EGM, manufacturing and commercial operations of the company's Pharmaceutical business were closed in this year. As a result, the significant losses of the company's Pharmaceutical business have been reported as a 'Discontinued Operation' according to International Financial Reporting Standard.
- k) Utilization of proceeds from public issues is not applicable;
- l) Explanation of financial results after IPO is not applicable;
- m) No bonus share or stock dividend has been declared as interim dividend during the year;
- n) 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.
- o) The summarized key operating and financial data for the five years (2014-2018) 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.

8. Risks & Concerns

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

9. Internal Control

The Company maintains a sound internal control system 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. Further, the Risk Management and Compliance Board (RMCB) also reviews the internal controls and risk management process on a quarterly basis.

Apart from Internal Audit function carrying out periodic review of key process controls and reporting back to the Audit Committee as well as RMCB, this year the Consumer Healthcare business faced review conducted by above country auditors during the last quarter. While there were no critical adverse findings, the auditors highlighted a good practice that the Company conducts monthly audits to measure the value of expired/damaged goods and ensures the expired goods have been physically verified and destroyed.

The Company also adopts a group mandated control governance framework for financial processes called ERP Finance Internal Control Framework (ICFW). These controls, many of which are global best-practices in addressing financial process risks, are tested both locally and globally while being regularly monitored by above country body within GSK. By the year end, all relevant controls tested locally achieved "pass" i.e., were effectively implemented.

This annual report further encloses a detailed discussion on the internal control framework under the Corporate Governance section.

10. 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.

11. 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 2018 GlaxoSmithKline Bangladesh Limited contributed to the government exchequer a sum of Tk. 1,705 mn.

12. Board of Directors and Shareholding Information

Composition and Size of the Board

As at 31st December 2018 there were seven members in the Board. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Four Directors, including

the Managing Director, are Executive Directors. There are three Non-Executive Directors, out of which two are Independent Directors.

Board Meetings and Attendance

During the year 2018, 10 (Ten) 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. Prashant Pandey	10	07	
Mr. Rakesh Thakur	01	01	Appointed with effect from 1 st December 2018.
Mr. Zahedur Rahman	01	01	Appointed with effect from 1 st December 2018.
Mr. Mohammad Naharul Islam Molla	01	01	Appointed with effect from 1 st December 2018.
Mr. Kazi Sanaul Hoq	10	07	
Mr. Masud Khan	10	10	
Mr. Mohsin Uddin Ahmed	10	07	
Mr. David Pritchard	09	05	Resigned with effect from 1 st December 2018.
Mr. M. Azizul Huq	05	05	Appointed with effect from 24 th June 2018 and Resigned with effect from 1 st December 2018.
Ms. Erum Shakir Rahim	04	04	Resigned with effect from 1 st July 2018.
Mr. Nakibur Rahman	05	05	Appointed with effect from 1 st July 2018 and Resigned with effect from 1 st December 2018.
Ms. Zinnia Tanzina Huq	09	09	Resigned with effect from 1 st December 2018.
Mr. Noor Mohammad	02	02	Appointed with effect from 1 st October 2018 and Resigned with effect from 1 st December 2018.
Mr. Rajib Barua	03	03	Directorship ceased with effect from 22 nd June 2018 due to death.

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. Kazi Sanaul Hoq 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. Rakesh Thakur, Mr. Zahedur Rahman and Mr. Mohammad Naharul Islam Molla having been appointed to the Board since the last Annual General Meeting, shall retire and being eligible, offer themselves for re-election.

Mr. Prashant Pandey appointed as Managing Director with effect from 1st December 2018 subject to the consent of the members of the Company in ensuing Annual General Meeting. Pursuant to the Section 109(1) of The Companies Act 1994, the Company will seek the consent of the members of the Company for the appointment of Mr. Prashant Pandey as Managing Director in the ensuing Annual General Meeting.

Pursuant to the Corporate Governance Code, the brief resumes of Mr. Kazi Sanaul Hoq, Mr. Rakesh Thakur, Mr. Zahedur Rahman and Mr. Mohammad Naharul Islam Molla are given below:

Kazi Sanaul Hoq

Kazi Sanaul Hoq was inducted to the GSK Bangladesh Board in October 2017. He joined as the Managing Director of Investment Corporation of Bangladesh (ICB) in August 2017. He started his career as a Senior Officer in ICB in October 1984 and served in various positions in the same organisation. Prior to his current role he was the Acting Managing Director of Rajshahi Krishi Unnayan Bank (RAKUB). During his long illustrious career, he worked in multiple Banks and Financial Institutions. He was the Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. He also was General Manager at BDBL and RAKUB. He served as CEO at ICB Securities Trading Company Ltd. He is the Chairman of ICB Capital Management Ltd. and is a Director in the Board of Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Limited, Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and others. He holds Masters degree in Accounting from the University of Dhaka.

Rakesh Thakur

Rakesh Thakur was inducted to the GSK Bangladesh Board in December 2018 as Finance Director. Rakesh joined GSK Bangladesh Limited in April, 2016 as Head of Finance, for the Consumer Healthcare business. Prior to joining GSK, Rakesh had 13 years of experience in working for reputable organisations like Samsung and Pepsi in various capacities. As General Manager of Finance Controls at Pepsi's Beverages division, Rakesh set new standards in the Accounting, Compliance and Cost monitoring procedures of the organisation. He also played a significant role on Online Trade Business for Samsung Mobile Division. In addition, Rakesh holds the position of Director of Burroughs Wellcome & Co. (Bangladesh) Limited. Rakesh is a qualified Chartered Accountant, and has a Bachelor of Commerce degree from University of Delhi.

Zahedur Rahman

Zahedur Rahman was inducted to the GSK Bangladesh Board in December 2018. Zahed joined GSK Bangladesh Limited in April 2013 as Supply Chain Director for Consumer Healthcare business of Bangladesh, Myanmar & Nepal (MyBaN) cluster. As the Supply Chain Director, he is responsible for all supply chain related functions of the 3-country cluster. Prior to joining GSK, he worked at ACI Limited as Director - Business Development. He has more than 14 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. In addition, Zahed holds the position of Managing Director of Burroughs Wellcome & Co. (Bangladesh) Limited. Zahed graduated from Bangladesh University of Engineering & Technology (BUET) and also has an MBA degree from IBA, University of Dhaka.

Mohammad Naharul Islam Molla

Mohammad Naharul Islam Molla was inducted to the GSK Bangladesh Board in December 2018. Nahar joined GSK Bangladesh Limited on May 2016 as Head of Regulatory & Corporate Affairs - Myanmar, Bangladesh & Nepal for the Consumer Healthcare business. Before joining 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.

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 24 of the Financial Statements).

The details of the remuneration paid to the Executive Directors during the year are given in Notes-28 of the Financial Statements.

Shareholding Information

The shareholding information as at 31 December 2018 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 N.V.

However, the actual Transaction is subject to the satisfaction or waiver of the conditions precedents (including necessary regulatory formalities and approval in accordance with the laws of Bangladesh).

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

Shareholders/Investors Grievance

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

13. Corporate Responsibilities

The Company continued its commitment towards the community this year through the ongoing multiple healthcare initiatives it has undertaken for the last few years. In addition, the Company continued its support to the Myanmar Refugee crisis in Cox's bazar, through the parent Company, GSK plc.

Some key initiatives include

Reinvestment of 20% of profits for Healthcare Infrastructure development in Bangladesh:

This Public Private Partnership between Ministry of Health, GSK and CARE concluded its final phase in December 2018. This 6 years long initiative began its first phase in 2012 and its 2nd concluding phase in 2015. The initiative has empowered 300 skilled birth attendants and 3,000 Community Health workers in the greater Sunamganj District and have supported the Government to deliver very important milestones in the overall Maternal Child Health Sector. Through the initiative a positive change in overall health seeking behaviour have been made and have also significantly reduced maternal child mortality and morbidity in the hard to reach haor (shoal area) areas of Sunamganj.

Our partners include Ministry of Health and Family Welfare, CARE, M&S, Friendship and ICDDR, B and the Public Health School of BRAC University the.

Key projects include

- o GSK-CARE Community Health Worker Initiative
- o GSK-FRIENDSHIP m-Health project
- o GSK-ICDDR,B Health System Strengthening Programme
- o GSK CARE RMG (Ready Made Garments) Healthcare Programme
- o GSK, M&S, CARE Health Access and Linkage Opportunities for Workers (HALOW) Project

Details of these initiatives are provided in CSR section.

14. 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 2018 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.

15. 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 2019 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 2019 subject to the approval of members in ensuing Annual General Meeting.

16. 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 2018 is attached in Annexure-IV, along with the Certificate of Compliance required under the said code.

17. 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 patients and consumers first.

The team has worked tirelessly within the constraints to provide appropriate information and ensure product availability for patients, consumers and the healthcare professionals who serve them.

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

GSK in 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



Managing Director

11 March 2019



GlaxoSmithKline (GSK) বাংলাদেশ লিমিটেড-এর পরিচালনা পর্ষদ কোম্পানির ২০১৮ সালের ৩১ ডিসেম্বর (সমাপনী) অর্থবছরের বার্ষিক এবং নিরীক্ষিত আর্থিক বিবরণ একযোগে সানন্দে উপস্থাপন করছে।

প্রতিবেদনটি বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর ৩ জুন ২০১৮ তারিখের এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/অ্যাডমিন/৪৪ নম্বর প্রজ্ঞাপন এবং কোম্পানি আইন ১৯৯৪-এর ১৮৪ নম্বর অনুচ্ছেদ অনুসারে প্রণীত হয়েছে। ২৫ এপ্রিল ২০১৯ তারিখে অনুষ্ঠিতব্য কোম্পানির বার্ষিক সাধারণ সভায় উপস্থিত সদস্যদের কাছে এই প্রতিবেদনটি উপস্থাপন করা হবে।

২০১৭ সালে বিশ্বজুড়ে টেকসই প্রবৃদ্ধি অর্জনের লক্ষ্যমাত্রা ঘোষণা করে জিএসকে (GSK)। এই কোম্পানি ইমার্জিং মার্কেটস ফার্মাসিউটিক্যালস-কে এক সমন্বিত উদ্যোগ হিসেবে বিবেচনায় নিয়ে প্রত্যেক বাজারে দীর্ঘমেয়াদে টেকসই সুসম বাণিজ্য কাঠামো নিশ্চিত করার লক্ষ্যে পর্যালোচনা শুরু করে এবং কিছু পরিবর্তনের সিদ্ধান্ত নেয়। এই পরিবর্তনের অংশ হিসেবে এবং স্থানীয় শেয়ারহোল্ডারদের সম্মতি সাপেক্ষে জিএসকে (GSK) ২০১৮ সালের শেষ নাগাদ বাংলাদেশে ফার্মাসিউটিক্যালস ইউনিটের উৎপাদন এবং বাণিজ্যিক কার্যক্রম বন্ধ করে দেয়।

উৎপাদন ও বাণিজ্য কার্যক্রম বন্ধ থাকলেও জিএসকে (GSK) বাংলাদেশে ইউনিসেফ-এর মাধ্যমে জিএভিআই-এর (গ্লোবাল অ্যালায়েন্স ফর ভ্যাক্সিন অ্যাড ইমিউনিজেশনস) অর্থায়নে যে সকল ভ্যাক্সিন কিনছে বাংলাদেশ, তা সরবরাহ অব্যাহত রাখবে।

২০১৮ সালে কোম্পানির কনজুমার হেলথকেয়ার বিজনেস পণ্যসমূহের ব্যাপক প্রচারণা, বাণিজ্যিক উৎকর্ষ এবং টেকসই প্রবৃদ্ধির জন্য উদ্ভাবনকে ত্বরান্বিত করার প্রতি জোর দিয়েছে। যার ফলে সরবরাহ প্রক্রিয়া সহজীকরণ, মূল্যসাশ্রয়ী উদ্যোগ গ্রহণ এবং

কর্মীদের দক্ষতা উন্নয়ন কর্মসূচির মাধ্যমে শেয়ারহোল্ডারদের বিনিয়োগের সর্বোত্তম ব্যবহার সম্ভব হয়েছে। এই প্রতিবেদনে কোম্পানির প্রধান ব্যবসায়িক কর্মকাণ্ড এবং যথাযথ কর্পোরেট পরিচালনা ব্যবস্থা হিসেবে সফল হওয়ার ক্ষেত্রে প্রয়োজনীয় পদক্ষেপ তুলে ধরা হয়েছে।

১) কনজুমার হেলথকেয়ার

শিল্পখাতের গতি-প্রকৃতি ও ভবিষ্যৎ সম্ভাবনা

২০১৮ সালে ফাস্ট মুভিং কনজুমার গুডস-এর (এফএমসিজি) বাজারমূল্য ছিল ২৭৬ বিলিয়ন টাকা- যেখানে নন-ফুড ক্যাটেগরির পণ্য ছিল ৫০%, আর ফুড ক্যাটেগরির পণ্য ছিল ৪৮%। এই সময়ে হেলথ ফুড ড্রিংকস-এর (এইচএফডি) বাজারমূল্য ছিল ৩.৮ বিলিয়ন টাকা। (সূত্র: Nielsen)

জিএসকে (GSK) তাদের দুটি প্রধান ক্যাটেগরি এইচএফডি এবং টুথপেস্ট নিয়ে বাজারে অত্যন্ত সফল প্রতিযোগিতার মাধ্যমে হেলথ ফুড ড্রিংকস ক্যাটেগরিতে তাদের শেয়ার ৯৫.৮%-এ উন্নীত করেছে, যা ২০১৭ সালের প্রবৃদ্ধির চেয়ে ০.৩% বেশি। দাঁতের সংবেদনশীল সমস্যার কার্যকরী সমাধান ও ভোক্তাদেরকে এ সম্পর্কিত শিক্ষাদানের মাধ্যমে টুথপেস্ট ক্যাটেগরিতে Sensodyne-এর ব্যবহার পাঁচ গুণ বৃদ্ধি পেয়েছে। (সূত্র: Nielsen)

আয় এবং স্বাস্থ্য সচেতনতা বৃদ্ধির সাথে সাথে হেলথ ফুড ড্রিংকস ক্যাটেগরিকে ভবিষ্যতে একটি মজবুত অবস্থানে নেয়ার সুযোগ রয়েছে, যার মাধ্যমে ভোক্তাদেরকে সাশ্রয়ী মূল্যে পুষ্টিকর পণ্যসামগ্রী সরবরাহ করা সম্ভব হবে। টুথপেস্ট ক্যাটেগরিতে ভোক্তারা তাদের দাঁতের নির্দিষ্ট সমস্যার সমাধান খুঁজছেন, যার ফলে Sensodyne-এর জন্য মার্কেট শেয়ার বৃদ্ধি করার উপযুক্ত ক্ষেত্র তৈরি করা হয়েছে।

ব্যবসায়িক অর্জন

গত দুই বছরে কনজুমার হেলথকেয়ার বিজনেস তাদের কোম্পানিকে ৬.৮% সিএজিআর প্রদান করেছে। ২০১৮ সালে ৩.৪% প্রবৃদ্ধি ছিল, যার মূল চালিকা ছিল হেলথ ফুড ড্রিংকস ক্যাটেগরির ৫.৫% প্রবৃদ্ধি। ২০১৮ সালে সমান্তরাল আমদানির ফলে বিক্রয় প্রবৃদ্ধি ক্ষতিগ্রস্ত হওয়ার পরও বাজার দখলের হার বৃদ্ধি ও ভোক্তা চাহিদার কারণে Horlicks তার প্রবৃদ্ধি ৪.৯% ধরে রেখেছে। বাজারে Horlicks-এর সহজপ্রাপ্যতা একটি মজবুত অবস্থানে রয়েছে এবং ২০১৭ সালে যেখানে ৯.৪% প্রবৃদ্ধি অর্জিত হয়েছিল, ২০১৮ সালে তা ১২.৬%-এ দাঁড়িয়েছে। (সূত্র: MRB)

২০১৮ সালে কোম্পানি বাজার দখলের হার বৃদ্ধি ও সাশ্রয়ী মূল্যে তা বিতরণের প্রতি জোর দেয়। এক্ষেত্রে প্রধান উদ্যোগের মধ্যে Horlicks-এর স্যাশে প্যাক-এর দাম ১২ টাকা থেকে কমিয়ে ১০ টাকা করা হয়েছে। ফলে ২০১৭ সালে বাজারে ৩.২% পণ্য অনুপ্রবেশের বিপরীতে ২০১৮ সালে ৭.২% বৃদ্ধি (সূত্র: MRB) পেয়েছে এবং Horlicks ব্র্যান্ডের খুচরা বিক্রির সহজলভ্যতা উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। Glaxose-এর স্যাশে প্যাকেটের দাম ১০ টাকা রেখেই প্রবৃদ্ধি অর্জিত হয়েছে। একই সময়ে Sensodyne টুথপেস্টের বাজার বিস্তৃত হয়েছে। বছর শেষে শহরাঞ্চলে এর প্রবেশের হার ছিল ৮%। (সূত্র: MRB)

২০১৮ সালে কোম্পানি তার নতুন পণ্যের পরিচিতি এবং বাজারে পণ্যের বিস্তৃতির প্রতি জোর দিয়েছে। হেলথ ফুড ড্রিংকস-এর ক্ষেত্রে ওই সময়ে Horlicks Growth Plus এবং Boost-এর নতুন মিক্স বাজারে আনার ক্ষেত্রে বিনিয়োগ করা হয়। একই সময়ে আরো চারটি পণ্য বাজারে আনা হয় Glaxose Orange, Sensodyne Rapid Relief, Sensodyne Deep Clean এবং Sensodyne Brush, যার প্রতিটিই তাদের বাৎসরিক বিক্রয় লক্ষ্যমাত্রা অর্জন করে।

বাংলাদেশের মানুষের কাছে আরো বেশি উন্নতমানের পুষ্টিপূর্ণ পণ্য এবং দাঁতে ব্যবহারের পণ্য সরবরাহ করতে কোম্পানি প্রতিজ্ঞাবদ্ধ।

২) ফার্মাসিউটিক্যাল ব্যবসা

শিল্পখাতের গতিবিধি ও সম্ভাবনা

সাম্প্রতিক সময়ে আইকিউভিআইএ (IQVIA) (যা পূর্বে IMS & Quintiles নামে পরিচিত ছিল) কর্তৃক প্রকাশিত বাংলাদেশ ফার্মাসিউটিক্যাল ইনডেক্স (বিডিপিআই) শিরোনামের প্রতিবেদন অনুযায়ী বাংলাদেশের ফার্মাসিউটিক্যালস মার্কেটের আকার ২.৫ বিলিয়ন মার্কিন ডলারে দাঁড়িয়েছে। Q3 ২০১৮ সালের শেষে MAT প্রবৃদ্ধি দাঁড়িয়েছে ৬.৩৩%-এ, যা বিগত ৩ বছরের তুলনায় তুলনামূলকভাবে কম, যদিও সিএজিআর (CAGR) ১৫%-এর ওপর প্রবৃদ্ধি বজায় রেখেছে (৫ বছরে)। নতুন ও সংস্করণকৃত ঔষধের অবদান এক্ষেত্রে তুলনামূলক কম এবং অতীতের তুলনায় মূল্যবৃদ্ধির হারও হ্রাস পেয়েছে। অ্যান্টিবায়োটিক এবং gastro-intestinal ঔষুধসমূহ বাজারে অব্যাহত আধিপত্য ধরে রাখতে সক্ষম হয়েছে। Anti-ulcerants-এর পাশাপাশি অ্যান্টি-ডায়াবেটিক এবং অ্যান্টিবায়োটিক চিকিৎসাপণ্য বিক্রয়ের শীর্ষে রয়েছে। বাজারের চাহিদা বৃদ্ধির ক্ষেত্রে মূলত অ্যান্টি-ডায়াবেটিক এবং কার্ডিওভাসকুলার থেরাপি এগিয়ে রয়েছে, কিন্তু স্থানীয় বা আন্তর্জাতিকভাবে এক্ষেত্রে জিএসকে-এর (GSK) কোনো পণ্য নেই এবং এই মুহূর্তে গবেষণা ও উন্নয়ন প্রক্রিয়াতেও নেই।

ব্যবসায়িক অর্জন

২০১৮ সালে বাংলাদেশ এবং বিশ্বের অন্যান্য দেশে জিএসকে-এর (GSK) ফার্মাসিউটিক্যালস ব্যবসার ক্ষেত্রে উল্লেখযোগ্য রূপান্তর সাধিত হয়েছে। Q2 ২০১৭ সালের হালনাগাদে জিএসকে (GSK) বিশ্বব্যাপী একটি টেকসই প্রবৃদ্ধি অর্জনের লক্ষ্যমাত্রা ঘোষণা করে। এ সময় এই কোম্পানি ইমার্জিং মার্কেটস ফার্মাসিউটিক্যালস-কে একটি সমন্বিত কার্যক্রম হিসেবে পরিচালনা করবে, যা প্রতিটি বাজারে সঠিক বাণিজ্য কাঠামো স্থাপন করবে- এই মর্মে প্রত্যয় ব্যক্ত করে।

বিশ্বব্যাপী জিএসকে'র (GSK) আসন্ন পরিবর্তন এবং বাজারে বর্তমান অবস্থার বিবেচনার জন্য ২০১৮ সালের ১ম প্রান্তিকে কৌশলগত ব্যবসায়িক পর্যালোচনা শুরু হয়।

কিছু কিছু ক্ষেত্রে জিএসকে (GSK) বাংলাদেশে ফার্মাসিউটিক্যালস-এর বাণিজ্যিকীকরণ ও উৎপাদনে বিভিন্ন ধরনের অভ্যন্তরীণ ও বাহ্যিক চ্যালেঞ্জের মুখোমুখি হয়েছে। এই চ্যালেঞ্জসমূহকে মোকাবিলার জন্য সর্বোচ্চ চেষ্টা করার পরও ব্যবসায়িক ইউনিটের পর্যালোচনা অনুযায়ী দেখা যায় যে, বাংলাদেশে দীর্ঘমেয়াদী বাণিজ্যিক কার্যক্রম পরিচালনা করা ব্যবসায়িকভাবে লাভজনক নয়। এর প্রেক্ষিতে আন্তর্জাতিক ব্যবস্থাপনা কর্তৃপক্ষ জিএসকে'র (GSK) ইমার্জিং মার্কেট এবং বোর্ডের যৌথ সুপারিশ ও অনুমোদনে ফার্মাসিউটিক্যালস ব্যবসা

কোম্পানির শেয়ারহোল্ডারদের দীর্ঘমেয়াদী স্বার্থ সুরক্ষায় কীভাবে পরিচালিত হতে পারে এরকম একটি কৌশলগত নির্দেশনা দেওয়া হয়।

এর ফলে ২০১৮ সালের জুলাই মাসে জিএসকে (GSK) বাংলাদেশ লিমিটেড-এর পরিচালনা পর্ষদ বাংলাদেশে ফার্মাসিউটিক্যালস ব্যবসায়িক ইউনিটের বাণিজ্যিক এবং উৎপাদন প্রক্রিয়া বন্ধের প্রস্তাব দেয়। ২০১৮ সালের অক্টোবরে অতিরিক্ত সাধারণ সভার (Extra Ordinary General Meeting) মাধ্যমে প্রস্তাবটি অনুমোদন করা হয়।

কঠিন হলেও প্রয়োজনীয়তার সাপেক্ষে অপরিহার্য এই সিদ্ধান্ত গ্রহণের কারণে অনেকের চাকুরিচ্যুতি হওয়ায় কোম্পানির পক্ষ থেকে দুঃখ প্রকাশ করা হয়। জিএসকে (GSK) তার কর্মীদের প্রতি শ্রদ্ধাশীল, তাই কোম্পানির কার্যক্রম বন্ধ করার সময় হোল্ডিং কোম্পানি থেকে প্রাপ্ত অর্থ সহায়তায় সংশ্লিষ্ট কর্মচারীদের জন্য একটি বিশেষ স্কিম পরিচালনার সিদ্ধান্ত পরিচালনা পর্ষদের অনুমোদন পায়। পর্ষদ জানায় যে, এই কঠিন সময় মোকাবিলার জন্য ক্ষতিগ্রস্ত সকল কর্মচারীদের যথাযথ সম্মান ও মর্যাদার সাথে সহায়তা প্রদান করা হবে।

পরিচালনা পর্ষদ বিবেচনা করেছে যে, বাংলাদেশের স্থানীয় ঔষধ শিল্প অনেক বেশি শক্তিশালী, তাই রোগীরা জিএসকে'র (GSK) ঔষধ এবং ভ্যাক্সিন অনেক ভালো বিকল্প পাবেন। এছাড়াও রোগীরা জিএভিআই-এর অর্থায়নে ইউনিসেফ-এর মাধ্যমে ক্রয়কৃত জিএসকে'র (GSK) ঔষধ এবং ভ্যাক্সিন সংগ্রহ করতে পারবেন। জিএসকে'র (GSK) ফার্মাসিউটিক্যালস কার্যক্রমের এই পরিবর্তনের ফলে কনজুমার হেলথকেয়ার বিজনেস প্রভাবিত হবে না।

বাংলাদেশের কমিউনিটি স্বাস্থ্যসেবার ক্ষেত্রে জিএসকে (GSK) বাংলাদেশ তাদের সহায়তা করবে এবং প্রতিশ্রুতি অব্যাহত রাখবে।

৩) উৎপাদন

ফার্মাসিউটিক্যাল ব্যবসার কৌশলগত পরিবর্তন চট্টগ্রামে অবস্থিত গ্লোবাল ম্যানুফ্যাকচারিং সাপ্লাই-কেও (জিএমএস) প্রভাবিত করে। বিগত বছরগুলিতে উৎপাদন এবং বিতরণের ক্ষেত্রে ইএইচএস (EHS) এবং কঠোর আভ্যন্তরীণ নিয়ন্ত্রণের প্রত্যাশা পূরণ এবং পণ্যের মান বৃদ্ধির ক্ষেত্রে ক্রমাগত চ্যালেঞ্জের সম্মুখীন হয়েছে। ২০১৮ সালে ব্যবসায়িক কৌশলগত পর্যালোচনায় দেখা যায়, এই সাইটের কার্যক্রম অব্যাহত রাখা আর সম্ভব নয়।

পরিচালনা পর্ষদ কর্তৃক উৎপাদন প্রক্রিয়া বন্ধ ঘোষণার পর কর্মচারীদের অন্য কোথাও কর্মসংস্থানের সুযোগ করে দেওয়ার জন্য জিএসকে'র (GSK) পক্ষ থেকে টাকা এবং চট্টগ্রামে কর্মসংস্থান মেলার আয়োজন করা হয়, যা প্রতিষ্ঠানের অনেক কর্মচারীদের অন্যত্র চাকরি পেতে ভূমিকা রাখে। এছাড়া সব কর্মচারীর শতভাগ নিখুঁত স্বাস্থ্য পরীক্ষা সম্পন্ন হয়। এক্ষেত্রে কারো স্বাস্থ্যে অস্বাভাবিকতা পাওয়া যায়নি।

৪) জিএসকে (GSK) মানব সম্পদ

অনিচ্ছয়তাপূর্ণ একটি চ্যালেঞ্জিং বছর অতিবাহিত করার ক্ষেত্রে জিএসকে'র (GSK) হিউম্যান রিসোর্স বিভাগ (এইচআর) নিরন্তর সহযোগিতা জুগিয়েছে। পূর্ব ঘোষণা অনুযায়ী বাংলাদেশে ফার্মাসিউটিক্যালস ব্যবসা বন্ধ করার ক্ষেত্রে জিএসকে (GSK) তার মূল্যবোধের জায়গা থেকে স্থানীয় আইন ও নীতিমালা অনুসারে যথাযথ সম্মান ও মর্যাদার সাথে কর্মচারীদের এই সময়ে সকল প্রকার

সহায়তা নিশ্চিত করে। এছাড়া জিএসকে'র (GSK) পক্ষ থেকে ক্ষতিগ্রস্ত কর্মচারীদের জন্য স্বেচ্ছা-অবসর স্কিম চালু করা হয় এবং এই কর্মচারীদের অন্যত্র চাকরির সুযোগ করে দিতে কর্মসংস্থান মেলার আয়োজন করা হয়। ব্যবসা বন্ধ সম্পর্কিত সকল কার্যক্রম সঠিকভাবে সম্পন্ন করার জন্য সেলস, কোয়ালিটি, সাপোর্ট ফাংশন (এইচআর, ফিন্যান্স, আইটি), মেডিক্যাল এবং ইঞ্জিনিয়ারিং সকল বিভাগ থেকে কর্মচারীদের একটি দল রাখা হয়েছে।

এমন অনিশ্চয়তার মধ্যেও কর্মী জরিপে 'এংগেজমেন্ট স্কোর' ৮৬% পর্যন্ত পৌঁছেছে। এটি প্রমাণ করে যে, কর্মচারীরা বিশ্বাস করে- তাদের কর্মক্ষেত্রে তারা সম্মানিত ছিল, জিএসকে (GSK) তাদের দক্ষতা উন্নয়ন নিশ্চিত করেছে, জিএসকে-তে (GSK) তাদের সফল ক্যারিয়ার ছিল, ব্যবসায়িক লক্ষ্য অর্জন এবং কাজের ক্ষেত্রে তাদের পারস্পরিকভাবে সমান সুযোগ-সুবিধা ছিল।

মানব সম্পদ উন্নয়নের ক্ষেত্রে জিএসকে (GSK) এইচআর টিম ৪৮ জনের অংশগ্রহণে দুটি 'এনার্জি ফর পারফরম্যান্স' সেশনের আয়োজন করে, যেখানে ব্যক্তিগত এবং দলীয় ক্ষেত্রে তাদের স্বাস্থ্য এবং নিয়ন্ত্রিত জীবনযাপনের প্রতি জোর দেয়া হয়। তাদের দক্ষতা বাড়ানোর লক্ষ্যে ভারতের গৌরগাঁওয়ে 'মার্কেটিং আইকিউ' প্রশিক্ষণ কার্যক্রম পরিচালিত হয়। পরিষ্টি মেনে নেয়া এবং সেখান থেকে উত্তরণের দক্ষতা উন্নয়নের জন্যও তাদেরকে নিয়ে প্রশিক্ষণের আয়োজন করা হয়। এছাড়াও সব কর্মচারীর অংশগ্রহণে ২০১৮ সালের ১১ মার্চ 'অল হ্যান্ডস মিট' নামে বার্ষিক সভার আয়োজন করা হয়, যেখানে কৌশলগত দৃষ্টিভঙ্গি সম্পর্কে আলোচনা হয় এবং ভবিষ্যত চ্যালেঞ্জসমূহকে মোকাবিলার জন্য তাদেরকে উৎসাহিত করা হয়।

এই সকল পদক্ষেপ ২০১৮ সালের সেপ্টেম্বর মাসে স্বীকৃতি পায়, যখন জিএসকে (GSK) বাংলাদেশ ভারতের এমপ্লয়ার ব্র্যান্ডিং ইনস্টিটিউট কর্তৃক প্রদত্ত সম্মানজনক 'বাংলাদেশ বেস্ট এমপ্লয়ার অ্যাওয়ার্ড ২০১৮' অর্জন করে। এই অ্যাওয়ার্ড প্রাপ্তির মাধ্যমে জিএসকে'র (GSK) কর্মীবান্ধব সংস্কৃতির প্রতিফলন ঘটে।

৫) আর্থিক ফলাফল

পরিচালকবৃন্দ অত্যন্ত আনন্দের সাথে ২০১৮ সালের ৩১ ডিসেম্বর অনুযায়ী বছরের আর্থিক ফলাফল উপস্থাপন করছে-

বিবরণ	২০১৮	২০১৭
রাজস্ব	৪,৮১৬,৫৫৭	৪,৬৫৭,২০০
বিক্রয়লব্ধ আয়	(২৫৬৭,৩০৭)	(২,৪৩৩,২৪৮)
মোট মুনাফা	২,২৪৯,২৫০	২,২২৩,৯৫২
কর প্রদানের পূর্বে লাভ	১,২৯৯,৫৪৭	১,০৯৫,৯৭১
বিয়োগ: কর প্রদানের পর	৯৬,৮৭৪	(২৭৮,২৯৭)
চলমান কার্যক্রম থেকে মুনাফা	১,৩৯৬,৪২১	৮১৭,৬৭৪
বন্ধ কার্যক্রম থেকে লাভ/(লোকসান)	(২,০৩১,৯০১)	(১৪৮,৩৭০)
মেয়াদকালীন মুনাফা	(৬৩৫,৪৮০)	৬৬৯,৩০৪
অন্যান্য সমন্বিত আয়/(লোকসান) কর পরবর্তী	(৭৮,২৩০)	(২২,৪৩৪)
যোগ: রেভলুশন রিজার্ভ থেকে স্থানান্তর	১,৮৭১	১,১২৬
পূর্ববর্তী বছর হতে আগত অবশিষ্ট মুনাফা	২,৪৯৮,০১৭	২,৪৫২,৩৪৪
মোট বন্টনযোগ্য পরিমাণ	১,৭৮৬,১৭৮	৩,১০০,৩৪০
অ্যাপ্রোপিয়েশন: পূর্ববর্তী বছরের জন্য পরিশোধিত লভ্যাংশ	(৬৬২,৫৫৫)	(৬০২,৩২২)
বছর শেষে ক্রেডিট রিটেইন্ড আয়	১,১২৩,৬২৩	২,৪৯৮,০১৭
এ বছরের প্রস্তাবিত লভ্যাংশ (২০১৮:৫৩০%;২০১৭:৫৫০%)	(৬৩৮,৪৬২)	(৬৬২,৫৫৫)
প্রস্তাবিত রিটেইন্ড আয় পরবর্তী লভ্যাংশ	৪৮৫,১৬১	১,৮৩৫,৪৬২

অর্থের পরিমাণ টাকায় ০০০

অতিরিক্ত সাধারণ সভায় (EGM) শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে ফার্মাসিউটিক্যালস ব্যবসা এই বছরে বন্ধ ঘোষণা করা হয়। যার ফলে, কোম্পানির ফার্মাসিউটিক্যালস ব্যবসা ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং অনুযায়ী 'স্থগিত কার্যক্রম' হিসেবে বিবেচিত হয়।

কোম্পানির চলমান কার্যক্রমে বিক্রয়লব্ধ টাকার পরিমাণ ৪,৮১৭ মিলিয়ন, গত বছর যা ছিল ৪,৬৫৭ মিলিয়ন। এ থেকে লক্ষ্য করা যায়, কোম্পানির প্রবৃদ্ধি ২০১৭ সাল থেকে ৩.৪% বৃদ্ধি পেয়েছে। চলমান কার্যক্রমের কর প্রদানের পূর্বে লাভের পরিমাণ ১৮.৬% বৃদ্ধি পেয়েছে, যার মূল কারণ হল মূল্যসংশয়ী বিভিন্ন উদ্যোগ গ্রহণ এবং পরিচালনা ব্যয় সমন্বয় করা।

ফার্মাসিউটিক্যালস ব্যবসা বন্ধ করার ফলে ক্ষতিগ্রস্ত কর্মচারীদের আর্থিক সহায়তা প্রদানের জন্য কোম্পানির লাভ তুলনামূলকভাবে কমে যায়। চলমান কার্যক্রম থেকে বন্ধ হওয়া কার্যক্রমের লোকসানের পরিমাণ সংযোজন-বিয়োজন করলেও ২০১৮ সালে কোম্পানির লোকসানের পরিমাণ দাঁড়ায় ৬৩৫.৫ মিলিয়ন টাকা।

৬) লভ্যাংশ

উপরের বিষয়গুলো বিবেচনা করে, পরিচালনা পর্ষদ ২০১৮ 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।

৭) পরিচালকবৃন্দের ডিসক্রোজার এবং ঘোষণা

বার্ষিক প্রতিবেদনের পরবর্তী একটি অংশে সম্পূর্ণ আর্থিক বিবরণ ও ডিসক্রোজার-এর সম্পূর্ণ টীকাসমূহ উপস্থাপন করা হলো। পরিচালনা পর্ষদ সত্বে নিচের ডিসক্রোজার আপনাদের কাছে উপস্থাপন করছে-

- কোম্পানির পরিচালকবর্গ কর্তৃক তৈরি আর্থিক বিবরণে পক্ষপাতহীনভাবে এর সামগ্রিক অবস্থা, কাজের ফলাফল, অর্থ প্রবাহ এবং ইকুইটিতে পরিবর্তন সম্পর্কিত তথ্য উপস্থাপন করা হয়েছে;
- কোম্পানির অ্যাকাউন্টসমূহের উপযুক্ত হিসাবনিকাশ সংরক্ষণ করা হয়েছে;
- আর্থিক বিবরণ 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 বিবরণ 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 ১ এ বর্ণিত হয়েছে।
- ত্রৈমাসিক আর্থিক কার্যক্রম এবং বার্ষিক আর্থিক প্রতিবেদনের মধ্যে উল্লেখযোগ্য কোনো পার্থক্য নেই;
- কোম্পানির বিগত বছরের পরিচালনা ফলাফলের সকল বিচ্যুতি উপরের (৫) নম্বর পয়েন্টের অধীনে নির্দেশ করা হয়েছে;

জ) 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;

ঝ) কোম্পানি পরিচালনা পর্ষদ সভায় উপস্থিতি সম্মানী হিসেবে বছরে মোট ২,৭০,০০০ টাকা পরিশোধ করেছে। আর্থিক প্রতিবেদনের টীকায় পরিচালকবৃন্দের সম্মানী উল্লেখ করা হয়েছে;

ঞ) অতিরিক্ত সাধারণ সভায় (EGM) শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে ফার্মাসিউটিক্যালস ব্যবসা এই বছরে বন্ধ ঘোষণা করা হয়। যার ফলে, কোম্পানির ফার্মাসিউটিক্যালস ব্যবসা ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং অনুযায়ী 'স্থগিত কার্যক্রম' হিসেবে বিবেচিত হয়।

ট) পাবলিক ইস্যু হতে প্রাপ্ত অর্থের ব্যবহার প্রযোজ্য নয়;

ঠ) IPO-পরবর্তী আর্থিক ফলাফলের ব্যাখ্যা প্রযোজ্য নয়;

ড) এই বছরে কোনো শেয়ার বা স্টকের জন্য বোনাস বা মধ্যবর্তী লভ্যাংশ প্রদান করা হবে না;

ঢ) শেয়ারহোল্ডারদের কার্যক্রমকে প্রত্যক্ষ বা পরোক্ষভাবে নিয়ন্ত্রণের মাধ্যমে ক্ষুদ্র অংশীদারগণকে যেকোনো ধরনের বিব্রতকর পরিস্থিতি থেকে রক্ষা করা হবে;

ণ) বিগত পাঁচ বছরের (২০১৪-২০১৮) প্রধান প্রধান পরিচালন এবং আর্থিক তথ্য সংক্ষিপ্ত আকারে পরিশিষ্ট-২-য়ে উপস্থাপন করা হয়েছে।

পরিচালকবৃন্দ প্রতিবেদনে আরো জানান যে-

ক) পর্ষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং এই আর্থিক প্রতিবেদনে তাদের জ্ঞাত সীমার মধ্যে প্রণিধানযোগ্য গুরুতর অসত্য কোন বিবরণ নেই বা গুরুত্বপূর্ণ কোনো সত্য বাদ দেয়া হয়নি অথবা ভুল পথে পরিচালিত করতে পারে- এমন কোনো বিবৃতি প্রদান করা হয়নি।

খ) পর্ষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং এই প্রতিবেদনটি একই সাথে কোম্পানির কর্মকাণ্ডের যথাযথ ও নিরপেক্ষ রূপ উপস্থাপন করে এবং বিদ্যমান ৮টি হিসাবরক্ষণ নীতি ও প্রযোজ্য আইন অনুসারে পরিচালিত হয় বলে তারা বিশ্বাস করেন।

গ) 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 সর্বতোভাবে তারা বিশ্বাস করেন।

৮) ঝুঁকি এবং উদ্বেগসমূহ

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

৯) অভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানি যথেষ্ট শক্ত অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি বজায় রাখে, যা যেকোনো ধরনের ক্ষতির বস্তুগত ভুল বিবৃতি নিরোধে যৌক্তিক আস্থা প্রদান করে। প্রত্যেক সভায় অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো 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।

অভ্যন্তরীণ অডিট কাজের পাশাপাশি ধারাবাহিকভাবে মূল নিয়ন্ত্রণ প্রক্রিয়া পরিচালনা করে অডিট কমিটি এবং আরএমসিবি-এর (RMCB) কাছে প্রতিবেদন পেশ করে। এ বছরের শেষ দিকে কনজুমার হেলথকেয়ার বিজনেস কান্ট্রি অডিটরদের পর্যালোচনার সম্মুখীন হয়েছে। সেখানে নেতিবাচক কোনো কিছু পাওয়া যায়নি। এই অডিটররা প্রতি মাসে মেয়াদোত্তীর্ণ এবং নষ্ট পণ্য সংগ্রহ ও ধ্বংস করার জন্য কোম্পানি কর্তৃক পরিচালিত মাসিক অডিটকে একটি ভালো অভ্যাস বলে প্রশংসা করেন।

কোম্পানি তার আর্থিক কার্যক্রম পরিচালনার জন্য ইআরপি ফিন্যান্স ইন্টারনাল কন্ট্রোল ফ্রেমওয়ার্ক নামে একটি গ্রুপ গঠন করে। এই গ্রুপ আর্থিক ঝুঁকি মোকাবিলার জন্য আঞ্চলিক ও বিশ্বব্যাপী প্রসিদ্ধ সর্বোত্তম পদ্ধতি অনুসরণ করে এবং জিএসকে'র (GSK) স্থানীয় কমিটি দ্বারা নিয়মিত এর তদারকি করা হয়। বছর শেষে এই নিয়ন্ত্রণ প্রক্রিয়ায় সংশ্লিষ্ট সকল বিষয় স্থানীয়ভাবে অনুমোদিত হয় এবং কার্যকরভাবে প্রয়োগ করা হয়।

এই বার্ষিক প্রতিবেদনটিতে কর্পোরেট গভর্ন্যান্স সেকশনের অধীনে অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামোর ওপর একটি বিশদ বিবরণ উপস্থাপন করা হয়েছে।

১০) গোল্ডিং কনসার্ন

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

১১) জাতীয় কোষাগারে অবদান

এই কোম্পানি প্রতি বছর শুদ্ধ ও কর আকারে জাতীয় কোষাগারে একটি উল্লেখযোগ্য অবদান রাখে। ২০১৮ সালে GlaxoSmithKline বাংলাদেশ লিমিটেড সরকারি কোষাগারে মোট ১৭০৫ মিলিয়ন টাকার অবদান রেখেছে।

১২) পরিচালনা পর্ষদ এবং শেয়ারহোল্ডিং তথ্য

পর্ষদের গঠন এবং আকার

৩১ ডিসেম্বর ২০১৮ তারিখ পর্যন্ত পর্ষদে ৭ 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। ৩ জন অনির্বাহী পরিচালক রয়েছেন, যার মধ্যে একজন স্বতন্ত্র পরিচালক।

পর্ষদ সভা এবং উপস্থিতি

২০১৮ সালে ১০টি (দশটি) 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 প্রশান্ত পাণ্ডে	১০	০৭	
জনাব রাকেশ ঠাকুর	০১	০১	১ ডিসেম্বর, ২০১৮ থেকে নিয়োগ কার্যকর
জনাব জাহেদুর রহমান	০১	০১	১ ডিসেম্বর, ২০১৮ থেকে নিয়োগ কার্যকর
জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা	০১	০১	১ ডিসেম্বর, ২০১৮ থেকে নিয়োগ কার্যকর
জনাব কাজী সানাউল হক	১০	০৭	
জনাব মাসুদ খান	১০	১০	
জনাব মহসিন উদ্দিন আহমেদ	১০	০৭	
জনাব ডেভিড পিটচার্ড	০৯	০৫	অবসরপ্রাপ্ত: ১ ডিসেম্বর, ২০১৮ থেকে কার্যকর
জনাব এম এম আজিজুল হক	০৫	০৫	২৪ জুন, ২০১৮ থেকে নিয়োগ কার্যকর এবং ১ ডিসেম্বর, ২০১৮ থেকে অবসরপ্রাপ্ত
জনাব ইরাম শাকির রাহিম	০৪	০৪	অবসরপ্রাপ্ত: ১ জুলাই, ২০১৮ থেকে কার্যকর
জনাব নকিবুর রহমান	৫	০৫	১ জুলাই, ২০১৮ থেকে নিয়োগ কার্যকর এবং ১ ডিসেম্বর, ২০১৮ থেকে অবসরপ্রাপ্ত
জনাব জিনিয়া তানজিনা হক	০৯	০৯	অবসরপ্রাপ্ত: ১ ডিসেম্বর, ২০১৮ থেকে কার্যকর
জনাব নূর মোহাম্মদ	০২	০২	১ অক্টোবর, ২০১৮ থেকে নিয়োগ কার্যকর এবং ১ ডিসেম্বর, ২০১৮ থেকে অবসরপ্রাপ্ত
জনাব রাজীব বড়ুয়া	০৩	০৩	মৃত্যুর কারণে ২২ জুন, ২০১৮ থেকে তার পরিচালক পদ স্থগিত

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

নিযুক্ত/পুনঃনিযুক্ত পরিচালকবৃন্দের 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 কাজী সানাউল হক, 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 রাকেশ ঠাকুর, জনাব জাহেদুর রহমান এবং জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা অবসর গ্রহণ করেন এবং যোগ্যতাবলে নিজেদেরকে পুনঃনির্বাচিত করার প্রস্তাব দেন।

আসন্ন বার্ষিক সাধারণ সভায় সদস্যদের সম্মতি সাপেক্ষে জনাব প্রশান্ত পাণ্ডে ১ ডিসেম্বর ২০১৮ থেকে কোম্পানির ব্যবস্থাপনা পরিচালক হিসেবে নিয়োজিত হয়েছেন। কোম্পানি আইন ১৯৯৪-এর ধারা ১০৯(১) অনুসারে, আসন্ন সাধারণ সভায় কোম্পানি জনাব প্রশান্ত পাণ্ডে-কে ব্যবস্থাপনা পরিচালক হিসেবে নিয়োগ করতে সদস্যদের কাছে মন্তব্য চাইবে।

কর্পোরেট গভর্ন্যান্স কোড অনুসারে, জনাব কাজী সানাউল হক, জনাব রাকেশ ঠাকুর, জনাব রাকেশ ঠাকুর, জনাব জাহেদুর রহমান এবং জনাব মোহাম্মদ নাহারুল ইসলাম মোল্লা'র সংক্ষিপ্ত বিবরণ নিচে দেয়া হলো:

কাজী সানাউল হক

কাজী সানাউল হক ২০১৭ সালের অক্টোবরে জিএসকে (GSK) বাংলাদেশ পরিচালনা পর্ষদে যোগ দেন। ২০১৭ সালের ১০ আগস্ট ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ-এর (আইসিবি) ব্যবস্থাপনা পরিচালক পদে নিয়োজিত হন তিনি। ১৯৮৪ সালের অক্টোবর মাসে আইসিবি-তে জ্যেষ্ঠ কর্মকর্তা হিসেবে কর্মজীবন শুরু করেন এবং এই সংস্থায় বিভিন্ন পদে দায়িত্ব পালন করেন কাজী সানাউল হক। এর আগে তিনি রাজশাহী কৃষি উন্নয়ন ব্যাংকের (রাকাব) ব্যবস্থাপনা পরিচালক ছিলেন। দীর্ঘদিনের উজ্জ্বল কর্মজীবনে তিনি বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠানে কাজ করেছেন। অগ্রণী ব্যাংক লিমিটেড-এর উপ-ব্যবস্থাপনা পরিচালক ও ব্যবস্থাপনা পরিচালক (চলতি দায়িত্ব) পদে আসীন ছিলেন তিনি। এছাড়াও বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড (বিডিবিএল) এবং রাকাব-এর জেনারেল ম্যানেজার হিসেবে দায়িত্ব পালন করেন তিনি। আইসিবি সিকিউরিটিজ ট্রেডিং কোম্পানি লিমিটেড-এর সিইও এবং আইসিবি ক্যাপিটাল ম্যানেজমেন্ট লিমিটেড-এর চেয়ারম্যান হিসেবে দায়িত্ব পালন ছাড়াও ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড (বিএটিবিসি), লিভে বাংলাদেশ লিমিটেড, রেনেটা লিমিটেড, বাংলাদেশ কৃষি গবেষণা এনডোমেন্ট ট্রান্ট (বিকেজিইটি), ক্রেডিট রেটিং এজেন্সি অব বাংলাদেশ লিমিটেড (সিআরএবি), ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড (সিআরআইএসএল), স্ট্যান্ডার্ড বাংলাদেশ লিমিটেড, ন্যাশনাল টি কোম্পানি লিমিটেড, অ্যাপেক্স ট্যানারি লিমিটেড, সেন্ট্রাল ডিপজিটরি বাংলাদেশ লিমিটেড-সহ (সিডিবিএল) অন্যান্য কোম্পানির পরিচালনা পর্ষদে পরিচালক হিসেবে দায়িত্ব পালন করেছেন কাজী সানাউল হক। তিনি ঢাকা বিশ্ববিদ্যালয় থেকে হিসাব বিজ্ঞানে স্নাতকোত্তর ডিগ্রি অর্জন করেন।

রাকেশ ঠাকুর

রাকেশ ঠাকুর ২০১৮ সালের ডিসেম্বরে জিএসকে (GSK) বাংলাদেশ পরিচালনা পর্ষদে অর্থ পরিচালক হিসেবে নিয়োজিত হন। ২০১৬ সালের এপ্রিল মাসে জিএসকে (GSK) বাংলাদেশ লিমিটেড-এর কনজুমার হেলথকেয়ার বিজনেসের অর্থ বিভাগের প্রধান হিসেবে যোগদান করেন রাকেশ ঠাকুর। জিএসকে-তে (GSK) যোগদানের আগে তার স্যামসাং এবং পেপসি'র মতো স্বনামধন্য প্রতিষ্ঠানে দক্ষতার সাথে ১৩ বছরের কাজ করার অভিজ্ঞতা ছিল। পেপসি বেভারেজ-এর অর্থ নিয়ন্ত্রণ বিভাগের ব্যবস্থাপনা পরিচালক হিসেবে

দায়িত্ব পালনের সময় তিনি অ্যাকাউন্টস এবং সংস্থার খরচ পর্যবেক্ষণ পদ্ধতিকে নতুন উচ্চতায় নিয়ে যেতে সক্ষম হন। তিনি স্যামসাং মোবাইল বিভাগে অনলাইন ট্রেড বিজনেসেও গুরুত্বপূর্ণ ভূমিকা পালন করেন। এছাড়া তিনি বুরুস ওয়েলকাম অ্যান্ড কোম্পানি (বাংলাদেশ)-এর পরিচালক হিসেবেও দায়িত্ব পালন করেছেন। স্বনামধন্য চার্টার্ড অ্যাকাউন্ট্যান্ট রাকেশ ঠাকুর দিল্লি বিশ্ববিদ্যালয় থেকে স্নাতক ডিগ্রি অর্জন করেন।

জাহেদুর রহমান

জাহেদুর রহমান ২০১৮ সালের ডিসেম্বরে জিএসকে (GSK) বাংলাদেশ পরিচালনা পর্ষদে যোগদান করেন। ২০১৩ সালের এপ্রিল মাসে জাহেদুর রহমান জিএসকে (GSK) বাংলাদেশ লিমিটেড-এর কনজুমার হেলথকেয়ার বিজনেস-এর আওতায় মায়ানমার এবং নেপাল ক্লাস্টারের সাপ্লাই চেইন ডিরেক্টর হিসেবে যোগ দেন। দায়িত্বের অংশ হিসেবে তিনি দেশের ক্লাস্টারের সাপ্লাই চেইন সম্পর্কিত কাজের দায়িত্ব পালন করেন। জিএসকে-তে (GSK) যোগদানের পূর্বে তিনি এসিআই বাংলাদেশ লিমিটেড বিজনেস ডেভেলপমেন্ট ডিরেক্টর হিসেবে দায়িত্ব পালন করেন। ব্রিটিশ আমেরিকান টোব্যাকো-তে সাপ্লাই চেইন বিভাগে সাপ্লাই চেইন প্ল্যানিং অ্যান্ড ম্যানুফ্যাকচারিং ম্যানেজার-সহ বিভিন্ন দায়িত্ব পালনের ১৪ বছরের অভিজ্ঞতা রয়েছে তার। এছাড়া তিনি বুরুস ওয়েলকাম অ্যান্ড কোম্পানি (বাংলাদেশ)-এর ব্যবস্থাপনা পরিচালক হিসেবেও দায়িত্ব পালন করেছেন। তিনি বাংলাদেশ প্রকৌশল বিশ্ববিদ্যালয় (বুয়েট) থেকে স্নাতক এবং ঢাকা বিশ্ববিদ্যালয়ের আইবিএ বিভাগ থেকে এমবিএ ডিগ্রি অর্জন করেন।

মোহাম্মদ নাহারুল ইসলাম মোল্লা

মোহাম্মদ নাহারুল ইসলাম মোল্লা ২০১৮ সালের ডিসেম্বরে জিএসকে (GSK) বাংলাদেশ পরিচালনা পর্ষদে যোগদান করেন। তিনি জিএসকে (GSK) বাংলাদেশ লিমিটেড-এর কনজুমার হেলথকেয়ার বিজনেস-এর মায়ানমার, বাংলাদেশ এবং নেপালের রেগুলেটরি অ্যান্ড কর্পোরেট অ্যাফেয়ার্স বিভাগের প্রধান হিসেবে ২০১৬ সালের মে মাসে যোগদান করেন। জিএসকে-তে (GSK) যোগদানের পূর্বে তিনি নেসলে বাংলাদেশ লিমিটেড-এর এক্সপার্ট মার্কেটিং, বিজনেস এক্সিলেন্স, সায়েন্টিফিক রিলেশন অ্যান্ড কোড কম্প্রায়জ-সহ বিভিন্ন পদে ১৯ বছর দায়িত্ব পালন করেন। তিনি ঢাকা বিশ্ববিদ্যালয়ের ভূ-তত্ত্ব থেকে স্নাতক এবং স্নাতকোত্তর ডিগ্রি অর্জন করেন।

অডিট কমিটি

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর (বিএসইসি) কর্পোরেট গভর্ন্যান্স বিধি অনুযায়ী, পর্ষদ এক অডিট কমিটি গঠন করেছে, যা কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো পুনঃতদারক করে। কমিটি ২ জন স্বতন্ত্র পরিচালক ও ১ জন স্বতন্ত্র নির্বাহী পরিচালকের অধীনে ১ জন অনির্বাহী পরিচালকের সমন্বয়ে গঠিত। 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 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। ২ জন স্বতন্ত্র পরিচালক ও ১ জন স্বতন্ত্র নির্বাহী পরিচালকের অধীনে ১ জন অনির্বাহী পরিচালক-এর সমন্বয়ে গঠিত হয়েছে ওই কোম্পানি। এর সচিব মনোনয়ন ও সম্মানী প্রদান কমিটির সচিব হিসেবে কাজ করেন। মনোনয়ন ও সম্মানী প্রদান কমিটি বছরে ৪ বার বৈঠক করে। এই কমিটির দায়িত্বের আরও বিবরণ মনোনয়ন ও সম্মানী প্রদান কমিটি রিপোর্টে অন্তর্ভুক্ত করা হয়েছে।

পরিচালকবৃন্দের সম্মানী

নির্বাহী পরিচালকদের সম্মানী, পারফরম্যান্স এবং সংশ্লিষ্ট বোনাস GlaxoSmithKline গ্রুপ-এর আন্তর্জাতিক ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক পর্যালোচিত এবং অনুমোদিত হয়।

নির্বাহী পরিচালকগণ এবং কোম্পানির কয়েকজন জ্যেষ্ঠ নির্বাহী GlaxoSmithKline পিএলসি, ইউকে-এর শেয়ার প্ল্যানের অধিকারী।

GlaxoSmithKline গ্রুপ-এর মনোনীত পরিচালকবৃন্দ ব্যতীত স্বতন্ত্র ও অনির্বাহী পরিচালকবৃন্দ প্রশাসনিক ব্যয়ের অধীনে উপস্থিতির সম্মানী পাবেন। (তথ্যসূত্র: আর্থিক বিবৃতির ২৪ নং পয়েন্ট)

প্রদেয় বছরে নির্বাহী পরিচালকদের প্রাপ্ত অর্থের বিবরণ আর্থিক বিবরণীর নোটস ২৮-এ দেয়া হয়েছে।

শেয়ারহোল্ডিং তথ্য

৩১ ডিসেম্বর ২০১৮ 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 বিজ্ঞপ্তি পায়, যেখানে উল্লেখ করা হয় যে- উল্লিখিত তারিখে সেটফার্স্ট (SETFIRST) ইউনিলিভার এনভি-এর কাছে ৯,৮৭৫,১৪৪ (নয় মিলিয়ন আটশত পচাত্তর হাজার একশত চুয়াল্লিশ) টাকা মূল্যের শেয়ার বিক্রি করেছে।

বাংলাদেশের আইন অনুযায়ী স্বত্ব ত্যাগের সকল আনুষ্ঠানিকতা সম্পন্ন করা হয়েছে।

প্রাসঙ্গিক মূল্য সংবেদনশীল তথ্য ঢাকা স্টক এক্সচেঞ্জ এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-কে যথার্থ জানানো হয়েছে। এছাড়া ২০১৮ সালের ১ ও ৪ ডিসেম্বর জাতীয় দৈনিকেও এই সংক্রান্ত বিজ্ঞপ্তি প্রকাশ করা হয়।

শেয়ারহোল্ডার/বিনিয়োগকারীদের অভিযোগ

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

১৩) কর্পোরেট সামাজিক দায়বদ্ধতা

বিগত বছরগুলির ধারাবাহিকতায় জিএসকে (GSK) এ বছরও কমিউনিটি স্বাস্থ্যবিষয়ক উদ্যোগ সংশ্লিষ্ট বিদ্যমান প্রতিশ্রুতি বাস্তবায়ন অব্যাহত রেখেছে। এছাড়া কোম্পানি তার প্রতিষ্ঠাতা সংগঠন জিএসকে (GSK) পিএলসির মাধ্যমে কক্সবাজারে মায়ানমার শরণার্থীদের সংকটে সহায়তা প্রদান অব্যাহত রাখে।

কিছু উল্লেখযোগ্য উদ্যোগ

বাংলাদেশে স্বাস্থ্যসেবা অবকাঠামো উন্নয়নে ২০% লাভের পুনঃবিনিয়োগ:

এটি স্বাস্থ্য মন্ত্রণালয়, জিএসকে (GSK) এবং কেয়ার-এর (CARE)-Gi মধ্যে একটি পাবলিক প্রাইভেট পার্টনারশিপ-এর চূড়ান্ত পর্ব ২০১৮ সালের ডিসেম্বরে শেষ করেছে। ছয় বছরের এই দীর্ঘমেয়াদী উদ্যোগের প্রথম পর্ব শুরু হয়েছিল ২০১২ সালে। এর দ্বিতীয় পর্ব ২০১৫ সালে শেষ হয়। এই উদ্যোগের ফলে এখন পর্যন্ত সুনামগঞ্জ জেলায় ৩০০ দক্ষ ধাত্রী এবং ৩০০০ কমিউনিটি স্বাস্থ্যকর্মী তৈরি হয়েছে এবং তারা মাতৃত্বকালীন ও শিশুস্বাস্থ্য খাতে সরকারকে গুরুত্বপূর্ণ মাইলফলক অর্জনে সহায়তা করেছে। এই উদ্যোগের ফলে সামগ্রিক স্বাস্থ্যসেবা গ্রহণের অভ্যাসে ইতিবাচক পরিবর্তন এসেছে এবং সুনামগঞ্জের প্রত্যন্ত হাওড় অঞ্চলে মাতৃত্বকালীন শিশুমৃত্যুর হার উল্লেখযোগ্যভাবে কমেছে।

আমাদের অংশীদারগণের মধ্যে রয়েছে স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়, কেয়ার, এমঅ্যান্ডএস, ফ্রেন্ডশিপ, আইসিডিডিআর, বি এবং ব্র্যাক ইউনিভার্সিটির জনস্বাস্থ্য বিভাগ।

প্রধান প্রকল্পসমূহ:

- GSK- কেয়ার কমিউনিটি স্বাস্থ্যকর্মী কর্মসূচী
- GSK- ফ্রেন্ডশিপ এম-স্বাস্থ্য প্রকল্প
- GSK-আইসিডিডিআর, বি স্বাস্থ্যব্যবস্থা শক্তিশালীকরণ কর্মসূচি
- GSK-কেয়ার আরএমজি (রেডিমেড গার্মেন্টস) স্বাস্থ্যসেবা প্রকল্প
- GSK, এমঅ্যান্ডএস, কেয়ার হেলথ অ্যাকসেস অ্যান্ড লিংকেজ অপারচুনিটিস ফর ওয়ার্কাস (HALOW) প্রকল্প

এই উদ্যোগসমূহের বিস্তারিত বিবরণ এই প্রতিবেদনের CSR অংশে বর্ণিত হয়েছে।

১৪) আচরণ বিধি

কোম্পানির পরিচালনা পর্ষদ মনোনয়ন ও সম্মানী প্রদান কমিটির সুপারিশে 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। ২০১৮ সাল জুড়ে কর্মীরা সততা, মানুষের প্রতি শ্রদ্ধা, রোগীর/ভোক্তার গুরুত্ব, স্বচ্ছতা ইত্যাদি GSK মূল্যবোধ প্রদর্শন করেন। একই সাথে তারা নতুন চারটি প্রত্যাশা-দায়বদ্ধতা, সাহস, উন্নয়ন এবং দলবদ্ধতাকে তাদের কাজের কেন্দ্রে ধারণ করতে সক্ষম হয়েছেন।

সকল কর্মী তাদের প্রতিদিনের কার্যক্রমে উপর্যুক্ত গুণাবলি প্রদর্শন করবে বলে আশা করা হয়। সেলস আর মার্কেটিং কর্মীরা ইমার্জিং মার্কেট, এশিয়া প্যাসিফিক প্রমোশন এবং মার্কেটিং কোড-এর আওতাভুক্ত। দৃঢ়ভাবে এটি সততার সাথে পারফরম্যান্স-এর সমন্বয়ের ভিত্তি হয়ে উঠেছে। কেবল বিধি অনুসরণ নয়, জিএসকে (GSK) চায় এর সেলস এবং মার্কেটিং কর্মীরা যেন সোৎসাহে এর মূল চেতনা ধারণ করে বিচ্যুতির বদলে দৃঢ়ভাবে তা অনুসরণ করে।

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-রিট্যালিয়েশন' নামক সম্পূর্ণ নীতি প্রণয়নের মাধ্যমে কোনো ধরনের ক্ষয়ক্ষতির ঝুঁকি ছাড়াই এই ধরনের অধিকার চর্চার বিষয়টি নিশ্চিত করা হয়েছে।

১৫) অডিট

অডিটরদের নিয়োগ

বর্তমান অডিটর মেসার্স হোদা ভাসি চৌধুরী অ্যান্ড কোং-চার্টার্ড অ্যাকাউন্ট্যান্টস আসন্ন বার্ষিক সাধারণ সভায় অবসর নেবেন এবং পুনরায় নিয়োগযোগ্য হবেন। পরিচালনা পর্ষদ মেসার্স হোদা ভাসি চৌধুরী অ্যান্ড কোং-চার্টার্ড অ্যাকাউন্ট্যান্টসকে আসন্ন বার্ষিক সাধারণ সভায় সদস্যদের সম্মতি সাপেক্ষে ২০১৯ সালের জন্য কোম্পানির অডিটর হিসেবে অনুমোদনের সুপারিশ করেছে।

কম্প্লায়েন্স অডিটরদের নিয়োগ

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর চুক্তির আলোকে কর্পোরেট গভর্ন্যান্স নীতিমালার অধীনে পরিচালনা পর্ষদ ম্যাবস অ্যান্ড জে পার্টনার, চার্টার্ড অ্যাকাউন্ট্যান্টসকে আসন্ন বার্ষিক সাধারণ সভায় সদস্যদের সম্মতি সাপেক্ষে ২০১৯ সালের জন্য কোম্পানির কম্প্লায়েন্স অডিটর হিসেবে অনুমোদনের সুপারিশ করেছে।

১৬) কর্পোরেট গভর্ন্যান্স কম্প্রায়ের রিপোর্ট

কর্পোরেট নীতির অংশ হিসেবে GSK বাংলাদেশ কর্পোরেট গভর্ন্যান্স-এর সর্বোচ্চ মান বজায় রাখার জন্য সর্বদা সচেতন। 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/অ্যাডমিন/৮০, ০৩ জুন ২০১৮ তারিখ অনুযায়ী প্রয়োজনীয় সকল নির্দেশনা বাস্তবায়ন করতে পেরে আমরা আনন্দিত। ২০১৮ সালের কর্পোরেট গভর্ন্যান্স কম্প্রায়ের প্রতিবেদন পরিশিষ্ট-৪-এ বর্ণিত রয়েছে, একই সাথে নির্দেশনা অনুযায়ী কম্প্রায়ের সনদও যুক্ত করা হয়েছে।

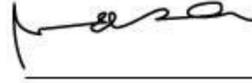
১৭) স্বীকৃতি

জিএসকে'র (GSK) চালিকা শক্তি- রোগী এবং ভোক্তাদেরকে সর্বোচ্চ অগ্রাধিকার দেয়ায় পরিচালনা পর্ষদ কোম্পানির সর্বস্তরের কর্মীদের আন্তরিকভাবে কৃতজ্ঞতা জানায়। রোগী, ভোক্তা ও স্বাস্থ্যসেবা পেশাজীবীদের যথাযথ তথ্য প্রদান ও পণ্য প্রাপ্তি নিশ্চিত করার জন্য বিভিন্ন সীমাবদ্ধতার মধ্যেও কর্মী দলটি কঠোরভাবে কাজ করেছে।

কোম্পানির প্রতি বিশ্বাস ও আস্থা ধরে রাখার জন্য স্বাস্থ্যসেবা পেশাজীবী, রোগী, ভোক্তা এবং ব্যবসায়িক অংশীদারবৃন্দের কাছে আমরা আন্তরিকভাবে কৃতজ্ঞ। তারাই আমাদের অনুপ্রেরণা। আমরা এই বিশ্বাস ধরে রাখার ক্ষেত্রে দৃঢ়প্রতিজ্ঞ।

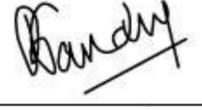
আন্তরিক ধন্যবাদ জানাই বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, বাংলাদেশ ইনভেস্টমেন্ট ডেভেলপমেন্ট অথরিটি, স্বাস্থ্য মন্ত্রণালয়, শ্রম মন্ত্রণালয়, খাদ্য মন্ত্রণালয়, বাংলাদেশ খাদ্য নিরাপত্তা কর্তৃপক্ষ (বিএফএসএ), বাংলাদেশ স্ট্যান্ডার্ডস অ্যান্ড টেস্টিং ইনস্টিটিউট (বিএসটিআই),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

বোর্ডের পক্ষে



চেয়ারম্যান

১১ মার্চ ২০১৯



ব্যবস্থাপনা পরিচালক

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 2018 is as follows:

a. Accounting policies and estimation used for preparation of Financial Statements, including any changes thereof

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 1, 2 and 3 of the financial statements.

Additional disclosures have been provided in accordance with BFRS due to discontinued Pharmaceutical operations and comparative figures have been restated in the appropriate sections of the financial statements accordingly. There have been changes in the accounting policies for revaluation reserve and foreign exchange gain/loss, which are described in detail within Note 3.18 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 by both Pharmaceutical and Consumer Healthcare businesses during the year 2018. However, Key Performance Indicators for last 5 years are as follows:

Key Performance Indicators	2018	2017	2016	2015	2014
Revenues (Taka '000)-continuing operation	4,816,557	4,657,200	N/A	N/A	N/A
Revenues (Taka '000)-company	6,336,472	6,796,559	6,284,015	6,698,828	7,187,255
Operating Profit (Taka '000)-continuing operation	1,183,204	1,033,262	N/A	N/A	N/A
Operating Profit (Taka '000)-company	(848,699)	884,892	786,807	1,040,612	1,062,530
Earnings before Interest, Tax and Depreciation (Taka'000)-continuing operation	1,211,910	1,076,956	N/A	N/A	N/A
Earnings before Interest, Tax and Depreciation (Taka'000)-company	(254,023)	1,011,002	908,568	921,341	942,649
Earnings per Share (EPS) (Taka)- continuing operation	115.92	67.88	N/A	N/A	N/A
Earnings per Share (EPS)(Taka)-company	(52.75)	55.56	53.51	68.99	68.63
Net Operating Cash Flow per Share-company (Taka)	44.67	117.75	71.87	84.42	111.14

c. Financial and economic scenario of the country and the global context

Bangladesh has achieved the highest-ever 7.86% GDP growth in the 2017-18 fiscal year (source: Bangladesh Bureau of Statistics). Real GDP growth for Bangladesh is measured at 7.1% and annual inflation rate in 2018 at average consumer prices is 6.1% (source: IMF website). In 2018, Real GDP growth for World economy stands at 3.7% (Source: IMF)

In 2018, Fast Moving Consumer Goods (FMCG) market, valued at TK. 276bn (Source: Nielsen). Major contributions came from Non-food Categories (50% of FMCG) while Food category (48% of FMCG). Health Food Drinks (HFD) valued at Tk. 3.8bn. GSK continued to gain market share and further strengthened a dominant Market Share of 95.8% in the Health Food Drink Category which is 0.3% higher than 2017.

Pharmaceutical business which stands at Tk 210bn has grown by 6.33% over 2017 which is significantly lower than last 3 years trend although 5 year CAGR is still over 15%. Relatively lower contribution from new launches or line extensions as well from price increases compared to the previous year, led to the lower growth rate driven predominantly by organic volume growth

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" of this report. Additionally, description of specific financial risks such as credit, liquidity, interest etc. including the approach to manage them are disclosed within Note 42 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 materialize towards the end of 2019.



Prashant Pandey
Managing Director
GSK Bangladesh Ltd.



Rakesh Thakur
Finance Director
GSK Bangladesh Ltd.

Key Operating and Financial Records

Annexure II

Taka '000

	2018	2017	2016	2015	2014
Assets Employed					
Property, Plant and Equipment	114,128	694,252	701,867	600,794	546,216
Intangible assets	16,617	51,638	23,911	3,437	4,374
Deferred Tax Asset	150,625				
Net Non-Current Asset	16,225	36,466	24,903	10,370	27,713
Net Current Asset	956,490	1,868,237	1,841,437	2,037,951	1,876,912
Total Assets Employed	1,254,085	2,650,593	2,592,118	2,652,552	2,455,215
Financed by					
Share capital	120,465	120,465	120,465	120,465	120,465
Reserves and Surplus	1,133,620	2,509,885	2,465,338	2,483,339	2,196,032
Shareholders' Equity	1,254,085	2,630,350	2,585,803	2,603,804	2,316,497
Retirement benefit Obligations	-	-	-	40,822	77,241
Obligation under finance lease	-	3,114	6,315	8,813	14,865
Deferred Tax Liabilities	-	17,129	-	(887)	46,612
	-	20,243	6,315	48,748	138,718
Total Capital Employed	1,254,085	2,650,593	2,592,118	2,652,552	2,455,215
Turnover and profit	2018**	2017**	2016	2015	2014
Sales-net of VAT and trade discount	4,816,557	4,657,200	6,284,015	6,698,828	7,187,255
Profit /(Loss) from operation	1,183,204	1,033,262	786,808	1,040,612	1,062,530
Profit before Int,Dep & Tax	1,207,066	1,069,111	908,568	921,341	942,649
Profit /(Loss) for the year	1,396,421	817,674			
Profit /(Loss) for the year for company	(635,481)	669,304	644,554	831,079	826,778
Ratios	2018	2017	2016	2015	2014
Gross profit ratio - % *	46.70	47.75	38.99	39.33	37.72
Earning per share (EPS)-Taka (Continuing operation) *	115.92	67.88			
Earning per share (EPS)-Taka (Company)	(52.75)	55.56	53.51	68.99	68.63
Price/Earning (P/E) ratio-times		27.92	28.65	26.09	22.04
Price/Equity Ratio-Times	145.02	155.10	153.29	179.98	151.23
Dividend per share (DPS)-Taka	53.00	55.00	50.00	55.00	42.00
Dividend payout-percentage (Company)	-	98.99	93.45	79.72	61.20
Dividend payout-percentage (Continuing Operation)*	45.72	81.03			
Dividend Yield-percentage	3.65	3.53	3.26	3.06	2.78
Net assets value per share-Taka	104.11	218.36	214.66	216.16	192.30
Net operating cash flow per share	44.67	117.75	71.87	84.42	111.14
Return on shareholders equity-%	(50.67)	25.45	24.93	31.92	35.69
Return on Capital employed -%	(67.67)	33.34	30.32	39.22	43.28
Current ratio-times	1.29	1.52	1.67	1.73	1.73
Market price per share at 31 December -Taka	1,450.20	1,551.00	1,532.90	1,799.80	1,512.30
Market Capitalisation at 31 December(Taka Million)	17,470	18,684	18,466	21,681	18,218
Average number of employees	771	967	940	906	822

* Figures for 2017 and 2018 have been restated for continuing operation

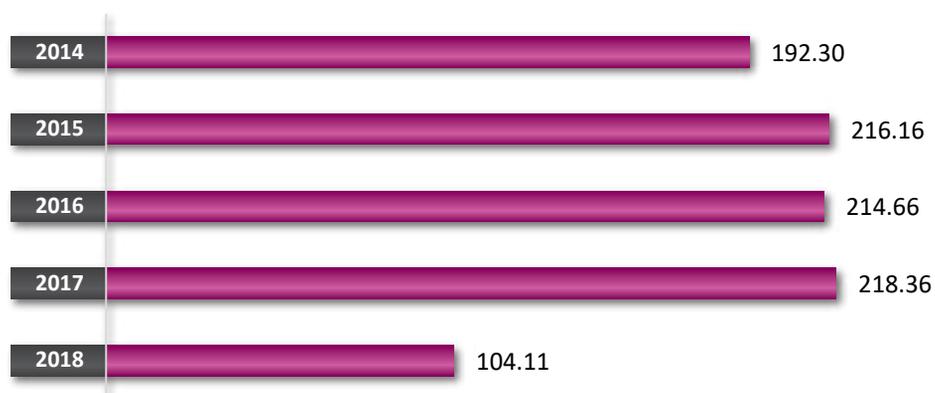
** Figures representing performance of Continuing Operation

Key Performance Indicators

Earnings per Share (EPS) Taka



Net Assets per Share (Taka)

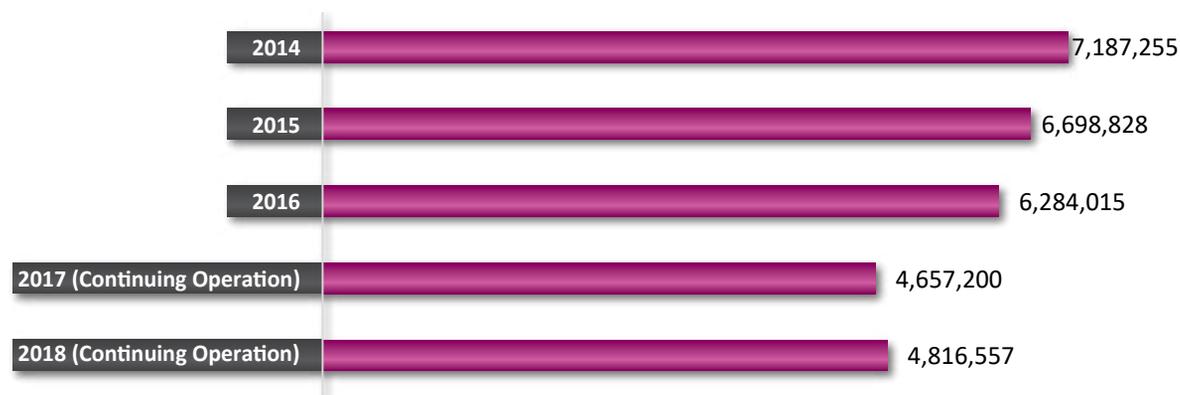


Market Price per Share (Taka) on 31st December



Key Performance Indicators

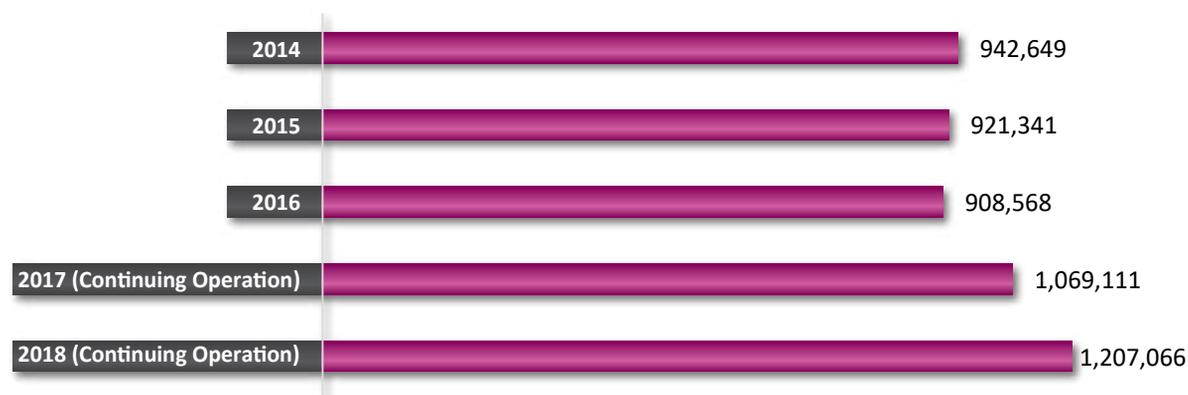
Revenue (Taka '000)



Operating Profit (Taka '000)



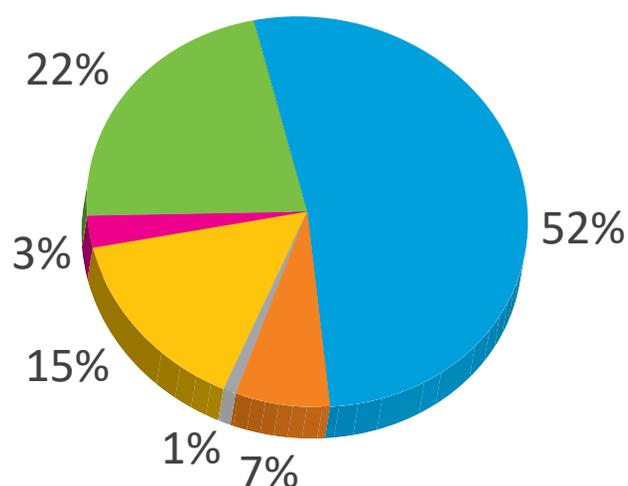
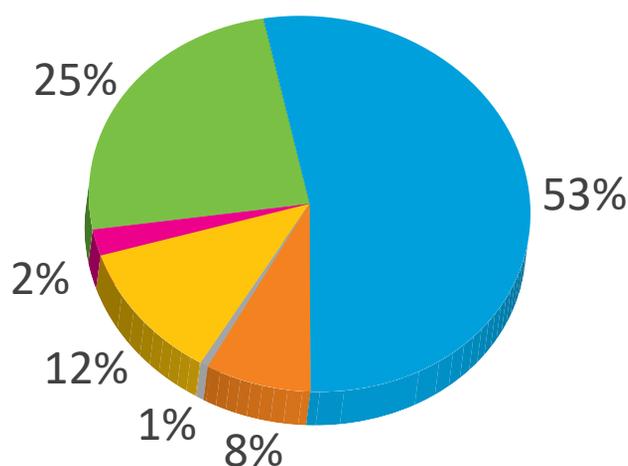
EBITDA (Taka '000)



Analysis of Sales Revenue of Continued Operation

Sales	2018		2017	
		4,816,557		4,657,200
Cost of Sales	53%	2,567,307	52%	2,433,248
Salary, Wages and Benefits	8%	369,862	7%	321,287
Depreciation	1%	28,706	1%	43,694
Advertisement & Promotion	12%	558,009	15%	702,718
Other Expenses	2%	109,469	3%	122,992
Profit Before Tax	25%	1,183,204	22%	1,033,262
Total	100%		100%	

2018

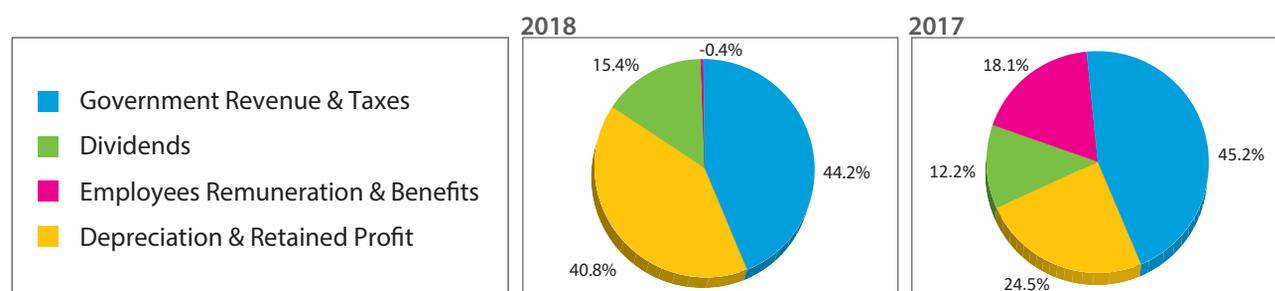


2017

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 :	2018 Amount	%	2017 Amount	%
Turnover	7,293,122		7,873,988	
Less Bought in Materials & Services	3,597,879		3,553,464	
	3,695,243	95.83	4,320,524	97.98
Other income	44,565	1.16	26,178	0.59
Financial Income	116,343	3.02	62,709	1.42
	3,856,151	100	4,409,411	100
2018 Amount				
Government Revenue & Taxes	1,704,953	44.21	1,994,471	45.23
Employees Remuneration & Benefits	1,572,209	40.77	1,079,860	24.49
Dividends	592,586	15.37	538,791	12.22
	3,869,748	100.35	3,613,122	81.94
Depreciation & Retained Profit	(13,597)	(0.35)	796,289	18.06
	3,856,151	100	4,409,411	100



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	2018	2017
Health food drink	95.8	95.5
Oral Health Care	1.44	1.13
Glucose Powder	22.6	23.8

Economic Value Added (EVA)

EVA provides a measurement of 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 well in its industry.

Calculation of EVA	2018	2017
Net Operating Profit After Tax (NPAT)	(635,480)	669,304
Total Capital Employed	1,254,085	2,650,593
Cost of capital in %	53%	23%
Cost of capital (COC)	663,279	603,509
EVA = NPAT-COC	(1,298,759)	65,795

The negative number for EVA this year is due to the loss from discontinuation of Pharmaceutical business.

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 spouses and minor children :

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):

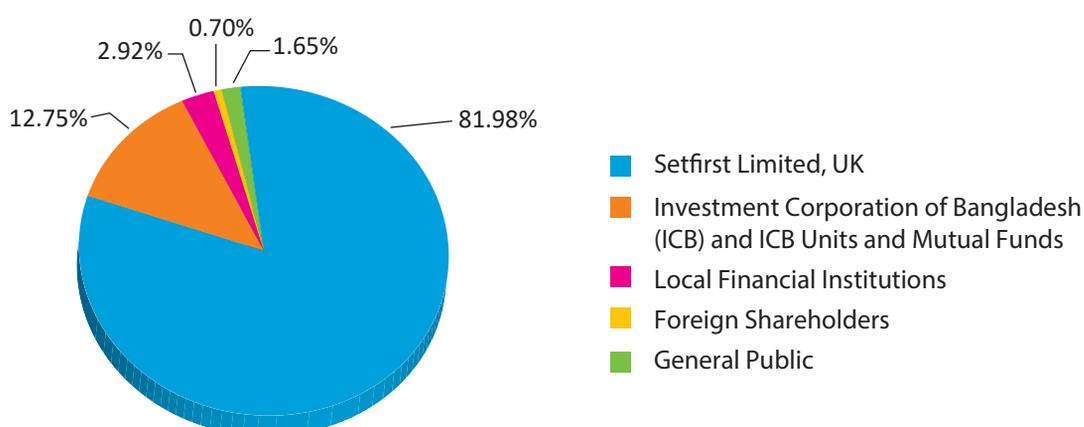
Name	Position	No. of shares
Mr. Noor Mohammad	Human Resources Director	1
Mr. Mahbubur Rahman	Clinical R&D and Medical Affairs Director	2

(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	1,535,644	12.75%

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

Name	No. of shares	% of Holding
Local Financial Institutions	352,320	2.92%
Foreign Shareholders	84,295	0.70%
General Public	199,046	1.65%



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 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Asmin/80 dated 3 June 2018 on 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 on relevant Bangladesh Secretarial Standards (BSS) ad adopted by Institute on 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 have complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company have complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) ad required by this;
- 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 subject to the remarks and observations as reported in the attached corporate governance compliance status.

Place : Dhaka
Dated : 06 March 2019


MABS & J Partners
Chartered Accountants



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 : +88-02-9332936
E-mail : info@mabsj.com
Web : www.mabsj.com

Corporate Governance Compliance Status

[As Per Condition No. 1(5)(Xxvii)]

Annexure IV

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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	√		
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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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 Applicable
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;	✓		
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vii)	A statement of utilisation 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 judgement;	✓		
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 summarised;	✓		
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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, focussing 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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 behaviour; 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).			
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);	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.			No such incidence arose
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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 utilised 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 utilised 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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 of such vacancy in the Committee;			No such vacancy arose
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.			Not Applicable
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;	✓		Included in NRC's ToR
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.	✓		Included in NRC's ToR
6(5)(a)	Role of the NRC: NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 # 1(5) (xxvi) of CGC

24 February 2019

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 2018.**

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 2018 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 2018 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,



Mr. Prashant Pandey
Managing Director



Mr. Rakesh Thakur
Finance Director (CFO)



FINANCIAL STATEMENTS

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Report on the audit of Financial Statements

Opinion

We have audited the financial statements of GlaxoSmithKline Bangladesh Limited (the Company), which comprise the statement of financial position as at 31 December 2018, 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 2018, its financial performance and its cash flows for the year then ended in accordance with:

- International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) 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.

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 judgement, were of most significance 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.

1. Closure of Pharmaceutical business unit and discontinued operation

As per the recommendation in the Board meeting # 281 held on 26 July 2018 and subsequent approval in the Extraordinary General Meeting held on 14 October 2018, the manufacturing and commercial operations of the Company's pharmaceutical business unit was shut-down and operation discontinued w.e.f 14 October 2018. This is a significant matter of the Company in 2018. (Refer to Note-3.14 and Note- 41)

How our audit addressed the Key Audit matters:

- a) Pharmaceutical machineries kept intact in the factory are earmarked for destruction. We verified those machineries with fixed asset list in Company's records.
- b) We carried out a physical inventory of Raw Materials, Packing Materials & Finished products as on 31 December 2018. Those are preserved for destruction / disposal after Board decision.
- c) Current assets and current liabilities directly associated with the discontinued operation are shown in Note 41.6.

2. Impairment of all plant and machinery, furniture & fixture and equipment and ERP software (SAP) impaired (Partially) of the pharmaceutical business unit, except land, building and vehicles.

The Company has impaired the following assets:

- All plant & Machinery in running condition used in the pharmaceutical unit-Carrying value at year end Tk. 289,536K. (Note- 4 and Note-41)
- All furniture, fixture and equipment in usable condition in pharmaceuticals unit- Carrying value at the year-end Tk.184,669K (Note- 4 and Note-41)
- Newly acquired ERP software (SAP) impaired partially- at the year-end Tk. 27,465K, (Note-5 and Note-41)

Impairment excluded land, buildings and vehicles used in the pharmaceutical business unit. These are shown under regular Property, Plant and Equipment in the Company's book. (Refer to Note 4).

An independent fair value assessment cost of disposal or dismantling, recoverable value, possibility of alternate use and present status of these assets are subject to further assessment by the Company.

How our audit addressed the Key Audit matters

We have ensured that the plant & machineries are lying idle on the production floor. No activities were noticed, everything inside the factory area are stand still.

3. An inward Remittance amounting to 12.2 Million GBP equivalent to approximately Tk 1,317,600k was received by the Company from GlaxoSmithKline Trading Services Limited, UK (GSK-TSL) as cost reimbursement for the payout to impacted employees of the pharmaceutical business unit.

During the year the Company received an amount of 12.2 million GBP equivalent to approximately Tk. 1,317,600k from GSK-TSL as cost reimbursement for the payout to impacted employees of the pharmaceutical business unit. The amount was received through banking channel. (Refer to Note- 41.5 and Note- 31).

How our audit addressed the Key Audit matters

The amount was paid by the GSK TSL to pay additional amount to outgoing employees with their final settlement bill. We have traced the amount in company's accounts and checked the final settlement payments on a test basis to ensure payment of this amount to the outgoing employees.

We have reviewed the relevant documents relating to this inward remittance and its use. This transaction has been disclosed under Note-41.5 and Note- 31.

4. Company's assessment to continue as "Going Concern".

With the discontinuation of the pharmaceutical business unit w.e.f 14 October 2018 the accumulated retained earnings of the Company have been impacted due to cost relating to the closure of the pharmaceutical business unit during the year. Under these circumstances, the management has re-assessed their going concern status and are satisfied that Company has adequate resources to make payments of its present and future obligations. The Company's present continued operation of consumer product business is running at a profit and also anticipated by the management that it will continue to run profitably in the coming years. Therefore, the Company has assessed to continue as "Going Concern" entity. (Refer to Note -2.1)

How our audit addressed the Key Audit matters

We have reviewed carefully the Company's such assumptions and disclosures and do not have any adverse comments to make.

The company's ongoing consumer healthcare business which is not impacted by the closure of pharmaceutical business unit is expected to drive shareholders value.

5. Appropriateness of the revenue recognition and disclosures thereon as per IFRS-15: Revenue from Contracts with Customers.

During the year the pharmaceutical business of the Company was discontinued. Revenue from pharmaceutical business are presented under Discontinued Operation in Note-41.2. Revenue from consumer business are presented under Continued Operation in Note-21.

How our audit addressed the Key Audit matters:

We assessed the Company's process and controls for recognizing revenue from pharmaceutical business under Discontinued Operation and recognising revenue from consumer business under continued operation in line with the provisions of the applicable IFRSs.

6. Claims, Litigations and Contingent Liabilities

The Company is subject to a number of claims and litigations. While these claims and contingent liabilities are uncertain in timing of resolution and for amount or consequences, management have applied adequate judgement to recognise the contingent liabilities. The significant contingent liabilities are as follows:

Particulars		Taka in' 000
a)	Counter Guarantee issued by the Company to the banks against the Bank Guarantees issued by those banks to 3rd parties on counter indemnities given by the Company against the banks' limit of Tk. 20 Million	2,354
b)	There is an Excise Duty claim from respective authority on sale of certain quantity of Mycil powder effected after 10th September 1981 and the case is presently pending with the Honourable High Court Division of the Supreme Court of Bangladesh.	873
c)	The Income Tax authority imposed total demand of Tk.16 Million for the assessment year 2005-06 and assessment year 2006-07. 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.	16,052
Total		19,279

How our audit addressed the Key audit Matter

We have taken into consideration the complexity of the situation and gained an understanding over the Company's action and process through the legal counsel of the Company.

07. Other Information

7.1 Sale of Shares of SETFIRST to Unilever N.V

GlaxoSmithKline Bangladesh Limited 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 during the year 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 management assures that such deal will not impact on the "Going Concern" status of the Company.

7.2 Management's responsibilities for other information

Management is responsible for the other information. The other information comprises the information including 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. 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 judgement 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.

Date: 26 February, 2019

Report on other legal and regulatory requirements

In accordance with the Companies Act (#18) 1994 and the Bangladesh Securities and Exchange Rules 1987, 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.

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 2018

	Notes	Taka in '000	
		2018	2017 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	4	114,128	694,252
Intangible assets	5	16,617	51,638
Other receivables	7.6	-	4,031
Retirement benefit assets	15	16,226	32,433
		146,971	782,355
Current assets			
Inventories	6	21,745	920,530
Trade and other receivables including intercompany receivables	7	545,488	1,014,510
Cash and cash equivalents	8	3,419,507	3,526,422
Current assets directly related with discontinued operation	41.6	223,087	-
		4,209,826	5,461,462
TOTAL ASSETS		4,356,797	6,243,817
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	16	120,465	120,465
Retained earnings	18	1,123,623	2,498,017
General reserve		5,000	5,000
Revaluation reserve	17.1	4,831	6,702
Capital reserve	17.2	166	166
Total equity		1,254,085	2,630,350
LIABILITIES			
Non-current liabilities			
Deferred tax liability	11	(150,625)	17,129
Obligation under finance lease	14	-	3,113
Total non-current liabilities		(150,625)	20,242
Current liabilities			
Trade and other payables including intercompany payables	9	3,025,954	3,471,318
Current tax liabilities	10	(46,254)	118,619
Obligation under finance lease	14	3,113	3,288
Liabilities directly associated with discontinued operation	41	270,523	-
Total current liabilities		3,253,337	3,593,225
Total liabilities		3,102,712	3,613,467
TOTAL EQUITY AND LIABILITIES		4,356,797	6,243,817
CONTINGENT LIABILITIES	19	19,279	37,035
COMMITMENTS	20	18,632	433,002

The accompanying notes 1 to 45 form an integral part of these financial statements

The financial statements were authorised for issuance by the Board of Directors on 26 Feb 2019.



Managing Director



Director

Independent auditors' report
as per our report of same date**Date: 26 February, 2019**


Company Secretary



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 2018

	Notes	Taka in '000	
		2018	2017 (Restated)
Continuing Operation			
Revenue	21	4,816,557	4,657,200
Cost of Sales	22	(2,567,307)	(2,433,248)
Gross Profit		2,249,250	2,223,952
Operating Expenses:			
Selling and distribution expenses	23	(815,351)	(915,817)
Administrative expenses	24	(254,377)	(285,788)
Other income	25	3,682	10,915
Total		(1,066,046)	(1,190,690)
Profit from operations		1,183,204	1,033,262
Finance income	26	116,343	62,709
Profit before taxation		1,299,547	1,095,971
Income tax expenses	30	96,874	(278,297)
Profit from continuing operations		1,396,421	817,674
Profit/(Loss) from discontinued operation	41	(2,031,901)	(148,370)
Profit/ (Loss) for the period		(635,480)	669,304
Other comprehensive income net of tax			
Remeasurement of pension fund asset	15.2	(78,230)	(22,434)
Total comprehensive income for the year		(713,710)	646,870
Profit/ (Loss) is attributable to			
SETFIRST Limited, UK		(521,094)	548,829
Non-Controlling Interest		(114,386)	120,475
		(635,480)	669,304
		Taka	Taka
Earning per share for profit from continuing operation:			
Basic and Diluted earnings per share		115.92	67.88
Earning per share for profit attributable to ordinary equity holders of the company:			
Basic and Diluted earnings per share		(52.75)	55.56
The accompanying notes 1 to 45 form an integral part of these financial statements			
The financial statements were authorised for issuance by the Board of Directors on 26 Feb 2019.			



Managing Director



Director



Company Secretary

Independent auditors' report
as per our report of same date

Date: 26 February, 2019



Hoda Vasi Chowdhury & Co
Chartered Accountants
Signed by:
Showkat Hossain, FCA
Senior Partner

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

Particulars	Notes	Taka in '000					Total Equity
		Share Capital	Retained Earning	General Reserve	Revaluation Reserve	Capital Reserve	
Balance at 31 December 2016		120,465	2,400,693	5,000	59,479	166	2,585,803
Prior year adjustment for depreciation on revalued asset			51,651		(51,651)		
Balance at 1 January 2017		120,465	2,452,344	5,000	7,828	166	2,585,803
Profit for the year		-	669,304	-		-	669,304
Other comprehensive income			(22,434)				(22,434)
Final cash dividend paid	12	-	(602,322)	-		-	(602,322)
Adjustment of depreciation on revalued assets during the year			1,126		(1,126)		
Balance at 31 December 2017		120,465	2,498,017	5,000	6,702	166	2,630,350
Profit for the year		-	(635,480)	-		-	(635,480)
Other comprehensive income			(78,230)				(78,230)
Final cash dividend paid	12	-	(662,555)	-		-	(662,555.00)
Adjustment of depreciation on revalued assets during the year			1,871		(1,871)		
Balance at 31 December 2018		120,465	1,123,623	5,000	4,831	166	1,254,085

* Nature and purpose of restatement has been described in note 3.18

The accompanying notes form an integral part of these financial statements

The financial statements were authorised for issuance by the Board of Directors on 26 Feb 2019.



Managing Director



Director



Company Secretary

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	Taka in '000	
		2018	2017 (Restated)
Cash Flows From Operating Activities			
Cash receipts from customers		6,545,621	6,767,803
Payment for cost and expenses		(5,928,345)	(5,215,397)
Other income		7,324	5,513
Cash generated from operations		624,601	1,557,919
Interest received		124,021	49,385
Interest paid on finance lease	26	(824)	(1,187)
Income tax paid	10	(209,675)	(187,742)
Net cash from operating activities		538,123	1,418,375
Cash Flows From Investing Activities			
Acquisition of property, plant & equipment		(24,720)	(159,450)
Sales proceeds of property, plant & equipment	4.3	45,526	28,512
Net cash used in investing activities		20,806	(130,938)
Cash Flows From Financing Activities			
Dividend paid	12.1	(662,555)	(602,322)
Finance lease paid		(3,289)	(3,198)
Net cash used in financing activities		(665,844)	(605,520)
Net increase/(decrease) in cash and cash equivalents		(106,915)	681,917
Cash and cash equivalents at beginning of the year	8	3,526,422	2,844,505
Cash and cash equivalents at end of the year	8	3,419,507	3,526,422

The accompanying notes 1 to 45 form an integral part of these financial statements

The financial statements were authorised for issuance by the Board of Directors on 26 Feb 2019.



Managing Director



Director



Company Secretary

For the year ended 31 December 2018

1 The Company and its nature of business**1.1 The Company**

GlaxoSmithKline Bangladesh Limited (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.

1.2 Nature of business

The principal activities of the Company throughout the year continued to be manufacturing and marketing of pharmaceuticals, vaccines and consumer healthcare products. On 26 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 in the Extraordinary General Meeting held on 14th October 2018. Manufacturing and importing ceased immediately ; however sales continued till end of the year to meet patient commitments.

2 Basis of preparation of financial statements**2.1 Going Concern**

With the discontinuation of the pharmaceutical business unit w.e.f 14 October 2018, the management has re-assessed the entity's going concern status and is satisfied that Company has adequate resources and ability to generate required cash to settle its present and future obligation. The Company's present continued operation of consumer business is operating at a profit and expected to maintain profitability in foreseeable future. Therefore, the financial statements have been prepared on going concern basis.

2.2 Financial statements**2.2.1 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

2.2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs, IASs) and the relevant requirements of the Schedule to the Bangladesh Securities & Exchange Rules, 1987, the Listing Regulations of Dhaka Stock Exchange Limited, 1996 and of the Companies Act #(18) 1994.

2.2.3 Financial period

This financial statements cover the financial year from 01 January to 31 December 2018, with comparative figures for the financial years from 01 January to 31 December 2017.

2.3 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention except for certain operating fixed assets which were revalued in 1978.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka which is also the functional currency of the Company.

2.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 judgements in applying accounting policies that have the significant effect on the amounts recognised in the financial statements are mentioned below:

	Policy	Note
Property, plant & equipment-Valuation	3.1.1	4
Property, plant & equipment-Depreciation	3.3.1	4
Valuation of inventories	3.4	6
Deferred tax	3.6.2	11
Impairment of property, plant & equipment	3.2	4 & 5
Employee benefit liabilities	3.5	15
Amortisation	3.3.2	5

3 Summary of Significant Accounting Policies**3.1.1 Property, plant and equipment (PP&E)**

Property, plant and equipment is stated at cost or valuation less accumulated depreciation and impairment. Capital work-in-progress is stated at cost.

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 capitalised 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 capitalised.

3.1.2 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 systems software generally involves significant customisation prior to implementation and is expected to have a useful economic life of eight years.

3.2 Impairment of PP&E & Intangible

The carrying values of all PP&E 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.

There has been major impairment in 2018 with regards to the PP&E (except Vehicles) and ERP software for the assets identified with discontinued Pharmaceutical manufacturing and commercial operation as these assets will not generate any economic benefit going forward.

3.3.1 Depreciation

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

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 month in which the newly acquired assets are put into commercial operations. Depreciation on disposal of property, plant and equipment is made up to the month prior to the disposal.

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

3.3.2 Amortisation of intangible assets

Amortisation 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 PP&E	Years
Commercial ERP	8
Software's other than ERP	7

3.4 Basis of valuation of inventories

Category	Basis of valuation
Finished products and Work-in-process	At the lower of cost and net realisable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.
Raw and packaging materials	At the lower of cost and net realisable value.
Stores and spares	At the lower of weighted average cost and net realisable value.
Materials & stores in-transit	At cost including related charges.

3.5 Retirement benefit schemes

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 fund now covers all the permanent employees of the company. The company contributes to the fund as per the GlaxoSmithKline Bangladesh Ltd. Employees' Gratuity Fund Trust deed and rules approved by NBR. The company historically operated an unfunded gratuity scheme covering all eligible permanent employees other than the management staff.

Pension fund

The Company contributes (based on actuarial valuation of 2018) to a recognised pension fund which is operated for its eligible permanent management staff. The fund has now been closed to new entrants joining the Company on and after 1 September 2012.

Provident fund

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

3.6 Taxation

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

3.6.1 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/Ordinance.

3.6.2 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 recognised for all temporary taxable differences.

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

3.7 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.

3.8 Revenue recognition

Revenue represents product invoiced during the year to customers net of value added tax, rebates, discounts and commission. IFRS 15 has been adopted in 2018 and relevant disclosures have been provided.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.11 Earnings per share

The Company calculates its earnings per share in accordance with International Accounting Standard (IAS-33) which has been shown on the face of Statement of profit or loss and other comprehensive income.

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.

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.

Diluted earnings per share

No diluted earnings per share is required to be calculated per year as there was no scope for dilution during the year.

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 recognised amounts and the Company intends either to settle on a net basis, or to realise 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. Comparative statement has been represented as and when necessary.

3.15 Accrual, provision and contingent liability

Accruals and provision and contingent liabilities have been recognised according to IAS 37: Provision, contingent liabilities and contingent assets.

3.16 Cash and Cash Equivalent

Cash and cash equivalent includes cash in hand, balances in current accounts held with scheduled commercial bank and term deposits with scheduled commercial bank.

3.17 Financial Instruments

a) Financial Assets

"Non-derivative financial assets are categorised into "financial asset at fair value through profit and loss (FVTPL)", "Held to maturity financial assets", "loans or receivable" or "available for sale financial assets". Short term investment are categorised as held to maturity financial assets. Short term investment are term deposits with scheduled commercial bank. Trade receivables are categorised as loans and receivable. Trade receivables are recognised in the original invoice amount without any impact of impairment.

The company has no other financial assets except short term investment and trade receivable."

b) Financial Liabilities

Financial liabilities are categorised into financial liabilities at fair value through profit and loss or other financial liabilities. The company's financial liability include mainly trade and other payable.

3.18 Changes in accounting policy and prior year adjustment

(i) Accounting policy regarding depreciation of revalued asset has been changed. The excess depreciation charged on revalued assets has been transferred from revaluation reserve to retained earning. Revaluation reserve of 2017 has been restated to reflect the retrospective impact of change in accounting policy.
(ii) Transactional gain/loss of foreign currency transaction has been charged in cost of sales and translation gain/loss of foreign currency transaction has been recognised in other income. This change has also been reflected in comparative statement.

3.19 General information

(i) Amounts in these financial statements have been rounded off to the nearest Thousands Taka, unless stated otherwise.

(ii) Prior year figures whenever considered necessary have been re-arranged to confirm to current year's presentation.

4 Property, Plant and Equipment

4.1 The following is the statement of property, plant & equipment

Taka in '000										
2018										
	Gross book value at cost / Valuation				Depreciation				Impairment	Carrying value As at 31 Dec
	Opening	Additions	Disposals/Transfers	Closing	Opening	Charged	Disposals	Closing		
At cost										
Freehold land	221	-	-	221	-	-	-	-	-	221
Leasehold lands	619	-	-	619	194	18	-	212	-	407
Freehold buildings	142,681	-	-	142,681	70,835	3,383	-	74,218	-	68,463
Plant and machinery	808,662	58,740	296	867,106	511,940	58,585	296	570,229	288,816	8,061
Furniture, fixtures & equipment	305,004	58,066	21,340	341,730	139,311	26,224	15,623	149,912	184,644	7,174
Vehicles	204,038	6,986	87,063	123,961	150,467	23,578	75,056	98,989	-	24,972
	1,461,225	123,792	108,699	1,476,318	872,747	111,788	90,975	893,560	473,460	109,298
Capital work-in-progress	99,073	-	99,073	-	-	-	-	-	-	-
	1,560,298	123,792	207,772	1,476,318	872,747	111,788	90,975	893,560	473,460	109,298
At valuation - in 1978										
Freehold land	4,831	-	-	4,831	-	-	-	-	-	4,831
Leasehold land	12	-	-	12	12	-	-	12	-	-
Freehold buildings	45,747	-	-	45,747	44,622	1,126	-	45,747	-	-
Plant and machinery	7,397	-	-	7,397	6,678	-	-	6,677	720	-
Furniture, fixtures & equipment	1,491	-	-	1,491	1,466	-	-	1,466	25	-
	59,478	-	-	59,478	52,778	1,126	-	53,902	745	4,831
2018	1,619,776	123,792	207,772	1,535,796	925,525	112,914	90,975	947,462	474,205	114,128
2017	1,568,076	342,486	290,785	1,619,777	866,208	126,110	66,794	925,524	-	694,252

* Plant and machinery, Furniture, Fixture & Equipment of pharmaceutical have been impaired.

4.2 The depreciation charge has been allocated to

	Notes	2018	2017
Cost of sales	22	13,671	18,372
Selling expenses	23	3,664	10,442
Administrative expenses	24	9,303	13,557
Depreciation for discontinued operation	41	86,276	83,739
		112,914	126,110

4.3 The following property, plant & equipment were disposed off during the year

Items	Taka in '000				Mode of disposal	Particulars of purchasers
	Cost or valuation	Accumulated depreciation	Carrying value	Sale proceeds		
Plant and machinery	296	296	-	-	Co. policy	
Furniture, fixtures and equipment	21,340	15,623	5,717	526	Co. policy	Management Staff
Vehicles	87,063	75,056	12,007	45,000	Co. policy	Management Staff
2018	108,699	90,975	17,724	45,526		
2017	74,796	66,794	8,002	28,512		

5 Intangible Assets

5.1 The following is the statement of intangible assets

Taka in '000										
2018										
	Gross book value at cost / Valuation				Amortization				Impairment	Carrying value As at 31 Dec
	Opening	Additions	Disposals/Transfers	Closing	Opening	Charged	Disposals	Closing		
At cost										
Manufacturing ERP Software	7,654	-	-	7,654	6,561	1,093	-	7,654	-	-
Acquisition of Business	156	-	-	156	156	-	-	156	-	-
Commercial ERP Software	54,520	-	-	54,520	3,975	6,463	-	10,438	27,465	16,617
2018	62,330	-	-	62,330	10,692	7,556	-	18,248	27,465	16,617
2017	29,377	87,473	54,520	62,330	5,466	5,226	-	10,692	-	51,638

* Commercial ERP software CERPS has been impaired due to closure of pharmaceutical operation

5.2 The amortization charge has been allocated to

	Notes	2018	2017
Administrative expenses	24	2,068	1,323
Discontinued operation	41	5,488	3,904
		7,556	5,226

			Taka in '000 At 31 December	
		Notes	2018	2017
6	Inventories			
	Finished products	37	21,515	399,227
	Raw and packing materials		230	232,303
	Work-in-process		-	117,663
	Stores & spares		-	15,300
	In transit - materials and stores		-	156,037
			21,745	920,530
7	Trade and other receivables			
7.1	The make-up of			
	Trade receivables-unsecured considered good		426,494	808,220
	Intercompany receivables		-	56,676
	House building loan to employees - current portion		-	1,895
	Others		20,819	51,331
			447,313	918,122
7.2	Prepayments			
	Suppliers		19,553	18,546
	Employees	7.4	5,710	6,210
	VAT Current A/C		70,444	67,735
	Security deposits	7.7	2,468	3,897
			98,175	96,388
			545,488	1,014,510
7.3	Others include interest accrued on investments			
	due		-	-
	not due		18,773	25,627
			18,773	25,627
7.4	These include aggregate amount due by the managers and officers of the Company		5,710	6,210
7.5	The maximum aggregate amount due by the managers and officers of the Company at the end of any month during the year		8,596	14,833
7.6	Other receivables realisable or adjustable after twelve months from the reporting date			
	House building loans		-	3,317
	Rentals		-	714
			-	4,031
7.7	Security deposits have been paid for rent and utility services			
8	Cash and cash equivalents			
	Term deposits with scheduled commercial banks		3,100,000	3,034,986
	Special Notice Deposit (SND) accounts with scheduled commercial banks		-	2,343
	Current account with scheduled commercial banks		319,230	488,896
	Cash in hand		277	197
			3,419,507	3,526,422
	Cash and cash equivalent represent cash in hand, cash at bank and short term FDR. The above cash and cash equivalent are ready for use without restriction			
9	Trade and Other Payables including Intercompany payables			
9.1	The make-up of			
	Trade payables including intercompany payables		1,821,837	1,883,527
	Provision	9.2	984,859	1,102,564
	Expenses and other finance	9.3	209,808	473,981
	Unclaimed dividend		9,450	9,042
	Capital expenditure		-	2,204
			3,025,954	3,471,318

		Taka in '000 At 31 December		
		Notes	2018	2017
	* Trade payables include intercompany payables			
9.2	These include the following items:			
	Provisions for contract manufacturing		692,891	810,596
	Provisions for distributor's claims		291,968	291,968
			984,859	1,102,564
	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.			
9.3	These include the following items:			
	Tax deducted at source		28,974	26,511
10	Current tax liabilities			
	Opening balance		118,619	58,905
	Provided during the year	30	44,802	247,456
			163,421	306,361
	Paid during the year		(209,675)	(187,743)
	Closing balance		(46,254)	118,619

11 Deferred tax liability

		Taka in '000		
		At 31 December		
		Carrying amount on reporting date	Tax base	Taxable temporary difference/ (Deductible temporary difference)
11	Deferred tax liability			
	Year 2018			
	Deferred tax relating to items of profit or loss			
	Property, plant and equipment	125,693	427,527	(301,834)
	Business Loss	-	116,022	(116,022)
	Net taxable temporary difference			(417,856)
	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) recognised in profit or loss			(141,677)
	Deferred tax asset relating to items directly recognised in other comprehensive income			
	Actuarial gain/(loss) directly recognised in other comprehensive income	(104,306)	-	(104,306)
	Applicable tax rate			25%
	Deferred tax liability/ (asset) relating to items directly recognised in other comprehensive income at the end of the year			(26,077)
	Deferred tax liability/ (asset) relating to items directly recognised in other comprehensive income at the beginning of the year (b)			(20,085)
	Deferred tax income recognised in other comprehensive income			(46,162)
	Net deferred tax (assets) / liability (a+b)			(150,626)
	Year 2017			
	Deferred tax relating to items of profit or loss			
	Property, plant and equipment	639,193	427,509	211,684
	Provision for gratuity	62,831	-	(62,831)
	Net taxable temporary difference			148,853
	Applicable tax rate			25.00%
	Deferred tax liability relating to items of profit or loss at the end of the year (a)			37,213
	Deferred tax liability relating to items of profit or loss at the beginning of the year			(6,372)
	Deferred tax (income)/ expense recognised in profit or loss			30,842
	Deferred tax asset relating to items directly recognised in other comprehensive income			
	Actuarial gain/ (loss) directly recognised in other comprehensive income			(29,912)
	Applicable tax rate			25.00%
	Deferred tax asset relating to items directly recognised in other comprehensive income at the end of the year			(7,478)
	Deferred tax asset relating to items directly recognised in other comprehensive income at the beginning of the year			(12,607)
	Deferred tax income recognised in other comprehensive income (b)			(20,085)
	Net deferred tax (assets) / liability (a+b)			17,129

12 Dividends		Taka in '000 At 31 December		
		Notes	2018	2017
	Shareholding details	16.3	Final for 2017	Final for 2016
12.1	Paid			
	a. Setfirst Limited, UK			
	GBP 4,228,177.74 [2016: GBP 3,024,963.07]		543,133	493,757
	b. Investment Corporation of Bangladesh and Mutual Funds		87,605	79,816
	c. General public		12,885	12,300
	d. Sadharan Bima Corporation		4,204	3,822
	e. Other local financial /securities companies		14,728	12,627
			662,555	602,322
12.2	Unclaimed - on account of Bangladeshi shareholders			
	Prior year		482	1,541
	Years prior to that		8,968	7,501
			9,450	9,042
13	Dividend per share			
	The dividends for 2017 paid in 2018 were Taka. 662,555 (Taka'000) (Tk. 55 per share). A dividend in respect of 2018 of Tk. 53 per share, amounting to a total dividend of Taka 6,38,462 (Taka'000) is to be proposed at the Annual General Meeting on 25 April, 2019. These financial statements do not reflect this dividend payable.			
14	Obligations under finance lease			
	Amount payable under finance lease:			
	Within one year		3,343	4,012
	In the second to fifth years inclusive		-	3,356
			3,343	7,368
	Less : Future finance charge		230	966
	Present value of lease obligations		3,113	6,402
	Less : Amount due for settlement within 12 months (shown under current liabilities)		3,113	3,288
	Amount due for settlement after 12 months		-	3,114
	The lease term is 5 years. For the year end 31 December 2018, the average effective borrowing rate was 13.75%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.			
	All lease obligations are denominated in Taka.			
	The Company's obligations under finance lease are secured by the lessor's charges over the leased assets.			
15	Retirement benefit obligations/(assets)			
	Gratuity	15.1	-	62,831
	Net pension fund	15.2	(16,226)	(95,264)
			(16,226)	(32,433)

	Taka in '000	
	At 31 December	
	2018	2017
15.1 Gratuity		
Opening balance	62,831	73,059
Provision made during the year	465,907	1,430
Paid during the year	-	(11,658)
Transferred to Gratuity Fund Trustee Board	(528,738)	-
	(62,831)	(10,228)
Closing balance	(0)	62,831
15.2 Pension fund		
Net pension fund		
Defined benefit obligation	234,939	365,381
Plan assets	251,165	460,645
Net funded status	(16,226)	(95,264)
The actuarial valuation of pension fund was carried out at December 31, 2018. The Projected Unit Credit Method, using the following significant financial assumptions has been used for the actuarial valuation:		
	%	%
Discount rate	5	4.3
Expected rate of increase in salaries	7	7
Expected rate of return on plan assets	5	8
Movement in the of present value of defined benefit obligation		
Opening balance	365,381	368,895
Current service cost	(5,150)	17,622
Interest cost	34,944	15,862
Actuarial (gain)/ loss on obligations	85,108	-
Benefits paid	(245,344)	(36,999)
Present value of defined benefit obligation	234,939	365,381
Movement in the fair value of plan assets		
Opening balance	460,645	455,472
Expected return on plan assets	39,885	19,585
Actuarial gain/(loss)	(19,198)	(29,912)
Contribution by employer	15,177	52,499
Benefits paid	(245,344)	(36,999)
Fair value of plan assets	251,165	460,645
Net actuarial gain/ (loss)		
Actuarial gain/ (loss) on obligations	(85,108)	-
Actuarial gain/ (loss) on fair value of plan assets	(19,198)	(29,912)
	(104,306)	(29,912)
Deferred tax on actuarial gain/ (loss)	(26,076)	(7,478)
	(78,230)	(22,434)
As per the last audited balance sheet of GlaxoSmithKline Bangladesh Limited Pension Fund as of 31 December, 2018, the total fund stands at Tk. 320,865 (Tk. '000) (2017: Tk. 460,395) (Tk. '000) represented by liquid cash balance and uncleared cheques.		

		Taka in '000 At 31 December	
		2018	2017
16	Share capital (Ordinary shares)		
16.1	Authorised		
	20,000,000 Shares of Tk 10 each	200,000	200,000
16.2	Issued, subscribed and fully paid - up		
	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	49,444.00
	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

16.3 Position of shares holding									
The composition of share holders at 31 December were:									
		2018		2017		2018		2017	
		% of	No. of	% of	No. of				
		Holdings	Shares	Holdings	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		12.75	1,535,644	13.22	1,592,762	15,356		15,356	
c. General public		2.35	283,341	1.27	153,435	2,833		2,833	
d. Sadharan Bima Corporation		0.63	76,437	0.63	76,437	764		764	
e. Other local institutions		2.29	275,883	2.89	348,671	2,759		2,759	
		100.00	12,046,449	100	12,046,449	120,465		120,465	

16.4 Classification of shareholders by holding:					
Holdings		Number of holders		Total holdings%	
		2018	2017	2018	2017
Less than 500 shares		1,566	1,089	0.77	0.62
500 to 5,000 shares		90	77	1.11	1.01
5,001 to 10,000 shares		15	13	0.88	1.19
10,001 to 20,000 shares		6	6	0.68	0.12
20,001 to 30,000 shares		3	2	0.62	0.62
30,001 to 40,000 shares		2	3	0.56	0.59
40,001 to 50,000 shares		1	1	0.39	0.38
50,001 to 1,00,000 shares		2	2	1.43	1.43
100,001 to 1,000,000 shares		2	2	3.06	3.38
Over 1,000,000 shares		2	2	90.50	90.67
		1,689	1,197	100.00	100.00

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

		At 31 December	
		2018	2017
	Mr. Noor Mohammad Director, Human Resources	1	1
	Mr. Mahbubur Rahman Director, Clinical R&D and Medical Affairs	2	2
16.6	The Board of Directors has been informed vide a notification letter on December 03, 2018 from Setfirst Limited (Setfirst), a shareholder/member of the Company, that Setfirst has signed a Share Purchase Agreement on December 03, 2018 (the SPA) to sell and dispose 9,875,144 shares in the Company to Unilever N.V. (The Transaction). The transaction is subject to the necessary regulatory formalities and approval in accordance with the laws of Bangladesh.		

		Taka in '000	
		At 31 December	
		2018	2017 (Restated)
17	Reserves		
17.1	Revaluation reserve		
	Opening balance	6,702	7,828
	Adjustment for depreciation charged for revalued asset	(1,871)	(1,126)
	Closing balance	4,831	6,702
	The balance represents surplus arising from the revaluation of fixed assets carried out in 1978. A prior year adjustment has been made in 2017 due to changes in accounting policy, (Note 3.18).		
17.2	Capital reserve		
	Opening balance	166	166
	Adjustment for the year	-	-
	Closing balance	166	166
	This is the balance of surplus of assets over liabilities as at 28 February 1974 after issue of shares there against.		
18	Retained earnings	1,123,623	2,498,017
	Retained earnings include capital gain, net of tax of Tk. 191,491 thousand arising out of disposal of Bogura, Chattogram and Dhaka properties. This is not remittable until the Bangladesh Bank's restriction thereon is waived.		
19	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	1,771	24,779
	1 to 5 years	583	583
		2,354	25,362
	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. An ex-executive of the Company filed a case in the Court against the Company for compensation of Tk. 10.8 million as claimed by the plaintiff due to termination of his services from the Company. The Company filed an appeal in the Appellate Division of Supreme Court of Bangladesh against the judgement passed by the High Court Division and such appeal is still pending before the honourable court.	-	10,800

		Notes	Taka in '000 At 31 December	
			2018	2017 (Restated)
	d. 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	-
			19,279	37,035
20	Commitments			
	a. Capital expenditure			
	Contracted but not provided for in these accounts		-	12,572
	Authorised but not contracted		-	215,250
	b. L/C Outstanding		18,632	205,180
			18,632	433,002

21	Revenue					
	Items	Unit	2018		2017	
			Quantity	Taka in'000	Quantity	Taka in'000
	Consumer healthcare					
	Powder	Ton	41,315	4,544,612	8,214	4,334,624
	Oral	Thousand	2,465	271,945	3,001	322,576
				4,816,557		4,657,200

22	Cost of sales			
	Cost of products manufactured:			
	Raw and packing materials consumed	39		
	Opening inventories		220,365	158,454
	Purchased during the year		1,057,897	2,221,366
			1,278,262	2,379,820
	Closing inventories		(229)	(220,365)
			1,278,033	2,159,455
	Manufacturing expenses:			
	Salaries, Wages and welfare		27,201	23,706
	Depreciation	4.2	13,671	18,372
			40,872	42,078
			1,318,905	2,201,532
	Opening inventory of work-in-process		26,402	16,557
			1,345,307	2,218,089
			-	(26,402)
			1,345,307	2,191,688
	Opening inventory of finished products		48,203	128,434
	Cost of finished products purchased	38	1,195,313	161,329
	Finished products available		2,588,823	2,481,450
	Closing inventory of finished products	37	(21,515)	(48,203)
	Replacement, medical attention, and other issues		-	-
			(21,515)	(48,203)
			2,567,308	2,433,248

		Taka in '000 At 31 December	
		2018	2017 (Restated)
23	Selling expenses		
	Salaries, Wages and welfare	183,648	146,176
	Retirement benefit expense	3,944	3,249
	Fuel and utilities	2,552	1,263
	Repairs and maintenance	-	195
	Insurance	521	799
	Depreciation	3,664	10,442
	Rent, rates and taxes	2,523	1,317
	Travel, training and conference	42,074	36,759
	Entertainment	893	360
	Motor running expenses	7,719	8,614
	Information and communication expenses	9,219	3,305
	Advertisement and promotion	558,009	702,718
	Conference and seminars	-	-
	Office expenses	252	387
	Other expenses	334	235
		815,351	915,817
	* Comparative for 2017 has been restated		
24	Administrative expenses		
	Salaries, Wages and welfare	155,068	145,389
	Retirement benefit expense	2,829	2,767
	Fuel and utilities	2,420	2,248
	Repairs and maintenance	11,391	17,577
	Insurance	1,550	1,806
	Depreciation and amortisation	11,371	14,880
	Rent, rates and taxes	28,159	24,744
	Travel, training and conference	11,885	9,082
	Entertainment	18	295
	Motor running expenses	3,691	3,019
	Information and communication expenses	3,995	2,387
	Directors' fee	270	200
	Professional fees and consultancy fees	15,883	3,616
	Advertisement	817	269
	Office expenses	2,224	2,638
	WPPF **	-	49,874
	Other expenses	2,805	4,999
		254,377	285,788
	** No provision for WPPF has been recognised in 2018 as the company has incurred loss during the year		
25	Other income		
	Profit on disposal of property, plant and equipment	3,520	9,701
	Scrap sales and other income	162	1,214
		3,682	10,915
26	Finance income and cost		
	Interest income on:		
	Term deposit and special notice deposit	116,939	63,489
	Housing loan to employees	228	407
		117,167	63,895
	Interest expense on:		
	Bank overdraft	(100)	-
	Leasing	(724)	(1,187)
		(824)	(1,187)
	Net finance income	116,343	62,709
	*Comparatives for 2017 have been restated		

		Taka in '000	
		2018	2017
27	Auditors' remuneration		
	Audit fee	600	600
	Audit of provident, pension and workers' profit participation & welfare funds and special certifications	70	70
		670	670

28		Remuneration of Directors, Managers and Officers					
28.1 The details							
		2018			2017		
		Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
	Remuneration	71,716	748,821	820,537	57,597	680,468	738,065
	Housing:						
	Rent	5,175	98,432	103,607	7,263	107,979	115,243
	Utilities	1,220	7,442	8,662	943	7,563	8,506
		6,395	105,874	112,269	8,207	115,543	123,749
	Contribution to retirement benefit scheme	810	34,158	34,968	812	35,559	36,371
	Leave passage	3,620	16,936	20,556	657	14,792	15,450
	Medical	373	44,004	44,377	275	18,161	18,436
	Other	496	6,438	6,934	477	6,438	6,914
		83,410	956,231	1,039,641	68,024	870,961	938,985
	Number	4	622	626	5	728	733
28.2 The Company based on respective employment terms having specified limits provides the following benefits :							
i. Directors: The expatriate Managing Director (for up to June 2018) and the other expatriate Executive Director were provided with free furnished accommodation and a chauffeur driven full time vehicle. Executive Directors were provided with a full time vehicle with a 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 average number of employees significantly reduced in later part of the year.							
iii. One Executive Director demised in June 2018 and was replaced by another Executive Director in October 2018. There was a change in board composition in November 2018 where 3 (three) Executive Directors resigned and were replaced by 3 (three) new Executive Directors effective from 01 December 2018.							
iv. Leave passage increased during the year due to claiming entitled leave allowances in 2018 over for the period 2017-2018. Additionally it also includes entitled leave allowance of a director who has demised during the year.							
v. All the managers, in defined grades, are provided with full time car and certain house furniture and equipment.							
29	Number of employees engaged						
The company employed an weighted average of 771 (2017:967) permanent employees and a varying number of casual & temporary workers throughout the year. As at 31 Dec 2018, 235 permanent employees were engaged. All permanent employees receive total remuneration in excess of Tk. 36,000 per annum.							

		Notes	2018	2017
30	Income tax expense			
	Current tax	10	44,802	247,456
	Deferred tax	11	(141,677)	30,842
			(96,874)	278,297

30.1	Reconciliation of effective tax rate	2018		2017	
	Profit before Tax for continued operation		1,299,547		1,095,971
	Profit/(Loss) from discontinued operation		(2,031,902)		(148,370)
	Profit before Tax	%	(732,355)	%	947,601
	Income tax using applicable tax rate	25.00%	(183,089)	25.00%	236,900
	Factors affecting the tax charge for current year				
	Non-deductible expenses and others		47,270		20,970
	Prior year adjustment		(2,468)		(10,414)
	Deferred tax (income)/Expense		(141,677)		30,842
	Total Income Tax Expense	13.23%	(96,874)	29.37%	278,297

31	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.					
	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) Taka in '000"
	GlaxoSmithKline Services Unlimited, UK	Inter Company Services/ Fees, Meeting, Training and Seminar	GSK Group Company	-	-	-
	GlaxoSmithKline Biologicals S. A, Belgium	Import of Finished Products, Promotional Allowance and Service Fee	GSK Group Company	252,761	69,381	5,860
	GlaxoSmithKline Export Ltd., UK	Import of Raw materials and Finished Products and Promotional Allowance	GSK Group Company	98,857	13,370	-
	GlaxoSmithKline LLC, USA	Inter Company Services/ Fees and Others	GSK Group Company	-	586	586
	GlaxoSmithKline Research & Development Limited, UK	Inter Company Services/ Fees and Others	GSK Group Company	-	564	564
	SmithKline Beecham Bangladesh (Pvt.) Limited	Inter Company Services	GSK Group Company	-	-	(30,210)
	Burroughs Wellcome & Co. (Bangladesh) Ltd.	Purchased of Finished Goods	GSK Group Company	197,602	-	(2,593)
	GlaxoSmithKline Consumer Healthcare, India	Import of Raw materials and Finished Products	GSK Group Company	393,241	-	-
	GlaxoSmithKline Trading Services Ltd, UK	Inter Company Export Sales and partial reimbursement of pharmaceutical closure cost	GSK Group Company	26,329	1,317,600	3,370

31.1	Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.
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32	Earnings per share				Taka in '000	
	There is no dilutive effect on the basic earnings per share of the Company, which is based on:					
		Notes		2018		2017
	Profit for the year					
	Weighted average number of ordinary shares				(635,480)	669,304
	Basic and diluted earnings per share (Taka)				12,046,449	12,046,449
					(52.75)	55.56
33	Value of imports - at C&F basis (Entity)					
	Raw & packing materials				656,402	1,526,104
	Capital goods				4,362	155,984
	Stores & spares				4,034	16,968
					664,798	1,699,056
34	Consumption		39			
	Raw & packing materials, and stores & spares				%	
	a. Imports - Raw & packing materials				84	1,078,571
	b. Indigenous					
	Raw & packing materials				16	199,462
	Stores & spares				-	-
					16	199,462
					100	1,278,033
						2,159,455
35	Expenditure incurred in foreign currency					
	Foreign travel for the Company's business				9,934	11,864
					Foreign currency in '000s	
36	Value of export business					
	USD			209		321
	GBP			80		73

37	Closing inventory of each class of goods produced or purchased (At cost)- Note-22					
			Taka in '000			
	Items	Unit	2018		2017	
Quantity			Taka	Quantity	Taka	
	Powder	Ton	37	6,423	76	25,297
	Oral	Thousand	374	15,092	134	22,907
				21,515		48,203

38	Finished products purchased (At cost)-Note-22					
			Taka in '000			
	Items	Unit	2018		2017	
Quantity			Taka	Quantity	Taka	
	Oral health care	Thousand	3,165	139,287	3,017	150,900
	Health food drink	Thousand	41,642	1,056,026	25	10,429
				1,195,313		161,329

	Notes	2018		2017	
		Quantity	Taka	Quantity	Taka
39	Materials consumed				
	Consumer healthcare				
	a. Powder	3,462 Tons	949,798	5,805 Tonne	1,540,365
	b. Other items individually below 10% of total consumption	Various	328,235	Various	619,090
	Total healthcare		1,278,033		2,159,455
40	Installed capacity and actual production				
Classes of goods	Unit	Annual installed capacity	Actual production		
			2018	2017	
a. Pharmaceuticals					
Tablets and capsules	Million	1,320	424	874	
Oral liquids	Kilolitre	615	125	207	
Vials and drops	Thousand	1,660	310	634	
Topicals	Tonne	370	133	306	
Granules	Tonne	50	2	9	
b. Consumer healthcare					
Powder	Tonne	1,644	989	1,644	
	Licensed capacity is no longer enforced and the regulatory authority does not exercise any control over the production.				
41	Discontinued Operation				
41.1	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 Extraordinary General Meeting held in 14th October 2018 to be effective immediately. Manufacturing and importing ceased immediately ; however sales continued till end of the year to meet patients' commitments. Hence the pharmaceutical business is reported as a discontinued operation for the year ended 31st December 2018. The figures for 2017 for discontinued operation has been represented.				

41.2 Financial performance and cash flow information			
The financial performance and cash flow information presented are for the Year ended 31 December 2018 and the year ended 31 December 2017.			
		Taka in '000	
		2018	2017
	Revenue	1,519,915	2,139,359
	Other Income	31,444	16,382
	Cost and expenses	(3,583,260)	(2,304,111)
	Profit before income tax	(2,031,901)	(148,370)
	Income tax expense	-	-
	Profit from discontinued operation net of tax	(2,031,901)	(148,370)
	Net Cash flow from operating activities	(404,753)	(28,918)
	Net Cash flow from investing activities	19,436	(108,026)
	Net Cash flow from financing activities	-	-
	Net increase in cash generated by discontinued operation	(385,317)	(136,944)
41.3	Revenue		
	Local	1,493,586	2,099,606
	Export	26,329	39,753
	Total	1,519,915	2,139,359
41.4	Other Income		
	Profit on disposal	24,282	10,655
	Scrap sales and other income	7,161	5,727
		31,444	16,382
41.5	Cost and Expenses		
	Cost of sales excluding overhead	1,376,759	1,196,579
	Employee benefit including severance pay	1,174,870	737,302
	Depreciation, amortisation and impairment	593,435	87,643
	Repair maintenance and other expenses	190,552	192,450
	Travel and conference	49,862	97,038
	Promotional and distribution expenses	178,381	51,816
	Professional and consultancy fees	25,430	5,610
	Rent and office expenses	57,802	51,749
	Promo Support	(63,830)	(116,076)
		3,583,260	2,304,111
	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 BDT. 1,774,201 thousands has been accrued which has been netted of against the partial reimbursement of BDT. 1,317,600 thousands by the Group, GSK Trading Services Ltd.		

41.6 Current assets and Current liabilities related to discontinued operation		
The following assets and liabilities were related to the discontinued operation as at 31 Dec 2018		
	Notes	2018
Current asset related to discontinued operation		
Inventories	41.6.1	39,340
Trade and other receivables	41.6.2	183,747
Total asset related to discontinued operation		223,087
Current liabilities related to discontinued operation		
Trade and other payable		
Obligation under finance lease	41.6.3	270,523
Total liabilities related to discontinued operation		-
		270,523
41.6.1 Inventory		
Raw materials		39,340
Finished goods		-
		39,340
41.6.2 Trade and other receivables		
Trade receivables		169,208
Intercompany receivables		10,288
Loan to employees		2,564
Prepayments		1,688
		183,747
41.6.3 Trade and other payables		
Trade payables		190,912
Expenses and other finance		79,612
		270,523
* Trade and other payable includes provision for claim by employee amounted to BDT 10,800,000		
Inventories of pharmaceutical operation will be liquidated by April'19. The largest part of trade receivable is owed by sole distributor of pharmaceutical operation which are expected to be realised by March'19 as per agreement.		
Trade payable 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 2019		
42 Financial risk management objectives and policies		
<p>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.</p>		

42.1 Credit risk		Taka in '000	
		2018	2017
Credit risk represents the accounting loss that would be recognised 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:			
	Loans to employees	-	1,895
	Advances to employees	5,710	6,210
	Advances to suppliers	19,553	18,546
	Security deposits	2,468	3,897
	Trade receivables	426,494	808,220
	Cash and cash equivalent	3,419,507	3,526,422
		3,873,732	4,365,190

The aging analysis of trade receivable given below				
	2018	Not past due	Less than 7 days	Total
Expected loss rate	0%	0%	0%	
Gross carrying amount	402,998	23,496	426,494	
Loss allowance provision	-	-	-	
* The past due amount has been realised in January 2019				
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.				

42.2 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 summarises the maturity profile of the Company's financial liabilities as at the reporting date.				
	Taka in '000			
	Less than 12 months	1 to 2 years	2 to 5 years	Carrying amount
Financial liabilities				
2018				
Finance lease	3,113	-		3,113
Trade and other payables	3,296,478			3,296,478
Financial liabilities				
2017				
Finance lease	3,288	3,114		6,402
Trade and other payables	3,471,318			3,471,318
Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk.				
42.3 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.				

42.3.1 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:				
			Taka in '000	
			2018	2017
		Foreign currency		
	Trade and other receivables	USD	69	738
		GBP	31	92
	Cash and bank balances	USD	292	270
		GBP	13	13
	Trade and other payables	USD	-	3,383
		GBP	-	7
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)		351	1,860

42.3.2 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:					
		2018	2017	Taka in '000	
		Effective rates %		2018	2017
	Financial assets				
	Term deposit	3.10%-5.25%	2.25%-4.00%	3,100,000	3,034,986
	Financial liabilities				
	Finance lease	13.75%	15.28%	3,113	6,402
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 minimises the interest rate risk by investing in fixed rate investments like term deposit receipts.					
42.3.3 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.					

43	Revenue from contract with customer
	The company has recognised the following amount in the statement of profit and loss
	Taka in '000
	2018
	2017
	Revenue from contract with customer
	4,816,557
	4,657,200
	Segregation of revenue from contracts with customer
	The company derives revenue from transfer of goods at a point in time in the following major product lines

	2018	Taka in '000		
		Powder	Oral	Total
Revenue from external customer		4,544,612	271,945	4,816,557
Timing of revenue recognition at a point in time		4,544,612	271,945	4,816,557
	2017	Taka in '000		
		Powder	Oral	Total
Revenue from external customer		4,334,624	322,576	4,657,200
Timing of revenue recognition at a point in time		4,334,624	322,576	4,657,200

Contract assets and liabilities

The company has recognised no contract assets and liabilities

Accounting policy

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

44	Comparatives
	Previous year's figures in the statement of profit and loss have been represented following the change in the operation of the company i.e. discontinuation of pharmaceutical operation. The 2017 figure for income statement under continuing operation relate to consumer health care operation so that comparative figures remain relevant to the users of financial statement. The figures for 2017 in statement of financial position and statement of cash flow have been retained from previous period.
45	Events after the reporting period
	Event after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note -13


Managing Director


Director


Company Secretary

GlaxoSmithKline Bangladesh Limited

Registered Office: Fouzderhat Industrial Area
North Kattali, Chattogram
Corporate Office: House: 2A, Road: 138
Gulshan:1, Dhaka1212



PROXY FORM

I/ We, the undersigned being a member of 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 46th Annual General Meeting of the Company to be held on Thursday the 25th April, 2019 and at any adjournment thereof.

Dated this day of 2019

(Signature of the Proxy)
Dated:.....

(Signature of the Shareholders)
Folio / BO No:
Dated:

Note:

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

ATTENDANCE SLIP

I do hereby record my attendance at the 46th Annual General Meeting of GlaxoSmithKline Bangladesh Limited being held at Radisson Blu Chattogram Bay View, Chattogram on Thursday 25th April 2019 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 / BO No
(Please complete this and deposit at the registration counter on the day of the AGM)





GlaxoSmithKline Bangladesh Limited

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