

Healthier Tomorrow

GlaxoSmithKline Bangladesh Limited
ANNUAL REPORT 2017



Healthier Tomorrow

"A healthier tomorrow starts with a resilient promise of trust and relentless performance. At GSK, we nurture this promise by focusing not only on the highest quality of products but also on all activities we do as an organisation.

We adhere to our commitment towards building a healthier tomorrow by fulfilling our promise of providing the highest quality healthcare products. As we continue to strive relentlessly towards our commitment, we are confident that a tomorrow that is healthier than today is not far away."



Photo: Orange Day 2017

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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 Focus, Transparency
Respect for People, Integrity

OUR EXPECTATIONS

Courage, Accountability,
Development, Teamwork



Our New Priorities (IPT)



Millions
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.

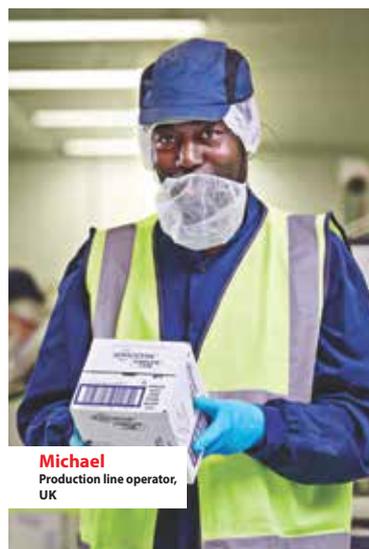


Performance

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.



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.

ABAC Program

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

	<p>Know</p> <ul style="list-style-type: none"> • Do not offer or accept bribes • Understand our policies and the corruption risks you face 		<p>Prevent</p> <ul style="list-style-type: none"> • Be vigilant and assess risks • Keep up to date with training for you and your team 		<p>Report</p> <ul style="list-style-type: none"> • Properly document any risks • Speak up if you identify a risk or any wrongdoing
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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 authorized 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.

44th Annual General Meeting





General Information



Board of Directors

Mr. David Pritchard
 Ms. Erum Shakir Rahim
 Mr. Masud Khan
 Mr. Rajib Barua
 Ms. Zinnia Tanzina Huq
 Mr. Prashant Pandey
 Mr. Kazi Sanaul Hoq
 Mr. Mohsin Uddin Ahmed

Company Secretary

S.O.M Rashedul Quayum

Registered Office & Factory

Fouzderhat Industrial Area
 North Kattali

Corporate Office

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

A view of manufacturing site of GSK Bangladesh in Chittagong



Audit Committee Members

Masud Khan (Chairman)
Erum Shakir Rahim
Mr. Kazi Sanaul Hoq

Bankers

The Hongkong and Shanghai
Banking Corporation (HSBC)
Standard Chartered Bank
Citibank NA
Sonali Bank

Statutory Auditors

Chartered Accountants:
ACNABIN Chartered Accountants
Compliance Governance Auditor:
MABS & J Partners

Legal Advisors

Barrister Abdullah Al Mamun
Advocate S C Lala

The Company

GlaxoSmithKline plc is a science-led global healthcare Company with a special purpose: to help people do more, feel better, live longer. We research and develop a broad range of innovative medicines, vaccines and consumer healthcare products. With headquarters in UK, we are a Company of nearly 100,000 individuals united by our special purpose and our values and expectations. We have two primary areas of business in consumer healthcare and pharmaceuticals.

Our Company wide strategy 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 are focused on three priorities: Innovation, Performance, Trust. Our goal is to be one of the world's most innovative, best performing and trusted healthcare companies. In 2017 we set out three long-term priorities which we believe will deliver improved performance and better returns over the long term.

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 activities include manufacturing and marketing of pharmaceutical products, vaccines, consumer healthcare products, nutrition and oral healthcare products. Our activities in all three business areas are strictly guided by "GSK values" which include showing respect for people, being patient/customer focused, commitment to transparency and demonstration of highest integrity in our conduct.

The Consumer Healthcare unit leads the Health Food Drink (HFD) category in Bangladesh and maintains a dominant presence in the market. Horlicks continues to be one of the top Brands in Bangladesh across all Categories because of the brand's consistent delivery of its 'Promise of Nutrition' to the consumers. GSK Bangladesh also has flagship brands in the categories of Oral Health Care and Vitamins & Minerals which include Sensodyne and Glaxose amongst others.

Our Pharmaceuticals business include globally renowned inhaled respiratory medicines like Seretide and allergic rhinitis medication brands like Avamys. GSK Vaccines in Bangladesh provide a whole range of disease prevention for both infants and adults. Our leadership position in dermatology is strengthened by

the existing growth for flagship brands like Betnovate-N (Dermatology) and cosmeceuticals brands like Acne-Aid & Physiogel (consumer dermatology portfolio from Stiefels).

GSK plc has made a global commitment to re-invest 20% of the profits we 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.

Our perennial commitment is to uphold 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.

Innovation

Performance

Trust

Chairman's Statement

On behalf of the Board, I am delighted to welcome you all to the 45th Annual General Meeting of GlaxoSmithKline (GSK) Bangladesh Ltd. and present the Annual Report of the Company for the year 2017.

I am pleased to report that after a year of challenging business results, in 2017 the Company has delivered positive growth, driven by the focused strategies around key product portfolios.

In July 2017, GSK Group presented its new strategy, setting out long term priorities under the three bold themes-

- 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

In 2017, the Consumer Healthcare business retained its leadership and increased its market share in the Health Food Drinks category, which has experienced flat growth over the year. Our flagship brand Horlicks has gained market share in a heavily competitive environment. Consistent and integrated action plans across Legal, Regulatory and Commercial arenas over last two years have led to a 10.3% growth of this business.

The Pharmaceuticals business continued to face an increasingly challenging external environment from regulatory restrictions and supply challenges of both finished goods and global ingredients. This has resulted in a low single digit growth for the Pharmaceuticals business.

To ensure the Company maintains its commitment to deliver maximum shareholder return, the Board recommends a final cash dividend of Tk 55 per share for 2017.

Risk Management & Governance

The Board aims to assure the integrity of GSK Bangladesh business operations through rigorous processes and systems. In 2017, the Company went through a major Enterprise Resource Planning (ERP) upgrade which brought in significant changes to our business processes, systems and reporting. Key processes changes were reflected through amendments to our internal Standard Operating Processes (SOPs).

Risk management remained a key part of Board and management discussions. Earlier in the year, the Pharmaceutical Commercial operations was subject to a GSK Global Audit. The Audit appreciated a high level of proactive measures and focus on the overall compliance environment. No major findings were observed and recommendations were provided for improving the control framework.

At our Global Manufacturing & Supply (GMS) Site in Chittagong, investments have continued in compliance to GSK Global quality standards. These investments have helped the Site to come out of the "Remediation Plan". For the first time, three full shifts have been in operation for the topical line to increase production capacity. The site has further invested in several measures to enhance safety.

It gives me immense pleasure to share that this year your Company's Annual Report 2016 has been recognised by the prestigious Institute of Chartered Accountants of Bangladesh (ICAB) under the Best Presented Annual Reports 2016 in the manufacturing sector.

People Development & Culture

GSK continues to be a preferred employer for aspiring professionals in the country. As part of our strategic priorities, we drive individual empowerment of our employees and promote diversity. The Company continued its flagship 'Future Leaders Programme' (FLP) across all Business Units (BUs). This year we hired four new FLP trainees for Consumer Healthcare, Pharmaceuticals and Global Manufacturing and Supply (GMS) BUs. In 2017, the Company achieved significant improvement in employee engagement scores reflecting continued efforts to improve the work environment and enabling employee development.

Board Changes and Composition

This year there have been a number of changes to the Board. During the course of the year, Mr. Md Iftikhar-uz-zaman, retired from the position of Managing Director of Investment Corporation of Bangladesh (ICB). The Board deeply appreciates the valuable services of Mr. Zaman during his tenure of association with the Company and wishes him the best on his next assignment. In his place, Mr. Kazi Sanaul Hoq, has been appointed as Managing Director, ICB, with effect from 22 October 2017.

Furthermore, Mr. Gopalakrishnan Venkatramani, General Manager, Consumer Healthcare also retired from the Company. In his place Mr. Prashant Pandey assumed this role. The Board also notes that the Company's Independent Director, Mr Mesbah Ul Hoque, tendered his resignation from the Board in September 2017. This role was filled by Mr. Mohsin Uddin Ahmed after due notification to the Securities Exchange Commission. The new members will bring in new capabilities and perspectives to the Board. All profiles are included in the section on 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.



David Pritchard
Chairman

6 March, 2018

চেয়ারম্যান-এর বিবৃতি

গ্ল্যাক্সোস্মিথক্লাইন (জিএসকে) বাংলাদেশ লিমিটেড-এর ৪৫তম বার্ষিক সাধারণ সভায় বোর্ডের পক্ষ থেকে আমি আপনাদের সকলকে জানাচ্ছি আন্তরিক শুভেচ্ছা এবং সেই সাথে কোম্পানির ২০১৭ সালের বার্ষিক প্রতিবেদন উপস্থাপন করছি।

আপনাদের আনন্দের সাথে জানাচ্ছি যে, গত এক বছরের চ্যালেঞ্জিং ব্যবসায়িক কার্য-সম্পাদনের পর, ২০১৭ সালে কোম্পানি ইতিবাচক প্রবৃদ্ধি অর্জন করেছে, যা সম্ভব হয়েছে মূল প্রোডাক্ট পোর্টফোলিওগুলো ঘিরে সুনির্দিষ্ট কৌশল প্রণয়ন ও বাস্তবায়নের ফলে।

২০১৭ সালে জুলাই মাসে জিএসকে গ্রুপ দীর্ঘমেয়াদী অগ্রাধিকারগুলো নির্ধারণপূর্বক তিনটি প্রধান শিরোনামের অধীনে নতুন কৌশল উপস্থাপন করেছে-

- উদ্ভাবন
- কার্য-সম্পাদন
- আস্থা

বিনিয়োগকারীদের দীর্ঘমেয়াদী সুযোগ-সুবিধা বৃদ্ধি করতে উদ্ভাবনে নতুন করে একাত্মতা ও কার্য-সম্পাদনে সফলতা-ই আমাদের প্রধান উদ্দেশ্য।

ব্যবসার গতিধারা এবং আর্থিক ফলাফল

২০১৭ সালে আমাদের কনজুমার হেলথকেয়ার ব্যবসা নেতৃত্বের শীর্ষস্থান ধরে রেখেছে এবং হেলথ ফুড ড্রিংক ক্যাটেগরিতে তার মার্কেট শেয়ার বাড়িয়েছে যার প্রবৃদ্ধি গতবছরের সমান। ফ্ল্যাগশিপ ব্র্যান্ড হরলিক্স অত্যন্ত প্রতিযোগিতামূলক পরিবেশেও মার্কেট শেয়ার অর্জন করতে সক্ষম হয়েছে। গত দুই বছর ধরে আইনি, নিয়ন্ত্রক ও বাণিজ্যিক খাতগুলোর মধ্যে সুসংহত ও সমন্বিত কর্ম পরিচালনার কারণে এই ব্যবসার ১০.৩% প্রবৃদ্ধি হয়েছে।

আমাদের ফার্মাসিউটিক্যালস ব্যবসা এখনও নানান নিয়মতান্ত্রিক বাধার মুখে ক্রম অবনতিশীল এক প্রতিকূল পরিবেশের মধ্যে দিয়ে যাচ্ছে। এর পাশাপাশি রয়েছে ফিনিশ্ড প্রোডাক্ট ও কাঁচামাল সরবরাহে সীমাবদ্ধতা। এর ফলে ফার্মাসিউটিক্যালস ব্যবসায় শুধুমাত্র একক অঙ্কের প্রবৃদ্ধি ঘটেছে।

শেয়ারহোল্ডারদের সর্বোচ্চ রিটার্ন প্রদানে কোম্পানির যে প্রতিশ্রুতি রয়েছে, তা বাস্তবায়ন করার জন্য বোর্ড ২০১৭ সালে প্রতি শেয়ারে ৫৫ টাকা চূড়ান্ত নগদ লভ্যাংশ প্রস্তাব করেছে।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রণ

বোর্ড-এর লক্ষ্য হচ্ছে কঠোর প্রক্রিয়া এবং পদ্ধতির মাধ্যমে জিএসকে বাংলাদেশ-এর ব্যবসায়িক কার্যক্রমের ন্যায্যপারায়ণতা নিশ্চিত করা। এই বছর, কোম্পানির ইআরপি সিস্টেমে একটি বড় ধরনের আপগ্রেডেশন করা হয়েছে যার মাধ্যমে আমাদের ব্যবসার পদ্ধতি, প্রক্রিয়া এবং রিপোর্টিং-এ উল্লেখযোগ্য পরিবর্তন এসেছে। আমাদের অভ্যন্তরীণ স্ট্যান্ডার্ড অপারেটিং প্রসেস (এসওপি)গুলোর সংশোধনের মাধ্যমে মূল প্রক্রিয়ার পরিবর্তনগুলো প্রতিফলিত হয়েছে।

এই বছরে বোর্ড এবং ব্যবস্থাপনা আলোচনায় গুরুত্বপূর্ণ বিষয় ছিল ঝুঁকি ব্যবস্থাপনা। বছরের শুরুর দিকে, ফার্মাসিউটিক্যাল বাণিজ্যিক কার্যক্রমগুলো জিএসকে গ্লোবাল অডিট-এর পর্যবেক্ষণাধীন ছিলো। সামগ্রিক নিয়ন্ত্রিত পরিবেশের ওপর একনিষ্ঠতা ও মনোনিবেশের জন্য অডিট বিভাগ কোম্পানির প্রশংসা করেছে। অডিটে তেমন কোনো বড় রকমের পর্যবেক্ষণ পাওয়া যায় নি এবং নিয়ন্ত্রণ কাঠামোর উন্নতির জন্য পরামর্শ দেওয়া হয়েছিলো।

চট্টগ্রামে আমাদের গ্লোবাল ম্যানুফ্যাকচারিং অ্যান্ড সাপ্লাই (জিএমএস) সাইট-এ, জিএসকে-এর বিশ্বব্যাপী গুণগত মানদণ্ড বজায় রাখতে বিনিয়োগ অব্যাহত আছে। এই বিনিয়োগগুলো সাইটটিকে “রেমিডিয়েশন প্ল্যান” থেকে বের হতে সাহায্য করেছে। প্রথমবারের মতো, ৩টি সম্পূর্ণ শিফট টপিক্যাল লাইন-এর উৎপাদন ক্ষমতা বৃদ্ধির জন্য কাজ করেছে। সাইটটিতে নিরাপদ পরিবেশ তৈরির জন্য বেশ কয়েকটি উদ্যোগে বিনিয়োগ করা হয়েছে।

আপনাদেরকে এটা জানাতে পেরে আমি অত্যন্ত আনন্দিত যে, এই বছর আপনাদের কোম্পানির বার্ষিক প্রতিবেদন-২০১৬, ইনস্টিটিউট অব চার্টার্ড অ্যাকাউন্ট্যান্টস অব বাংলাদেশ (আইসিএবি) কর্তৃক উৎপাদন খাতে শ্রেষ্ঠ মানের বার্ষিক প্রতিবেদন হিসেবে স্বীকৃতি পেয়েছে।

মানব উন্নয়ন ও সংস্কৃতি

জিএসকে দেশের উচ্চাকাঙ্ক্ষী পেশাদারদের জন্য এখনও একটি পছন্দসই নিয়োগকর্তা। কৌশলগত অগ্রাধিকারের অংশ হিসাবে, আমরা কর্মীদের ব্যক্তিগত ক্ষমতায়ন নিশ্চিত করি এবং বৈচিত্র্যের মাধ্যমে দৃঢ় হতে অনুপ্রাণিত করি। কোম্পানির সব ব্যবসা ইউনিট (বিইউ) জুড়ে ফ্ল্যাগশিপ “ফিউচার লিডারস প্রোগ্রাম” (এফএলপি) অব্যাহত ছিলো। এই বছর আমরা কনজুমার হেলথকেয়ার, ফার্মাসিউটিক্যাল এবং গ্লোবাল ম্যানুফ্যাকচারিং অ্যান্ড সাপ্লাই (জিএমএস) বিইউ-গুলোর জন্য চারজন নতুন এফএলপি ট্রেনি নিয়োগ করেছি। ২০১৭ সালে কোম্পানির কর্ম পরিবেশ উন্নত এবং কর্মী উন্নয়ন সক্রিয় করার অব্যাহত প্রচেষ্টা, কোম্পানির প্রতিটি বিইউ জুড়ে কর্মীদের এনগেইজমেন্ট স্কোরে তাৎপর্যপূর্ণ উন্নতির মধ্য দিয়ে প্রতিফলিত হয়েছে।

বোর্ড পরিবর্তন এবং গঠন

এই বছর বোর্ডে বেশ কয়েকটি পরিবর্তন হয়েছে। বছরের চলতি সময়ে, জনাব মো. ইফতিখার-উজ-জামান, ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ-এর ব্যবস্থাপনা পরিচালক পদ থেকে অবসর গ্রহণ করেছেন। বোর্ড জনাব জামানের কোম্পানিতে থাকা সময়ে তার মূল্যবান অবদানের অগাধ প্রশংসা এবং তার পরবর্তী উদ্যোগে সমৃদ্ধি কামনা করেছেন। তার স্থানে জনাব কাজী সানাউল হককে ২২ অক্টোবর, ২০১৭ থেকে

আইসিবি-এর ব্যবস্থাপনা পরিচালক হিসেবে নিযুক্ত করা হয়েছে। এছাড়া কোম্পানি থেকে অবসর নিয়েছেন কনজুমার হেলথকেয়ার-এর জেনারেল ম্যানেজার জনাব গোপালকৃষ্ণান ভেনক্যাটরমানি। তার স্থানে জনাব প্রশান্ত পাণ্ডে এই পদে দায়িত্ব গ্রহণ করেছেন। বোর্ড আরও উল্লেখ করেছে যে, কোম্পানির স্বতন্ত্র পরিচালক জনাব মেজবাহ উল হক, ২০১৭ সালের সেপ্টেম্বর মাসে বোর্ড থেকে পদত্যাগের প্রস্তাব দিয়েছিলেন। সিকিউরিটিজ এক্সচেঞ্জ কমিশন-এর কাছে যথাযথ বিজ্ঞপ্তির পর এই পদটি জনাব মহসীন উদ্দীন আহমেদ পূরণ করেছেন। নতুন সদস্যরা বোর্ডে নতুন দক্ষতা এবং দৃষ্টিভঙ্গি নিয়ে আসবেন। সমস্ত প্রোফাইলগুলো পরিচালক-এর প্রোফাইল বিভাগে অন্তর্ভুক্ত করা আছে।

মূল্যবোধের প্রতি আমাদের অঙ্গীকার

সর্বোচ্চ নীতিগত মানদণ্ড বজায় রেখে আমাদের ব্যবসায়িক কার্যক্রমগুলো সম্পন্ন করার জন্য আমরা প্রতিশ্রুতিবদ্ধ এবং একই সাথে গ্রাহক ও রোগীর নিরাপত্তা আমাদের সিদ্ধান্ত গ্রহণের ক্ষেত্রে সর্বদা অগ্রাধিকার পেয়ে থাকে। কোম্পানির প্রত্যেক কর্মী তাদের দৈনন্দিন কর্ম-জীবনের মধ্যে জিএসকে মূল্যবোধ- সততা, মানুষের প্রতি সম্মান, রোগীর/ভোক্তার প্রতি মনোনিবেশ এবং স্বচ্ছতা প্রতিপালন করে।

সবশেষে বিগত বছরে কঠোর পরিশ্রম করার জন্য জিএসকে বাংলাদেশ-এর সকল কর্মীদের আমি আন্তরিক ধন্যবাদ জানাচ্ছি। বোর্ডের পক্ষ থেকে আমাদের মূল্যবান ব্যবসায়িক পার্টনারদের, স্বাস্থ্যসেবা প্রদানকারী ব্যক্তি ও প্রতিষ্ঠান, সরবরাহকারী এবং সরকারি কর্তৃপক্ষকে কোম্পানির প্রতি তাদের আস্থা এবং ধারাবাহিক সহযোগিতার জন্য আন্তরিক কৃতজ্ঞতা জানাচ্ছি।



ডেভিড প্রিচার্ড

চেয়ারম্যান



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Business Activities

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Business Activities

Pharmaceuticals

Annual Conference 2017

The Annual Conference for 2017 with the theme, "Hungry for Growth" was held with all the Pharmaceutical's employees in February at a local hotel in Dhaka. The conference was a one of a kind event as it broke the traditional format and had multiple sessions which were designed to disseminate information in a more interactive way. The two-day itinerary involved interaction between Leadership team and Employees via Talk show, Awards ceremony and Case solving workshops. Through all activities, the 2017 direction was set and it was emphasized that we all have to be Hungry for Growth through Accountability, Compliance, Courage and Operational Excellence.

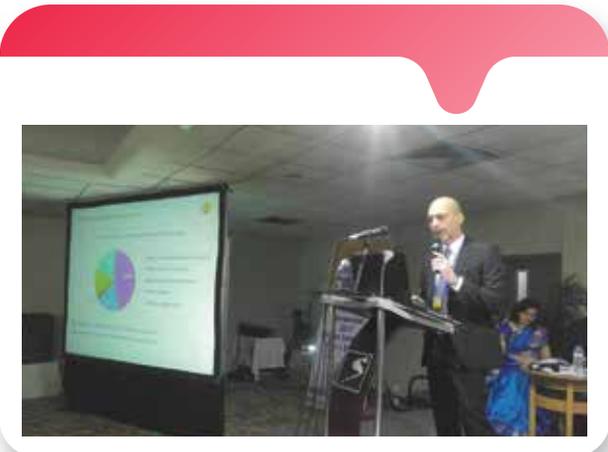
Health Care Organization (HCO)/ Medical Society Engagements

Partnering with HCOs and professional bodies relevant to GSK therapy areas through active participation in

scientific events like medical congresses is one of the mainstays of GSK's knowledge-based promotional strategies.

In 2017, GSK continued to reinforce such engagement. The major events/activities include –

- **OGSB Congress:** At 26th International Scientific Conference & 44th AGM of Obstetrical and Gynaecological Society of Bangladesh (OGSB), a satellite symposia on "How effective is HPV vaccine in preventing cervical cancer" was held on 9 December. Dr. Sanjay Gandhi, Vice President & Cluster Medical Lead, GSK Vaccines, South Asia was present as GSK speaker in the symposia.





- **BPA Congress:** At the 20th National Conference of Bangladesh Paediatric Association (BPA), a satellite symposia on “Overview of Varicella disease and vaccination” was held on 17 November. Dr. Giacomo Casabona, Medical Director, Global Medical Affairs, GSK Vaccines was present as GSK speaker in the symposia. In both events, commercial booths were also arranged in the conference where updated information was shared with the HCPs.
- **BLF Congress:** Bangladesh Lung Foundation Congress is considered as one of the important platform for respiratory HCPs for gathering more information about products which will facilitate patients’ lives. Seretide Stall at the conference organized by BLF was thus an important highlight of the year 2017. This conference was attended by top notch and renowned chest physicians from all over the country, thus this commercial booth was an outstanding way of engaging with the HCPs. The main highlight was demo device use illustration which had been a common request from the HCPs.
- 5th Child Pulmocon 2017 was held on 2 December 2017 and by Bangladesh Pediatric Pulmonology Forum. GSK sponsored a scientific symposium with focus on role of ICS LABA combination in the management of pediatric asthma. More than a thousand registered pediatricians attended the program.

Webinars

Facilitating and arranging Global GSK live webinars for HCPs for interaction with global experts in relevant therapy areas is an unique vehicle for knowledge transfer. Although there were physical challenges and limitations of time and space, GSK in pursuit of its commitment of innovatively delivering the latest scientific knowledge to HCPs successfully arranged a number of webinars in 2017. Few of the major Global Webinars were Asthma Webinar, Cervical Cancer Awareness Webinar and Derma Webinar (Smart use of Steroid).

- The Asthma Webinar on “Making It Work for Patients and Doctors” was arranged at seven venues in Dhaka. This webinar was highly appreciated as a platform to help the HCPs in their day to day practice on counselling patients.



- On 27 July 2017, GSK Bangladesh Ltd. telecasted a global webinar in four different venues across Bangladesh on the topic "AS04 adjuvanted HPV 16/18 vaccine: 10 year Journey: From Clinical Trials to Real-world Evidence." Three Speakers- Dr. Laurence De Moerlooze, Global Medical Affairs Leader - GSK vaccines, Belgium; Dr. Martin Ryser, Senior Manager Global Medical Affairs - GSK vaccines, Belgium and Dr. Piyali Mukherjee, Medical Manager - GSK vaccines in Asia Pacific region, spoke on this topic. The webinar was mainly focused on real-world evidence of HPV vaccine. The session was very engaging and informative from start to finish.

- Moreover, GSK Dermatology team organized a local webinar on 26 October, 2017 to celebrate upcoming "World Psoriasis Day". The title of the program was "Topical steroids in Psoriasis & SMART use of topical steroids" which took place in 8 venues simultaneously. Two GSK Area level speakers were engaged: Dr. Santoshni Govindasamy, Area Medical Lead ADC & Dr. Bernadette Arcilla, Area Medical Expert, Dermatology. There were 2 live presentations from South Africa & Philippines, respectively.



Consumer Facing Activities

One of the most important activities in 2017 were the commercial stalls showcasing Stiefel Products. On a pilot basis, the three consumer brands- Spectraban, Physiogel, and Acne Aid were showcased at the Stiefel awareness stalls that were organized at fairs and educational institutions. Brand promoters used pre-event briefing material as well as leaflets and product packs to further guide and inform the visitors, and used moisture meters to test their skin dryness level. Spot purchase services facilitated some product sales as well.

Capability Building

With an objective to supporting our customer facing staff to meet the challenge of conveying the right information of right product for right patient to HCPs, STAR program was launched in 2017. This aimed to enhance the skill and expertise of sales force in delivering patient focused, scientific & impactful interaction in group settings with HCPs. This has been designed as a capability building initiative led by Training & Capability medics in partnership with Commercial Excellence, Marketing, HR and Sales team. The STAR program was implemented phase wise. The attendees were evaluated by an expert panel on their ability to execute the learning and based on the assessment nine were awarded certificates as recognition as a 'STAR'. Currently more such plans for other sales teams are in the pipeline.

Medical

Breathe Well Workshop

GSK continued its focus on providing scientific knowledge to HCPs and tried to reach broader audience for patient benefit. One of the most appreciated and differentiated activities in 2017 were the number of workshops titled "Breathe Well Workshop". The objective was to sensitize relevant HCPs about the practice of spirometry as aligned with standard guidelines to bring improvement in Asthma & COPD patient management. The target audience of the workshop were the practicing and aspiring clinicians who treat patients with Respiratory disorders on a regular basis. Each workshop had two sessions: in the 1st session a Respiratory Key Opinion Leader (KOL) presented about the basic ideas and guidelines of performing spirometry on a Zero value agreement followed by an extensive hands-on training on Spirometry.

Workshop on Code of Practice

Code of Practice sessions were held in Q2 and Q3 of 2017 for respective stakeholders in corporate office. The objective was to embed the tenets of GSK Code into our everyday practice. The sessions were designed to focus on real life challenges in our day to day work & how to resolve them as per the Code. Both sessions were very exciting with vibrant discussions among the attendees which led to identification and clarification of a number of issues.



Consumer HealthCare

Number #1 Health Food Drink Brand Award

Horlicks won the awards of “Second Most Loved Brand in Bangladesh” amongst all brands and “No.1 HFD Brand” award in the category at the 9th Best Brand Awards 2017. For two years in a row, the Brand has won the second place as the “Most Loved Brand”- and for the last 5 years, Horlicks has been consistently in top 5 brands, making it an iconic brand powered by Consumer love. “Best Brand Awards” is organized by Bangladesh Brand Forum in association with Kantar Millward Brown, who conducts the study for Best Brands in Bangladesh.



OTC Regulation Conference 2017

GSK Bangladesh successfully organized and held a scientific conference on developing an OTC regulation titled “Global best practices on OTC drug regulations: A way forward for Bangladesh” at the conference hall of the Directorate General of Drug Administration (DGDA) Bangladesh on 15 October, 2017.

The objective of this event was to share the global perspective of OTC drugs regulations among stakeholders including: the Drug Authority, KOL, Academia, HCP, Chemist Association, Pharmacist’s Association and Industry Association aiming to draw some recommendations for upcoming OTC regulations.

First ever Bangladesh Food Safety Conference 2017

The first ever “Bangladesh Food Safety Conference 2017” was held on 23 and 24 August in Dhaka with the active participation, strong involvement and support of GSK Bangladesh Limited.

Seven scientific session including one inaugural and closing session has been organized with the energetic participation of Ministers, Regulators, Foreign and Local Speakers, Industry Experts, Leaders and Participants. More than 300 participants actively participated across the two days. Bangladesh Food Safety Authority (BFSA), Bangladesh Standard and Testing Institute (BSTI), Foreign Investor’s Chamber of Commerce & Industry (FICCI), and Metropolitan Chamber of Commerce & Industry (MCCI) were the organisers. GSK supported the event as Diamond sponsor. From GSK, the Head of Regulatory Affairs Mr. Nahar Islam was involved as joint secretary of “Central Organizing Committee”.

All members of GSK Marketing team and Quality team had participated in the sessions along with Ian Urquhart, Veena Sharma and Pooja Ratkali of the Regulatory Affairs team. Along with other policy makers, the Food Minister and Industry Minister participated in the inaugural session as Special Guest and Chief guest respectively.

Ian Urquhart, Category Regulatory Affairs Lead - Nutrition & GI, CH VP Regulatory had delivered his speech as a panelist in the event. During closing session, Food Minister and Commerce Minister joined as Special Guest and Chief Guest respectively.



First Sales Force Automation (SFA)

On 9 August 2017, First SFA went Live in Bangladesh market through Veeva CRM platform. Through this function, it is now much easier to reach HealthCare Professionals, make calls and e-mail.



National Quiz Contest

Strong scientific knowledge is the backbone of Expert Marketing Team. On 21 December 2017, the Expert Marketing team arranged the 1st ever national quiz competition. The purpose of this initiative was to reinforce nutritional, oral healthcare and product knowledge which are vital in day to day Expert Marketing Operation. Apart from this, the competition also contributed in strengthening the communication and interpersonal skills amongst the medical field force which would ultimately boost their confidence level.



GMS Chittagong

Women Empowerment

Empowering women is one of the vital program of GSK globally. Under the umbrella of this program, Raju Krishnaswamy, Regional Supply Chain Head, South Asia initiated discussions with GMS, Women employees at Chittagong in October, 2017. All female management employees participated in the meeting. Women employees of GMS Chittagong in the meeting discussed about obstacles for female empowerment, progress of the development plan on women leadership at GMS site. Mr. Raju Krishnaswamy motivated them with his valuable words and gave feedback on the development plan.

MAL PAL Inauguration Ceremony on 6 December, 2017

MAL (Material Air Lock) - PAL (Personal Air Lock), an upgradation of Facility at Tablet Manufacturing, was inaugurated on 6 December 2017 by Raju Krishnaswamy, regional Supply Chain Head, South Asia and Site Director GMS, Chittagong. The objective of MAL and PAL is the minimization of cross contamination in Granulation area of Tablet Manufacturing section. This upgradation will ensure highest level of compliance for Potent product manufacturing in Tablet Manufacturing area at GMS, Chittagong Site.

Family Day

For further enhancing the GSK Family bonding, the much awaited "Family Day" and Recreation Club celebration was held with all GMS Management employees and their families with a lot of festivity. Internal talents participation made the day more enjoyable.

Human Resource

HR Team Building

HR & Admin team from Corporate Office and GMS Site went for a 2-day team building workshop on May 17-18, 2017. Erum visited the workshop to share her expectations from the team on 18 May. The workshop focused around team building activities, sharing of new regional/global cross functional information (recruitment, rewards, talent & performance management, etc).

Career Fair At AUW

The HR Team from GSK Bangladesh was invited to participate in the Asian University of Women (AUW) Career Fair on 6 May 2017. At the fair, career opportunities in GSK Bangladesh and GSK Global was discussed. The discussion also focused on Diversity & Inclusion and Women Leadership Initiatives by GSK.



Finance

CERPS Launch

After seventeen months long journey, the road to implementation of Commercial Enterprise Resource Planning System (CERPS) reached its destination through the GO LIVE on 5 June, 2017. During the project tenure, the project team worked in different streams of SAP to smoothly GO LIVE and finally embed the ERP system in GSK Bangladesh. The objective of CERPS is to create a common core of standard processes, systems and data. This is GSK's top 10 strategic projects to enable and drive simplification of the operating model through one standardised financial and commercial process. The project in Bangladesh was led by the Finance team.

The Go Live was marked with a launch event at the Corporate Office in Dhaka, where in presence of all Bangladesh employees, two (2) Golden Transactions were completed by Erum Shakir Rahim, Managing Director, GSK Bangladesh Ltd. and Azim Uddin Ahmed, Chairman, Mutual Group (Distributor of Consumer Healthcare products).



Finance Line of Sight 2017

The theme for the Annual Finance Conference for 2017 was "Acceleration through Transparency". After a period of significant challenge due to the transformation of entire ERP system of the Company, this was an opportunity to re-energise the team spirit and re-invigorate the members. The event was marked with "Lets Talk" sessions where the Company's direction and expectation were discussed. Director, HR graced the event with his deliberation on the Future of Finance. The conference served as a platform to align different functions of Finance to facilitate better teamwork and synergy, improved ways of working resulting in better financial service to the business that will ultimately enable the organisation to attain its objectives in line with overall GSK strategy. Individual Finance team members were recognized for contributing to a better GSK corporate culture.



E-VAT-2017 Go live on 29 November, 2017

VAT software launching program was held on 29 November 2017 at GMS, Chittagong. This software is an accounting software that empowers the business and people to be more productive in Manufacturing, Trading, Distribution and other services organizations. The software is an integrated solution enabling business to benefit from a deeper visibility into their front and back office operations. Finance Director, GMS Chittagong Site Director and IT manager were present among other project team members in the launching event.



Communications

David Meets MOH & CARE Officials

David attended the Dissemination of the Mid Term Results of the GSK CARE Community Health Workers Initiative of Bangladesh” event during his visit to Bangladesh in April, 2017. In the dissemination meeting, GSK and CARE shared the results, success and learnings for the Community Health Worker Initiative (a 20% Re-investment Project) to key stakeholders including officials from the Ministry of Health & Family Welfare, International NGOs, WHO and other important stakeholders. The midterm evaluation was conducted by the country’s most accredited and reliable research organization icddr,b.

The government representatives noted that this public-private-partnership (PPP) initiative remarkably improved the maternal and child health status of Sunamganj district, especially in reduction of child mortality and in-equity in accessing MNCH service uptake. The project monitoring data showed that 50% of health entrepreneurs are now earning 5000BDT (\$67) or more in a month.

David, in his speech, reiterated GSK’s commitment to create access and support strengthening of healthcare infrastructure in the LDCs. He pointed out that Bangladesh had the largest 20% re-investment initiative in Africa DC. He commended the team for its innovative approach and celebrated the partnership between GSK, Ministry of Health and CARE.

Town hall with David & Meeting the Talents

A town hall with David Pritchard, was held with the employees of the Corporate office and Dhaka Sales Team. It was a very lively and interactive session where David thanked everyone for their remarkable 2016 performance and discussed the 2017 expectations. In the town hall, emphasis on excellent execution and the reinforcement of the need to support the Medical Representatives through re-invigoration of the selling model was discussed. David also talked about the Innovation, Performance and Trust (IPT) model. The town hall concluded with very interactive Q/A session. A pool of the Company Talents (all the Pharma FLPs and Functional talents) also met David for discussion on how they see the Company, their expectations, their challenges and how they see themselves as Future Leaders.



Breakfast with Erum & Leadership Team (LTs)

To enable two-way communication between the leadership team and the employees, monthly Breakfast meetings were held. The breakfast meetings participants were usually across departments and informal discussion were held between them and the MD and other selected Leadership Team members (LTs). The objective of the meetings are to have a better understanding of each other and to facilitate on issues individuals/teams are facing.

International Women’s Day (IWD) Celebration

International Women’s Day was celebrated with all the corporate office employees in March. The IWD theme for 2017 was #BeBoldForChange. To mark the IWD, the Women Leadership Initiative was launched for all employees in Bangladesh and the leadership team spoke on the occasion.



Orange Day Celebration:

Every year globally a day is dedicated by the employees for Volunteering in the communities, this day is called Orange Day. The purpose of this one-day employee-led volunteering activity is to encourage employee engagement, community service, team spirit and FUN!

On July 27, 109 employees from the Corporate office took part in the GSK Bangladesh Orange Day celebration. Prior to a week before the Orange Day, all the employees came together to raise funds for the day through Fund Raising Lunch Carnival. With the raised funds, on July 27, employees in partnership with Teach for Bangladesh, went to 2 underprivileged Primary Schools in 2 areas; Mirpur & Kamrangichar.

These underprivileged schools needed painting and many other repair works. The employees painted the walls of the schools and also spent time with the students of the schools doing activities like: Read Aloud and Art Session on Health & Hygiene and Importance of Education. The employees also cleaned school premises to role model for the children

The employees also donated water purification systems, fans and Lights to the schools, with the funds raised through the employees fundraising carnival lunch .



Product Index

Therapeutic Area	Trade Name	Composition	Therapeutic Class
Anti-bacterial	Ceporex	Cephalexin	Oral cephalosporin
	Cexime	Cefixime	Oral cephalosporin
	Zinnat	Cefuroxime axetil	Oral cephalosporin
	Glaxipro	Ciprofloxacin	Oral tablet
Respiratory	Seretide	Salmeterol + Fluticasone	Bronchodilator/anti-inflammatory
	Ventolin	Salbutamol	Bronchodilator
	Avamys	Fluticasone Furoate	Anti-Allergic
	Beconase ANS	Beclomethasone dipropionate	Intra-nasal anti-inflammatory
	Flixonase ANS	Fluticasone propionate	Intra-nasal anti-inflammatory
	Piriton	Chlorpheniramine maleate	Anti-histamine
	Ventolin Nebules	Salbutamol	Solution for Nebulization
	Ventolin Respirator Solution	Salbutamol	Nebuliser solution
	Ventolin Evohaler	Salbutamol (as sulphate) 100 mg	Bronchodilator
	Dermatology	Betnovate	Betamethasone valerate
Betnovate N		Betamethasone valerate + Neomycin sulphate	Topical corticosteroids & combinations
Betnovate CL		Betamethasone valerate + clotrimazole	Topical corticosteroids & combinations
Dermovate		Clobetasol propionate	Potent topical corticosteroids
Eumovate		Clobetasone butyrate	Topical corticosteroids
Cutivate		Fluticasone propionate	Topical corticosteroids
Bactroban		Mupirocin	Topical antibiotic
Neobacrin		Neomycin + Zinc bacitracin	Topical antibiotic
Fluvin-OD		Fluconazole	Systemic antifungal
Grisovin FP		Griseofulvin	Oral anti-fungal
Tinatrim		Clotrimazole	Topical anti-fungal
Dermovate Scalp Application		Clobetasol Propionate 0.05%	Topical corticosteroids
Gastro-intestinal	Norain	Omeprazole	Anti-ulcerant
	Zantac	Ranitidine	Anti-ulcerant
Vitamins	Berin Plus	Thiamine Mononitrate, Pyridoxine Hydrochloride, Cyanocobalamin Crystals	Vitamin
Analgesics	Parapyrol	Paracetamol	Analgesic and anti-pyretic
	Panadol Extra	Paracetamol BP 500mg Caffeine BP 65 mg	Non-narcotic Analgesics
Oral steroid	Betnelan	Betamethasone	Glucocorticosteroids
	Prednelan	Prednisolone	Glucocorticosteroids
Eye/Ear preps	Otosporin	Polymyxin+Neomycin+ Hydrocortisone	Anti-infective
Special use prep	Kemadrin	Procyclidine HCl	Anti-parkinsonism
	Tracrium	Atracurium besylate	Anaesthetic
	Eltroxin	Levothyroxine sodium BP 50 mg	Hormone
Oncology	Imuran	Azathioprine	Anti-cancer

Therapeutic Area	Trade Name	Composition	Therapeutic Class
Vaccines	Engerix B	Hepatitis B Surface antigen (HBsAg)	Hepatitis B vaccine
	Havrix	Inactivated hepatitis A virus (HM175 hepatitis A virus strain)	Hepatitis A vaccine
	Fluarix	Inactivated influenza vaccine (split virion) consists of WHO recommended strains (Northern Hemisphere) for the season 20132014.	Inactivated Influenza Vaccine
	Varilrix	Oka strain of varicella zoster virus	Chicken pox vaccine
	Priorix	Attenuated Schwarz measles, RIT 4385 mumps (Jeryl Lynn strain) and Wistar RA 27/3 rubella strain of viruses	Measles, Mumps Rubella (MMR) vaccine
	Rotarix	Live attenuated human rotavirus RIX4414 strain	Live-attenuated human rotavirus vaccine
	Synflorix	Pneumococcal polysaccharide and Non-Typeable Haemophilus influenzae (NTHi) protein D conjugate vaccine, adsorbed	Pneumococcal conjugate vaccine
	Infanrix-Hexa	Diphtheria, Tetanus, Acellular Pertussis, Hepatitis B recombinant, Inactivated Poliomyelitis, Conjugated Haemophilus Influenzae Type B	Hexavalent vaccine for infants
	Cervarix	Human Papillomavirus Vaccine Type 16 and 18	Cervical cancer vaccine
	Rabipur	Rabies Vaccine	Rabies Vaccine (Human) BP
Stiefel Pharma	Duac Once daily gel	Clindamycin & Benzoyl Peroxide	Topical anti-acne
Stiefel Non-Pharma	Acne-Aid	Sulphonated Surfactant Blend	Topical anti-acne
	LactiCare	Lactic Acid & Sodium Pyrolidone Carboxylase	Antipruritic & soothing
	Oilatum Bar	Light Liquid Paraffin & Salt of High Molecular Weight Fatty Acids	Antipruritic & soothing
	Oilatum Emollient	Light Liquid Paraffin	Antipruritic & soothing
	Oilatum Baby Bath Emollient	Light Liquid Paraffin	Antipruritic & soothing
	SpectraBAN 60	Microfine Zinc Oxide, Octyl Meihoxycinnamate, 4-Methylbenzylidene Camphor, Avobenzone	Sunscreen preparation
	Physiogel	Caprylic/Capric Triglyceride	Antipruritic & soothing

Product Details

Consumer Healthcare

Standard Horlicks

In 2017, 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 2017. Standard Horlicks had great media presence throughout the year and conducted an exam campaign targeting a vast number of schools across the country. It also received overwhelming response to the sachet relaunch which saw a reduction in price of a sachet from Tk.12 to Tk.10.



Mothers' Horlicks

One of the comparatively newer brands in the portfolio, Mothers' Horlicks is a scientific specialized nutrition solution for expectant and lactating mothers. The brand continued its consistent growth trajectory, increased both distribution and penetration to reach a commendable size in 2017.

Junior Horlicks

In 2017, Junior Horlicks launched a new TVC with a new thematic focusing on fussy eating. The TVC has been on air since March 2017 and has received good response from the consumers in terms of the connection, brand proposition and scientific claims. The brand also provided two attractive consumer promotions at the end of the year, including 50 g extra provided with the Jar and a free tiffin box.



Growth Plus

In 2017, GSK Bangladesh launched Horlicks Growth Plus. This high-science product has been scientifically formulated and designed to help catch up on lost growth of children aged between 5+ and 9 years of age. It contains high quality whey protein and growth promoters that are clinically proven to provide visible growth of height and weight in children in 6 months, without causing obesity. Since May 2017, Horlicks Growth Plus is available in Vanilla Flavor as a 400g Jar in selected outlets, as recommended by pediatricians. The product has been operating in the market with support from the Expert Marketing Team, which has worked to build awareness among healthcare professionals.

Sensodyne

2017 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. Multiple brand building initiatives across TV, print, digital & consumer engagement via activation; drove awareness about the brand and also the issue of tooth sensitivity amongst consumers.



Glaxose D

Despite a decline in the powdered drink category, Glaxose D maintained its stronghold and grew at a reasonable rate. The efforts in 2017 to launch Glaxose Orange by beginning of 2018 were successful and with the introduction of this brand into the category, the company aims to capitalize on the till now untapped market opportunity in the form of flavored powdered drinks. With cricket star Shakib Al Hassan as brand ambassador and the legacy of 50 years in the glucose category, Glaxose D is widely relied on by consumers for instant energy.



Product Details

Pharmaceuticals

Vaccines

GSK Bangladesh supplies different vaccines countrywide to help in reducing the disease burden. GSK Bangladesh has one of the most comprehensive vaccine solutions ranging from Hepatitis A & B, Cervical Cancer, Chickenpox, Measles, Mumps & Rubella, Rotaviral diarrhea, Pneumonia etc. The portfolio includes leading brands like Engerix, Rotarix, Cervarix, Synflorix etc.

Antibiotics

Zinnat is the foundation of the GSK Anti-infective Portfolio and will continue to treat thousands of patients by expanding access and offering a range of indications. Glaxipro and Cexime are also some few brands enriching the Antibiotics portfolio ensuring better health.



Respiratory Portfolio

GSK, being the pioneer in Asthma & COPD therapy, brings Seretide which is considered for unique treatment options among large group of patients in achieving asthma control and making their lives easy with smooth breathing. Apart from Seretide, Seasonal & Perennial Allergic Rhinitis are the usual problems where patients seek treatment care very frequently. GSK Avamys has been introduced with its good efficacy and sustainable results among Healthcare Professionals who may choose this drug to relieve sufferings of the patients with allergic rhinitis. Ventolin Evohaler is a well-accepted non-CFC treatment in Bangladesh. In anti-histaminic market, Piriton is still one of the top preference. For rhinitis, Beconase and Flixonase nasal spray are considered as gold standard therapy.

Dermatologicals

GSK Bangladesh Dermatological portfolio includes Dermovate, Betnovate, Cutivate, Eumovate, Bactroban, Fluvin OD, Grisovin FP, which are reliable solutions in derma care. We offer a variety of skin health products over-the-counter. We offer Physiogel for dry and sensitive skin, SpectraBAN 60 as Sun Block cream, Acne Aid for oily and pimple prone skin and Oilatum for dry skin treatments.



Corporate Social Responsibility (CSR)

20% Profit Re-investment Initiatives

As a Healthcare Company, we continuously strive at GSK to create access to quality healthcare in the communities we work for. To fulfill our commitment towards creating access and to facilitate healthcare service delivery, GSK has taken an initiative to re-invest 20% of its profits to build healthcare infrastructure in the LDCs. 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 Friendship. The Projects are :

GSK-CARE BANGLADESH Community Health Worker Initiative (CHWI)

Phase 1

The Phase 1 or scoping phase of the project started with a pilot phase in mid 2011 in one sub district of Sunamganj. The one year long pilot project paved the way to the initiative's second phase by identifying the activity areas.

Key Achievements and Results

 300 Private skilled health care providers (Private CSBAs)	7,38,252 Skilled health services
3000 CHWs	28,963 Skilled deliveries were done 23,000 referrals were made
 872 Community Support System(CmSS)*	87 Upazillas allocated budget to support PCBAs
14,824 CmSS Members <small>*CG & CSG</small>	34,8758 Households reached with health information
 Social Entrepreneurship brings financial sustainability of the providers	80% Entrepreneurs earning 5000 BDT or more in average

GSK-CARE CGW Initiative was presented in different global platforms such as **Global Health and Innovation Conference (GHIC) at Yale, Wilson Center and USAID in DC**. The project was also featured as one of the best practices in Bangladesh by Johns Hopkins University.

Phase-2

Since December 2012, GlaxoSmithKline (GSK) in partnership with CARE under the supervision of Ministry of Health and Family Welfare has been implementing a Community Health Workers (CHWs) Initiative. It aims to address the lack of skilled human resources in the remote and underserved Sunamganj district.

The overall goal of the CHW initiative is to improve maternal and child health outcomes in underserved/remote and poor communities in Bangladesh by increasing their access to quality health care services. Through a unique model of Private-Public Partnership (PPP), the project in the Phase 2 has already developed 168 Private Community-Based Birth Attendants (P-CSBAs), 2,100 Community Health Workers (CHWs) and 3,100 Community Health Volunteers (CHVs). Over 1,000 Government health personnel have been reached through capacity building activities and 318 Community Support Systems (CmSS) were established to facilitate health awareness, promote accountability, and address issues of poor families' access and timely referrals to health facilities at the community level. As a result, the initiative has demonstrated significant improvement in Maternal Health service uptake, especially by the poor in 50 remote Unions of Sunamganj district.

Phase-3

Based on project successes in the three years of Phase-2, representatives and officials from the local, district/sub-district health authorities and Ministry of Health and Family Welfare (MoHFW) expressed their desire to see a continuation of CARE-GSK project activities and scaling them up throughout the district. As a result of which, the GSK CARE CHW initiative was expanded till December 2018 to its third phase and scaled up to all unions of Sunamganj.

While experience and evidence from the second phase are being used to further improve efficiency and cost of the new project, the current project also deepened its focus by adding new health services, such as nutrition, WASH, sexual and reproductive health, non-communicable diseases (NCD), limited curative treatments and basic diagnostic tools for health screening and referrals. Also mobile and information technology are being used for service promotion, pregnancy registration, service notification, online data management, referral linkages, vital registration and statistics, and continuous e-learning for health workers.

Goals and objectives

Project goal:

To improve health and nutrition outcomes of the population in remote, poor and underserved areas with special attention to maternal and child health.

Project objectives

1. Using the Private Public Model the GSK CARE CHW Initiative will serve the whole Sunamganj district.
2. Deepen and build on the current evidence and learning of the initiative to ensure its long-term institutionalization and sustainability.
3. Develop a holistic partnership model to increase health services access in remote communities which can be replicated by the government, donors and other stakeholders in other areas.

Who have we supported?

1. **Number of health workers trained during the reporting period and in total to date:** To date, total 300 Private-CSBAs and total **3,000** Community Health Workers (CHWs) have been trained. Mostly Private CSBAs were followed up with refreshers within skill lab, clinical attachment with GOB facilities and on job support.
2. **Direct number of beneficiaries reached during the reporting period and in total to date:** In this reporting period the project has reached **145,370** direct beneficiaries and since the beginning, the reached out total direct beneficiaries are **825,491**.
3. **Indirect number of beneficiaries reached during the reporting period and in total to date:** In this reporting period, **413,607** indirect beneficiaries (family members of the women of reproductive age and children under-5) were reached and total **182,7270** indirect beneficiaries have been reached since inception of the project.



GSK-CARE BANGLADESH Urban Health Ready Made Garment (RMG) Workers Initiative

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 program 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.

Project objectives were to 1) improve healthcare access for RMG workers and raising health-awareness and educating worker 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 achievement till date

- 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

The RMG Project Impact at a Glance till Date



Duration

Oct 2015 to Sept 2018 including GSK-M&S HALOW project from March 2016



Impact population

10,760 Ready Made Garments workers and over 40,000 family members in Gazipur



Location

Factories:
Jeacon Garments Ltd.
Panache Knitted Creations Ltd.
Interfab Shirt Manufacturing Limited (HALOW)
Interstoff Apparels Limited (HALOW)

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, in order to truly 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. The programme will be based in existing and additional 15

participating factories and aims to:

- Develop empowered 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

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.

The major accomplishment:

- In total, 40 symptomatic diagnosis algorithms have been fully developed
- 150 Field Community Medics (FCMs) have successfully completed the 17-day intensive resident training and have started using the mHealth application in the field
- 10 doctors and 26 project staff have been trained in the use of mHealth
- A Doctors’ Centre was established in Dhaka to provide direct consultation support to the Field Community Medics by qualified doctors
- A highly motivated software development team was developed to produce and manage the mHealth application
- The mHealth reporting system and maintenance tools have been developed



Impacts of the mHealth project:

- More than **572,000** health services have been rendered using the mHealth app
- **98,000** 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 Program on Immunization (EPI)
- A **50%** 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 2 years.
- More than **9,900** patients have been referred to Friendship floating hospitals and other secondary/tertiary care centres for advanced treatment.

The Long-term sustainability Vision:

- More than 80% of the trained FCMs are expected to become self-sustainable by increased service delivery volumes (they charge a minimal fee for diagnosis offered through the mHealth app and sales of over-the-counter medicines)

- The FCMs will remain in their communities and continue to provide healthcare services over the long term. Their skills, competencies, and experience will remain in the community even after the project development is complete.

GSK- ICDDR, B Health System Strengthening Program

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 iccddr,b in a Health System Strengthening Program through module based training on infection control for selected hospital workers (from Ward boys - Doctors). The program 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.

Total number of healthcare workers trained in 2017

	Physicians	Nurses	Lab Tech.	Ward Boys	Cleaning Staff	Matts	Paramedics	Pharmacists	Total
Sunamganj Sadar Hospital	14	134	1	10	8	34	21	3	225
RM General Hospital, Sunamganj	8	14	4	3	17	0	0	4	50
Kaitak Health Sub-Center, Chattak, Sunamganj	3	9	1	5	2	0	0	2	22
Bishwamvarpur Upazila Health Complex, Sunamganj	3	8	0	2	6	3	0	1	23
Total	28	165	6	20	33	37	21	10	320

After implementation of GSK-iccdr,b HSS program, 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 program in addition to the HCWs, through improved quality of care, is benefitting the population covered by the program 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-iccdr,b HSS Program

Area	Population Covered
Sunamganj Sadar	2 19,000
Chattak Upazila (Kaitak sub center)	200,000
Bishwamvarpur Upazila	126,000
Total	5,45,000



Myanmar Refugee Response By GSK

In response to the Myanmar Refugee (popularly known as Rohingyas) crisis GSK initiated Two (2) Community health clinics in Ukhiya in partnership with CARE and Ministry of Health & Family Welfare. GSK also donated medicines to DGDA to support the combat against the Diphtheria outbreak at the refugee camps.

Background

Violence in Rakhine State of Myanmar 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 are now reliant on humanitarian assistance for food, and other life-saving needs. Basic services that were available prior to the influx are under severe strain due to the massive increase in people in the area.

In response to the current gaps and needs, the project was initiated by GSK and CARE. The objectives of the project are:

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

Our Response & Activities

- Community Health Clinics were inaugurated by the Ministry of Health, CARE and GSK senior officials on December 07, 2017 and 1 ambulance service was also handed over to the local health department at Ukhiya, Teknaf for the Refugees. The clinics are delivering all basic health including sexual and reproductive health (SRH) and essential healthcare service. They are also acting as referrals to government community clinics for secondary health facilities.





- The medical services recipients are receiving medicines and family planning commodities free of cost. With the project funds, essential medicine and supplies are being procured: the temporary community clinic. In order to cover the gaps in government's supply chain (for treatment of Refugees in Cox's Bazar), the project is providing the required medicine to the Ministry of Health.



GlaxoSmithKline (GSK) and CARE Bangladesh handed over medicine to the Directorate General office of Drug Administration (DGDA) to address Diphtheria outbreak among Myanmar displaced population living in Ukhiya, Cox's Bazar.

On 21 December 2017, representatives from GSK Bangladesh and CARE Bangladesh handed over diphtheria medicines of worth BDT 1 million funded by GSK plc to Md. Golam Kibria, Director (Administration), Directorate General of Drug Administration, MoHFW, Bangladesh, at the Conference room of Directorate General of Drug Administration (DGDA), Mohakhali,

Dhaka. This is also a part of GSK's response to the Myanmar Refugee crisis.

GSK's support is reaching out with health services to approximately 50,000 in the targeted area. This represents 11,500 women, 9,500 men, 14,500 girls, and boys. Among these, there are 2,000 pregnant and 3,500 lactating women.

Glimpses from GSK-CARE CHW Initiative



GSK People

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.

GSK over the last few years have 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.

'Future Leaders Programme' (FLP):

The Global GSK FLP program continued its 3rd year in Bangladesh through recruitment of four new FLP trainees for Consumer Healthcare, Pharmaceutical and Global Manufacturing & Supply (GMS). The aim of the program is to develop early talent to become our next generation of Future Leaders who will deliver our strategy. Amongst them two of the FLP trainees were inducted in GSK's Global 'Graduate Advisory Board', a testament to high quality FLP trainees from Bangladesh across all Business Units (BUs).

Practical Coaching at Workplace:

In order to help build a performance-focused team, several training initiatives were taken for the line managers; which include Coaching capability; Employee Resilience and Energy for Performance. The trainings focused on equipping employees to handle multi-tasking and demanding tasks; on creating awareness on physical and mental wellbeing and support to keep oneself and team members fit and healthy. To further develop the employees; capability workshops for our First Line Leaders (FLL) and First Line Sales Leader (FLSL) were held both locally and internationally.

Diversity and Women Empowerment:

This initiative focused on creating platforms for female employees to promote personal development and drive contribution to the business. As a result of which the Chittagong team also won the regional GSK Production System (GPS) champions awards in South Asia.

#LetsTalk Sessions:

#LetsTalk is a Company-wide series of conversation 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, Site Director and Leadership Teams (LT) with employees. In the #LetsTalk sessions, two-way conversation 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/Annual Conference:

All-employee meetings: one for Pharmaceutical and one for Consumer Healthcare were held where the General Managers shared the business vision for next couple of years. In these meetings, all employees of the BUs come together and functional strategies and objectives are shared.

Rewards and Recognition:

GSK employees are always recognized and rewarded for their contribution in the Company. Alone in 2017 20% of the GSK Bangladesh employees were recognized.





Engagement Score:

Every year, to understand what the employees feel about the Company, what are their understanding of our values, and to understand the challenges and needs of the employees, engagement survey is done globally by GSK. In 2017, GSK Bangladesh achieved significant improvement in employee engagement scores across all BUs reflecting continued efforts to improve the work environment and building employee capability.

My Plan:

For further support to employee development skills and management of their performance process in 2017, GSK globally changed its performance management process. Named MyPlan, the system focuses on ensuring regular performance dialogue, early alignment of performance objectives by the end of the preceding year and enhanced focus on development plans with the aim of driving a collective performance culture.

With employees being at the heart of what we do, GSK Bangladesh was amongst the top 10 most preferred Companies to work for across all industries according to Nielsen Campus Recruiter Index 2016.

Manufacturing & Environment, Health & Safety (EHS)

Environment, Health and Safety (EHS) remain to be the priority for the Company. GSK Bangladesh is committed to ensuring 'Zero Accidents' by providing a healthy and risk-free environment for its employees, service providers and visitors at the Manufacturing site (GMS)

GMS Chittagong Site ended 2017 with "Zero" Lost Time Injury and Illness (LTI&I) cases. This is the result of addressing unsafe conditions, unsafe behaviour and near misses as part of the Zero Accident Promotion (ZAP) program. In 2017, site employees proactively reported and closed 2,816 cases of near misses and proactively mitigated the precursor of accidents with 99% engagement of site teams. The highest ZAP achievers were rewarded and recognized. Furthermore, the Site Leadership Team (SLT) members carried out Zero Access physical guarding and Lock-Out/Tag-Out (LOTO) audits at the site and closed the gaps in Machinery Safety compliance.

The GMS EHS Assurance Audit Group carried out a Level 2 audit on Internal Control Framework (ICF) on EHS systems. The Regional Process Safety Engineer reviewed progress on the GMS EHS Blue Chip programs on Process safety and machinery safety with progressive trend scores. Factory Mutual (FM) Global also carried out a fire safety review and gave their observations. The Site accepted FM's recommendations; actions are being progressed.

Significant progress were made at the GMS Chittagong site to control exposure of 'chemical agents' by maintaining and reviewing of Microsoft project (MSP) project tracker. Engineering controls, review of Personal Protective Equipment (PPE) Management as per PPE matrix, completion of risk-based health surveillance program, completion of base-lining of occupational hygiene monitoring samples and cross-functional governance were put in place.

Henceforth, the Chemical agents MSP tracker progressed from 23% to 64% in 2017 and the Chemical agents Diagnostic score has improved to 77%.

An assessment of the Pharmaceuticals in the Environment/Environmental hazards assessment category (PiE/EHAC) Milestone program was done and achieved an outcome of EHAC / PiE milestones (E1 to E7) and all operations with ecotoxic were green. The declaration was made by the Global EHAC Champion. Also both the boilers at the GMS site were found to be compliant for regular operation.

To ensure increased EHS risk awareness amongst the employees, GMS carries out Risk perception training and awareness program on the use of PPEs to reduce at-risk behaviour. The Site Occupational Hygienist and Site EHS Leaf also successfully passed two British Occupational Hygiene Society (BOHS) modules and was successfully certified in both the five-day courses and subsequent exams. Finally, the Site Occupational Health Physician and Site EHS Lead are always trained and certified.

GMS conducts Site Occupational Health programs which include diabetic screening, first aid trainings, vaccination program, spirometry (lung function) tests amongst others.

As a part of GSK's sustainability commitment for reduction of Carbon and Water consumption, the Chittagong GMS site consumed 9% less water than the previous year in 2017. The Site's environmental foot-print and biodiversity remain to be remarkable to both internal and external stakeholders.



2

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 Managing Director
- Responsibilities of the Finance Director
- Responsibilities of the Company Secretary
- 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 a Chairman, 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 programs 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 a 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 authorized 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, 2017 was 6.

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 a Non-Executive Director, An Independent Director and an Executive 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, value-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 establish 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

Accountability for monitoring

Responsibility for implementing

Board of Directors: Responsible for our system of corporate governance, strategy, risk management and financial performance

Audit & Risk Committee: Responsible for reviewing and approving the adequacy and effectiveness of our risk management and internal controls

Corporate Executive Team: Supports the CEO in managing our business and activities

Risk Oversight and Compliance Council: Authorised by the Board to assist the Audit & Risk Committee in overseeing the risk management and internal control activities of the Group

Business units: Responsible for our system of corporate governance, strategy, risk management and financial performance

Risk Management and Compliance Boards:

- Ensure that appropriate internal controls for effective risk management are implemented
- Complemented by Country Executive Risk Board to ensure a consistent approach to risk management across local geography level

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

Board of Directors of GSK Bangladesh has delegated accountability to its Audit Committee for assessing the effectiveness of management controls for significant legal, operational or compliance risks facing the

Company.

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.

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.



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 General Manager of Consumer Healthcare, Site Director of Bangladesh Manufacturing site, 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, and 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 Boards (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:

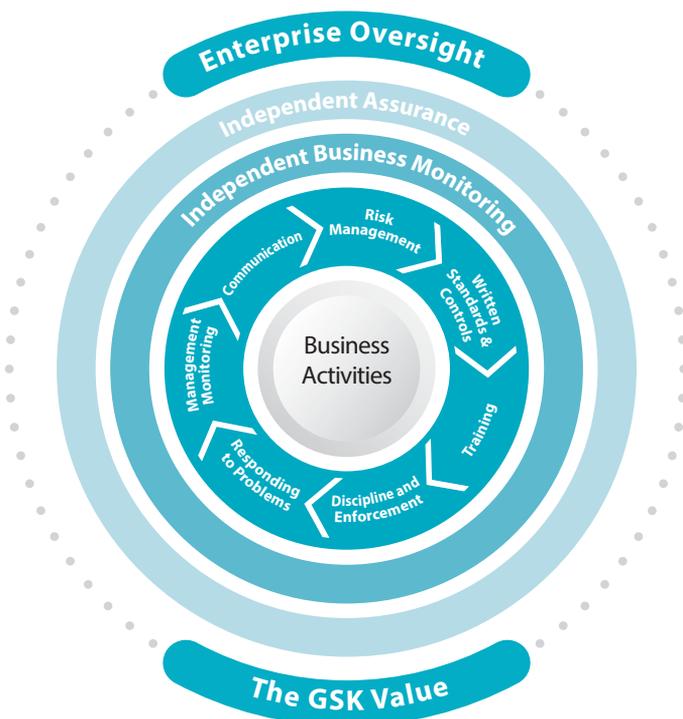
- Common language
- Decrease in variability
- Reduction of failures in execution
- Reduction of rework
- Reduction of internal and external audit observations
- Improvements in the processes used to deliver products and services
- Confidence that risks are effectively managed

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.



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 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.



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 organizations 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: 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: 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: 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.

The Board of Directors



David Pritchard was appointed as the Chairman of GSK Bangladesh Board on July 20, 2016. David has had an illustrious career with GSK for over 28 years. After graduating from Leeds University in Biochemistry and Microbiology, David joined GSK plc in 1988. Prior to his current role as Vice President & Area Head, Africa & Developing Countries; David was Vice President & Head, International Region of ViiV Healthcare, a global specialist HIV company, and a joint venture of GSK and Pfizer set up to deliver advances in treatment and care for people living with HIV. During his diverse roles within the Company, David has led GSK with tremendous commercial success in various capacities as VP & General Manager, South Africa; Area General Manager, DMEA (Developing Markets Eurasia) and General Manager, GSK Ukraine.

Erum Shakir Rahim was inducted in the GSK Bangladesh Board in November, 2015. Erum is currently the Managing Director of GSK Bangladesh Limited and the General Manager for Developing Countries, Asia which include Myanmar, Cambodia and Laos. Prior to this role she was the General Manager of GSK Pharmaceuticals, Malaysia & Brunei and member of the GSK Asia Pacific Leadership Team. She holds a Masters degree in Mass Communication from University of Karachi. Erum began her career in journalism and advertising in Pakistan's leading agency Atelier BM Pakistan and The News International. She later moved to the Pharmaceutical Industry and joined SmithKline Beecham Pakistan in Product Management. After the merger of the Company in 2000 to GSK, she led 3 marketing groups of the 3 merged companies. In 2006, she became the Director, Marketing and Business Development of GSK Pakistan, Iran and Afghanistan. Erum was a Member, Board of Directors, PhAMA Malaysia; Co Chair PhAMA Ethics Committee; Member, GSK Pakistan Board of Directors, Member, Overseas Chamber Committee on Trade, Pakistan; Trustee Concern for Children Pakistan, etc. She was also awarded Presidents' Award for Synflorix inclusion in GAVI in 2013.



Rajib Barua joined GSK in January, 2009 and assumed the position of Site Director from March, 2009. He was inducted to the GSK Bangladesh Board in August, 2010. Prior to joining GSK, he was the General Manager of Unilever Factory, where he had operational responsibility of the Chittagong based operations. He spent 16 years in Unilever Bangladesh Limited in various management position. Rajib is a certified Food Quality Assurance (FQA) Auditor & TPM Instructor of Unilever. He also worked in Sonar Cotton Mills Bangladesh Limited, one of the export oriented joint venture textile factories. Rajib graduated from Maulana Azad College of Technology, Bhopal, India as Mechanical Engineer and is currently a Fellow of the Institution of Engineers' Bangladesh.



The Board of Directors

Prashant Pandey was inducted to GSK Bangladesh Board in October 2017. He is currently the General Manager of GSK Consumer Healthcare (CH) MyBan (Myanmar, Bangladesh, Nepal). Prior to his current role he 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.



Zinnia Tanzina Huq joined GSK Bangladesh Limited in August, 2014 as Finance Director-Designate and was subsequently appointed as Finance Director on 1 November, 2014. She has 17 years of experience as a finance professional in progressive leadership roles. Prior to joining GSK, she worked with British American Tobacco in Bangladesh. She further worked in British American Tobacco, Singapore Supply Hub as the Finance Lead for various market projects. She is a Qualified Accountant from Chartered Institute of Management Accountants, UK and is also a member of Institute of Cost and Management Accountants of Bangladesh and Institute of Internal Auditors Bangladesh. She is a business graduate from Institute of Business Administration (IBA), 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.





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 organization. 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.

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.



Company Secretary



S.O.M. Rashedul Quayum was appointed as Company Secretary of GSK Bangladesh in August 2017. He is currently the Head of Legal and Government Affairs for GSK Bangladesh. Rashedul has over 17 years of professional experience from FMCG, Pharmaceuticals and legal sector and worked for leading MNCs/ law firms such as Novartis, British American Tobacco, A.F. Hassan Ariff & Associates etc. He is a Barrister-at-Law from the Honorable Society of Lincoln's Inn, U.K. and enrolled as an Advocate at the Supreme Court of Bangladesh. He has completed his LLB (Hons) and Postgraduate Diploma in Law from University of Northumbria, U. K. and holds a BBA & MBA degree from North South University. In his last job, he held the position of Country Head of Legal & Compliance at Novartis Bangladesh Limited.

Statement of Directors' Responsibility

Directors' statement of responsibility in relation to the financial statements

The Directors of GSK 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 and the Listing Regulations of the Dhaka Stock Exchange Limited 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 to the financials, for the year ended 31 December 2017 are included in the Annual Report 2017, 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 auditor' report signed by the auditor and included in this report (page-104).

The annual report for the year ended 31 December 2017, comprising the Directors' Report and the Financial Statements, has been approved by the Board of Directors in its meetings dated 6 March, 2018 and 27 February 2018 respectively and are signed on its behalf by:



Erum Shakir Rahim
Managing Director



Zinnia T Huq
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, of whom 2 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 have 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 authorized by the Board to investigate any activity within its terms of reference. The Committee reports regularly to the Board on the performance of the activities it has been assigned. The Committee's main responsibilities include:

Financial Reporting

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

- Any significant changes to accounting policies and practices;

- Significant adjustments arising from the audits;
- Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
- The going concern assumption

Related Party Transactions

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

Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes summary of its activities and review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report;
- To review the internal Audit Committee Charter and make necessary revisions for the year. The committee should determine that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed, and proposed updates are 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 the 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 2017, 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 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 compliance framework;
- Reviewed the entity-wide risks and mitigation plans.

3. Internal Audit

- Assessed and endorsed the annual internal audit plan 2017 in accordance with the annual objectives and risks of the Company;
- Reviewed the outcome of group internal audit;
- Reviewed all major findings of the internal audit function and monitored the corresponding management actions to improve the controls.

4. External Audit

- 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 2017, the Audit Committee met four times. The details of attendance of each member of the Audit Committee meetings in 2017 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 2017	
					Held during tenure	Attended
Mr. Masud Khan	Independent Non-Executive Director	Chairman	28th April 2013	Existing	4	4
Ms. Erum Shakir Rahim	Managing Director	Member	1st January 2017	Existing	4	4
Mr. Md Iftikhar-uz-zaman	Non-Executive Director	Member	1st February 2017	22nd October 2017	3	1
Mr. Kazi Sanaul Hoq	Nominated Non-Executive Director	Member	22nd October 2017	Existing	1	1

Ms. Zinnia Tanzina Huq, Finance Director, attended all the meetings held in 2017 to give clarifications on all financial matters. She also attended all the meetings held prior to August 2017 as the Company Secretary to act as the Secretary of the Audit Committee. From 1 August 2017, Mr. S.O.M. Rashedul Quayum, Head of Legal & Government Affairs was appointed as new Company Secretary and attended subsequent meetings as Secretary of the Audit Committee. Head of Internal Audit has attended all meetings of the year as an invitee.

External Auditors have attended one meeting of the year to provide any explanations on the audited financial statements of the previous year.

On behalf of the Audit Committee



Masud Khan
Chairman
Audit Committee

Dhaka, 06 March, 2018

Pharmaceutical Leadership Team

Moynul Islam | Mohammad Khalid Hossain | Mohammad Mahmudul Kabir | Ferdous Noyem Khan | Rumana Ahmed |
Dr. Md. Mahbubur Rahman | M Nakibur Rahman | Noor Mohammad | Erum Shakir Rahim | Zinnia Tanzina Huq |
Maysoon Sadeq Chowdhury | S. O. M. Rashedul Quayum





Pharmaceutical Leadership Team



As Managing Director, Erum is responsible for overall management of the Company. She oversees all operational aspects including policies, objectives, initiatives and compliance. She also directs the long term strategy for the Company. Erum joined the GSK Bangladesh Team in January, 2016. Prior to her role in Bangladesh, she was the General Manager of GSK Pharmaceuticals, Malaysia & Brunei.



As Finance Director, Zinnia is responsible for activities involving financial reporting and control, tax and treasury, investor relations, finance system, internal audit and other corporate affairs. She joined GSK Bangladesh Limited in August, 2014 as Finance Director-Designate and was subsequently appointed as Finance Director on 1 November, 2014.



Rashedul Quayum joined the GSK Bangladesh Team in October, 2016. As the Head of Legal and Government Affairs he is responsible for all legal and corporate affairs related issues of the Pharmaceutical Business of the Company. He also provides strategic and legal advice in all matters of the Pharmaceutical business and Chittagong factory. He is also currently the Company Secretary.



Noor joined the GSK team in October, 2015 as the Designate Director, Human Resources. He assumed the position of Director HR from January, 2016. Post his BBA from University of Madras and MBA from North South University; he started his career in New Zealand Dairy Milk Bangladesh Limited as an HR Professional. Prior to joining GSK, he worked for Airtel, Nokia, Fonterra Brands PTE Ltd., Singapore and Saudi New Zealand Milk Products Co. Ltd. As the Director HR, Noor is responsible for the overall development of Human Resources, which include HR strategies, employee relationship, performance management, etc., across all the business units of GSK Bangladesh which include Pharma, Consumer and GMS.

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 organizations such as Social Marketing Company, Grey Worldwide, US Peace Corps, Asiatic MCL, Bitopi Leo Burnett, etc. She holds Masters from Dhaka University in English Literature.



Nakib joined GSK in 2013 and was appointed as Marketing Director in November 2016. Before his current role, Nakib held the position of Head of Commercial Excellence. As Marketing Director, he is responsible for both Pharma & Vaccines marketing as well as for Commercial Excellence to drive effectiveness and capability building for the entire Marketing and Sales unit. Prior to joining GSK he has worked with leading local and global pharma companies like Beximco, Square and Novartis (Sandoz) in various capacities. Nakib holds post-graduation degree in Pharmacy with specialization in Clinical Pharmacy & Pharmacology from the University of Dhaka and also is an MBA from the Institute of Business Administration (IBA).



Mahbub joined GSK in 2011. As Head of Medical, Mahbub is responsible for management of medical department, medical governance oversight for Vaccines and Pharma products marketed in Bangladesh, Pharma and Biological clinical trials and Pharmacovigilance activities for marketed and investigational products. Prior to joining GSK, he has worked in a variety of clinical & commercial roles in organisations such as BRAC, Square Pharmaceuticals and Novo Nordisk. He completed MBBS from Sher-e-Bangla Medical College and did post-graduation in Master of Public Health (MPH) with major in Epidemiology from State University of Dhaka.



Moynul assumed the position of Sales Director, Pharma in November, 2016. As the Sales Director, he is responsible for all Pharma Sales. He also leads the team to ensure successful launches, grow key products, embed New Ways of Working and capability and talent development across sales. Moynul joined the Company in 1983 as a Sales Representative and in the last 3 decades worked in different capacities in Sales and Marketing. Moynul was also a key contributor in familiarizing Vaccines in the market as the Vaccines Manager. He has been successfully leading the Pharma Sales team as the National Sales Manager since 2010. He holds an MBA degree from American International University of Bangladesh.



Pharmaceutical Leadership Team



Kabir has been appointed as the Head of Vaccines in November, 2016. In his role he is responsible for EPI/Public and private market vaccine sales and focusing on capturing higher market share and revenue. Kabir joined GSK Bangladesh in February 2014 with the Vaccines Commercial Team and held the position of Business Development Manager, Vaccines. He was instrumental in the growth and expansion of the Vaccines portfolio in the Private and Public Market. Prior to GSK, Kabir worked in Novo Nordisk, Novartis and Aristopharma in various capacities. Kabir is a Medical graduate from Bangladesh Medical College and Hospital, Dhaka.



Ferdous Noyem Khan joined GSK Bangladesh Limited in October, 2012 as Risk & Compliance Manager. He assumed the position of Head of Ethics & Compliance in 2016. In his current role, he is responsible for leading GSK ethics and compliance programme; help business to manage risks and support Risk Management Compliance Board. Ferdous has more than 13 years of experience in Risk Management, Compliance, Internal Control and Corporate Investigations. Prior to joining GSK, he worked for the Hong Kong and Shanghai Banking Corporation Limited (HSBC) as Fraud Risk Manager for HSBC Asia Pacific Risk Management team. He holds Bachelor and Masters in Business Administration degrees from BRAC University, Dhaka, Bangladesh.



Khalid joined the GSK Bangladesh team in May 2014 as Sr. Executive Regulatory Affairs. He became Manager, Regulatory Affairs in 2015. As the head of Regulatory Affairs, he is responsible for leading the regulatory department of GSK Bangladesh and support the business through product registration, pricing approval and other related work through external stakeholder engagement with the Regulatory bodies Prior to joining GSK he worked in Sanofi Bangladesh Limited. He began his career with Haychem Bangladesh Limited in 2010. He is a B. Pharm and MBA from East West University, Dhaka.



Maysoon joined GSK Bangladesh as Manager LOC Quality in 2015. As the Head of the LOC Quality, she is responsible to manage all commercial quality operations. She graduated from University College London, UK with a bachelors degree in Biochemical Engineering. Upon graduation, she joined GSK for working in an effective QMS implementation role. Maysoon also has number of years working on quality assurance knowledge, governance and documentation skills in different pharmaceutical companies along with GSK Bangladesh.

Consumer Healthcare Leadership Team

Md. Naharul Islam | Zahedur Rahman | Ishrat Zerin |
Sujay Kumar Prasad | Prashant Pandey



Consumer Healthcare Leadership Team



As General Manager Prashant Pandey is responsible for overall management of the Consumer Healthcare Business (CH) of GSK Bangladesh, Myanmar and Nepal. He 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.



Rakesh Thakur joined GSK Bangladesh Limited in April, 2016 as Head of Finance, for the Consumer Healthcare Division. 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.



Md. Naharul Islam Molla joined GSK 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.

Zahed joined GSK CH, Bangladesh in April 2013 as Supply Chain Director for 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 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.



Sujay joined GSK in 1986 as Sales Officer in North India. He joined the Bangladesh team in April 2014, and now as the Sales Director is responsible for the overall Sales Division of GSK CH, Bangladesh and Myanmar. Before joining the Bangladesh team he worked in various parts of India including Chennai, Mumbai, etc., in both Sales & Trade Marketing. Prior to GSK, Sujay worked in Dabur India Ltd., Bennett Coleman, Times of India in Delhi. He is a Commerce Graduate from Delhi University with a Diploma in Business and Marketing Management.



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'.



Site Leadership Team

Thomas Costa | Sai Darbha | Mizanul Islam | Dewan Tanvir Yer Chowdhury | Md. Lokman Hossain |
S.M. Ashrafur Rahman | Surajit Kumar Saha | Md. Rejwanul Alam Prodhan | Partha Pratim Ghose |
Usen Mya | M.M. Shah Newaz Chowdhury | Rajib Barua | Md. Shamsul Alam | Jobair Hossain





Site Leadership Team



Rajib Barua joined GSK in January 2009 and assumed the position of Site Director from March, 2009. As the Site Director and the Head of the Site Leadership Team, Rajib is responsible for all Manufacturing and Site related operations of the Company. In order to ensure patient safety, he overlooks the supply chain of all local manufacturing and supervises quality control safety of production.



S.M. Ashrafur Rahman joined GSK Bangladesh in early 2000 as an Procurement Executive. He worked in multiple progressive roles in different functions including Productivity & Packaging Development, Planning, Logistics. He joined the Site Leadership Team as the Site Planning & Supply Manager. Ashraf holds a Post Graduate degree in Business Administration.



Jobair Hossain joined GSK Bangladesh in July 2016 as Remediation Quality Lead and later appointed as Interim Site Quality Assurance Manager in November 2016. As the Site Quality Assurance Manager, Jobair manages the overall quality activities as well as Quality Improvement Plan (QIP) of GMS Chittagong. He comes with multidimensional experience of more than 16 years in different sectors. Jobair holds post graduate degree in Microbiology from eminent Indian Universities and also has an MBA degree with specialization in Quality Management.



Tanvir joined the GSK Site Leadership Team as Site Human Resources Manager in May 2013. As HR Generalist, He is responsible for overall HR Operations of GMS Chittagong Site. He has more than 13 years of experience in Human Resources. He has completed both Bachelor & Master of Arts from University of Dhaka. He has a Post Graduate Diploma in Human Resources Management (PGDHRM) from BIM, Dhaka. He also holds an MBA degree with major in Human Resources from FBA, University of Science & Technology, Chittagong.



Md. Shamsul Alam joined GSK in April 1984 and since then have been serving the Company. As the Site Finance Manager he leads the GMS Finance team and is responsible for Product Costing; Strategic Planning, Forecasting & reporting of all GMS Finance related Activities; Financial Risk Management; Project Management and ABAC Coordination. Shamsul is a Certified Professional Accountant from Institute of Cost & Management Accountant, Bangladesh.

Md. Lokman Hossain joined GSK Bangladesh in February 2002 as Quality Control Manager. In his 16 years of service in GSK, his roles evolved around Head of Quality(Interim), Technical Manager, Site Production Manager and finally has been appointed as Head of External Supply & Strategic Projects. He is responsible for external supply site & outsourcing opportunity for GSK Bangladesh & strategic business projects. Lokman has an MSc degree in Chemistry from Dhaka University and also an MBA degree.



Md. Rejwanul Alam Prodhan joined GSK in July 2015 as Remediation Production Lead. From September 2017, he has taken the role of Site Production Manager and currently managing site's overall Production activities. Prior to GSK, he has worked for Sanofi Bangladesh Ltd and ACI Pharmaceuticals Ltd. Rejwanul is an M.Pharm with Specialization in Clinical Pharmacy and Pharmacology from Dhaka University and also holds an MBA degree from Institute of Business Administration (IBA), Jahangirnagar University.



Partha joined GSK as Site IT Manager in 2005. Since joining he was engaged in development and deployment of different IT Infrastructure and capability at Site. He had also taken the Site Risk Management process owner and Major MRP and ERP projects lead roles at site. Partha holds Bachelor of Engineering Degree in Electronics and Communication from National Institute Of Technology - Durgapur, India and MBA in Finance.



Mizanul joined GSK team in September 2007 as Procurement Manager and later he was appointed as Procurement Site Liaison Manager – Bangladesh. Mizanul holds a post graduate degree in Physical Inorganic Chemistry from Chittagong University and also has an MBA degree from Independent University Bangladesh.



Sai Darbha was appointed as Site EHS Lead – GMS Chittagong in July 2017. Before his current role, Sai held the position of Manager EHS at GSK Nashik Site, he worked during the Site EHS improvement journey in remediation and sustainability post remediation phases. He joined GSK Nashik Site in Jul 2013, prior to which he worked with different multinational & local companies in India which include SAB Miller Plc, Indian Immunologicals Limited, Dr Reddys Laboratories, ITC. Sai holds Post-Graduate degree in Environment Engineering from JNTU and Advanced Diploma in Industrial



Site Leadership Team



M.M. Shah Newaz Chowdhury joined GSK in August 1997 as Quality Assurance Officer. In 2006 he became the Functional Head of EHS in his role as EHS Manager. Prior to his current role he worked as Sr. Training & Safety Office and Manager, Training & EHS. Shah Newaz has an MSc. Degree in Organic Chemistry from the University of Chittagong. He also has an MBA degree from the Bangladesh Open University (BOU). To further hone his professional skill he obtained professional degree on NEBOSH Diploma course from Rapid Results College (RRC), UK.



Thomas Costa joined GSK in September 2003 as Management Trainee under Production Department and working in different progressive role and finally was appointed as the Site Technical Lead in September 2014. As Technical Lead, Thomas is responsible for new product introduction, Technology Transfer, Process Robustness, PLM and Packaging Material Development. In addition, Thomas also is supporting Site Strategy Deployment for the last three years. Thomas is a GSK Certified Auditor and holds both Post-Graduation degree in Pharmacy from University of Science and Technology, Chittagong (USTC).



Surajit joined the GSK team in March 2017 as Site Engineering Manager. In his current role, he is responsible for leading the Engineering function as well as Asset Management and Capital Project management. Prior to joining GSK, he was working as Safety, Health & Environment (SHE) Manager at Nestle Bangladesh Limited. His 18 years of work experience include different roles with LINDE Bangladesh Ltd. & Haroon Engineering Ltd. in the field of Engineering & Project, Manufacturing and Safety, Health & Environment (SHE). Surajit has done his B. Sc. in Mechanical Engineering from Bangladesh University of Engineering & Technology (BUET).



Usen Mya joined GSK in January 2005 as a Management Trainee. She started her GSK journey in Topicals Manufacturing & Packaging section. In 2011, she was appointed as Manager Topicals. Currently she is appointed as Site GPS Lead. As a Site GPS Lead, she is responsible for implementation of GSK Production System in GMS, Chittagong. She is also the Women Empowerment Board Advisor for GMS Site. Usen has completed her B. Pharm from Jahangirnagar University, Dhaka and M. Pharm from Southern University, Chittagong. She is a registered Pharmacist under Pharmacy Council of Bangladesh.

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Business Review

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Directors' Report to the Shareholders

The Board of Directors of GlaxoSmithKline Bangladesh Limited has the pleasure of submitting the annual report together with the Company's audited financial statements for the year ended 31 December 2017.

The Directors' Report has been prepared in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No SEC/CMRRCD/2006-158/134/ADMIN/44 dated 7th August 2012 and Section 184 of The Companies Act 1994. This report is being submitted to the members at the 45th Annual General Meeting of the Company to be held on 19 April 2018.

Challenges to both Consumer Healthcare and the Pharmaceuticals business deepened in 2017. Consumer Healthcare integrated various strategies to combat external challenges and enabled a commendable turnaround of the business. The pharmaceuticals business efforts were driven by patient focus and compliance initiatives. Throughout the year, the Company continued to operate against increased regulatory complexities, supply challenges and enhanced market competitiveness 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 2017, Fast Moving Consumer Goods (FMCG) market, valued at TK. 267 bn grew by 5.8% (Source: Nielsen). Major contributions came from Non-food Categories (46% of FMCG) which grew in value by 7.1%, while Food Category (52% of FMCG) grew by 4.8%. Health Food Drinks (HFD) valued at Tk.3.3bn showed flat growth in terms of volume in 2017 over 2016. However, GSK continued to gain dominance and further strengthened its market share of 92.1% in the Health Food Drink Category, which is 4% higher than 2016.

Business Performance

The Consumer Healthcare business of the Company has grown by 10.3% in 2017, primarily led by strong growth in Horlicks at 6.3% and Sensodyne at 76%. In 2017, sales growth was encouraging in the second half of the year, boosted by a downside in parallel imports and improved consumption, which led to 17% secondary sales growth in H2'17 viz. single digit growth at 6% in H1'17. Furthermore, the Company continued to emphasize food and nutrition through different media

campaigns. Better value for money offers were provided on key products that we believe will strengthen brand loyalty among customers. We have gained market share by 4.0% and maintained a dominance of 92.1% in the Health Food Drink Category. On parallel imports, the Company continued to engage with authorities to take legal steps in order to stem the flow of parallel imports.

Horlicks continued to be in the list of top Brands in Bangladesh across all categories. Horlicks was the 2nd most loved brand and No.1 Brand in Health Food Drink Category held under the auspices of Bangladesh Brand Forum. This award is a recognition of the brand's consistent delivery of its 'Promise of Nutrition' to the consumers.

Sensodyne continued to grow and expand its reach and its urban penetration has reached to 7%.

Your Company is committed to be driving the initiative of providing access to good nutrition in Bangladesh.

2. Pharmaceutical Business

Industry Outlook and Possible Future Developments

The market size for Pharmaceuticals in Bangladesh was estimated at around Tk 190 bn by the end of 2017.

The long-term market volume growth appears to be stabilizing at around 10% (5Y CAGR). The growth in value is higher, projected at around 15% by the industry experts for the next couple of years.



This is predominantly, driven by the rise of the higher priced newer generation molecules and categories. Furthermore, the quick introduction of generic versions of such advanced molecules by local manufacturers, gaining early adoption and popularity amongst physicians and patients (under the prevailing patent waiver for Bangladesh) and a supportive regulatory framework for local manufacturing have supported this projection. Recently the industry saw success in exports to highly regulated markets like US by local manufacturers. At the same time, the industry saw a significant focus on expanding manufacturing facilities for difficult-to-make products like biosimilars (e.g. vaccines). Meanwhile, the long-awaited API (Active Pharmaceutical Ingredient) Park is now ready to go live. With such a favourable backward integration infrastructure, advanced finished products manufacturing capabilities and patent waiver extended till 2032 by WTO (World Trade Organization), the Pharmaceuticals industry in Bangladesh will continue to remain particularly attractive for local generic manufacturers over the next decade.

Business Performance

In 2017, the Pharmaceuticals business went through a mixed bag of successes and challenges. Production capacity and supply reliability of our locally manufactured products at the Chittagong site improved significantly in the second half of the year through introduction of additional shift for the topical line. This resulted in a modest business growth of 4%. The heritage Betnovate range, despite being in a highly-matured category, registered double digit growth. However, the success of locally manufactured products was mostly offset by challenges with the imported portfolio. The latter drives better value for the business compared to the volume driving local portfolio, mostly consisting of low price classic drugs, requiring disproportionate commercial resources.

Respiratory and allergy, the key therapy areas for GSK Bangladesh, came across unprecedented challenges in 2017. Seretide Evohaler and Engerix B, two of our flagship brands, faced significant import restrictions resulting in double digit negative growth. The locally manufactured Ventolin managed to register growth. However, this could not offset the loss of value incurred due to the absence of Seretide.

Vaccines, the other key therapy area for GSK Bangladesh, had remarkable success in registering double digit growth for relatively newer vaccines like Cervarix and Rotarix. However, the higher-value higher-equity vaccine brand Engerix-B faced similar import restrictions like Seretide Evohaler. Finally, reintroduction of Varilrix and Rabipur, although much delayed by increased procedural complexities in pricing approval and lot release of vaccines, helped the vaccines portfolio end the year with some positive growth.

To overcome the external challenges, the Company continues to engage with relevant authorities and stakeholders to foster a level playing field for multinational companies while driving access to high quality global medicines for the patients in Bangladesh.

3. Manufacturing

2017 was a challenging year for the GMS in Chittagong due to restricted raw material supply, increased internal compliance and regulatory expectations for manufacturing and supply operations. For the first time at the Site, three full shift operations in topical manufacturing and packing were initiated to support the commercial business opportunity in 2017.

The Site has been on a journey to improve and sustain quality systems and procedures, technical and production facilities, organisational capability and culture over the last few years. This has been supported





through extensive Quality Improvement Programs (QIP). In 2017 the Chittagong site achieved an important milestone by successfully completing its remediation program.

The Site continued to invest in 2017 and upgrade the facility by extending capacity in line with Pharmaceutical compliance requirements under current Good Manufacturing Practice (cGMP). Several initiatives were undertaken to ensure Data Integrity (DI) by investing in GSK systems like One CDS (Chromatographic Data System), CDMS (Controlled Document Management System) and CMMS (Computerized Maintenance Management System).



In order to build a strong safety culture and as part of the Safety Improvement Program (SIP), GMS Chittagong closed out on the identified Occupational Hygiene, Machinery Physical guarding, Physical segregation of pedestrian movement, and Health related issues. The Site ended 2017 with "Zero" Lost Time Injury and Illness (LTI&I) cases. This is the result of closing unsafe conditions, unsafe behaviour and near misses as part of the Zero Accident Promotion (ZAP) program. The Site has realised significant improvement in Water savings, achieving 9% improvement versus previous year.

We will continue to embed new ways of working to simplify our operations and improve effectiveness and efficiency. We are also committed to embedding a robust compliance culture, living and acting in line with GSK values, focusing on health, safety and the environment, delivering customer service for the benefit of patients.

4. GSK People

The Human Resources (HR) team is relentlessly supporting the business to embed a performance driven culture and GSK's new ways of working.



GSK Bangladesh continued its journey of employer branding across different universities, and I am pleased to share that Nielsen Campus Recruiter Index 2016 has ranked GSK amongst the top 10 most preferred companies to work for across all industries.

The Company continued its flagship 'Future Leaders Programme' (FLP) across all Business Units (BU). This year we hired four new FLP trainees for Consumer Healthcare, Pharmaceutical and Global Manufacturing & Supply (GMS). We are delighted to share that two of the FLP trainees from this intake were inducted in GSK's Global 'Graduate Advisory Board', a testament to high quality FLP trainees from Bangladesh.



In 2017, as per commitment to develop our line managers' capability a number of workshops were organized for our First Line Leaders (FLL) and First Line Sales Leader (FLSL). A number of trainings were rolled out for the employees in 2017 which include; Practical Coaching at Workplace programme focusing on developing line managers coaching capability; Employee Resilience Training focusing on equipping employees to handle multi-tasking and demanding tasks; and Energy for Performance focusing on creating awareness on physical and mental wellbeing to keep oneself fit and healthy.

Diversity and Women's empowerment continues to be an area of focus for the Company. Under this initiative, the Company has created platforms for female employees to promote personal development and drive contribution to the business. Finally, the Chittagong team also won the regional GPS champions awards in South Asia.

The Company continued its engagement initiatives with employees through Lets Talk sessions where performance and challenges of the company were shared and employees were encouraged to share their views. At the Annual Conferences, the business units shared the functional strategies to meet Company objectives. In 2017, GSK achieved significant improvement in employee engagement scores across all BUs, reflecting continued efforts to improve the work environment and building employee capability.

5. Financial Results

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2017.

Particulars	2017	2016
Revenue	6,796,559	6,284,015
Cost of Sales	(4,161,052)	(3,834,031)
Gross Profit	<u>2,635,507</u>	<u>2,449,984</u>
Profit before taxation	947,601	845,559
Less: Provision for taxation	(278,297)	(201,005)
Net Profit after tax	669,304	644,554
Other comprehensive income/(loss), net of tax	(22,434)	-
Add: Unappropriated profit brought forward from previous year	<u>2,400,693</u>	<u>2,418,694</u>
Total amount available for distribution	3,047,563	3,063,248
Appropriations:		
Dividend paid for the previous year	(602,322)	(662,555)
Closing retained earnings at the year-end	2,445,240	2,400,693
Proposed dividend for the year (2017: 550%; 2016: 500%)	(662,555)	(602,322)
Retained earnings after proposed dividend	<u>1,782,685</u>	<u>1,798,371</u>

Figures in Tk 000

Net Sales of the Company amounted to Tk 6,797mn, against Tk 6,284mn last year. This represents an 8.2% growth from 2016. Both business segments of Pharmaceuticals and Consumer Healthcare faced enhanced regulatory challenges. Consumer Healthcare posted a recovery in H2 through strong uptake in the market. On the other hand, the Pharmaceuticals business has posted low growth due to increased disruptions in the supply chain. The cost of sales across the businesses has increased significantly to support high standards of raw and packaging materials, as well as increased manufacturing expenses from past investments in upgradation of facilities. Operating expenses were maintained below inflationary rates through rationalisation of discretionary expenses. Overall, profit after tax increased by 3.8% and stood at Tk 669mn. Correspondingly, EPS (Earnings per Share) increased from Tk 53.51 to Tk 55.56 for the reported year.

6. Dividend

In consideration of the above, the Board of Directors recommended a final dividend of 550% i.e Tk.55.00 per share of Tk 10.00 each for the year 2017. The recommended dividend, if approved by the members at the Annual General Meeting, will involve a cash outflow of Tk 662.55 mn.

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 to 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 judgment;
- 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;
- There is no significant variance between Quarterly Financial Performance and Annual Financial Statements;
- All deviations from the last year's operating results of the Company have been highlighted under the above point (e);

- g) 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;
- h) During the year, the Company has paid a total of Tk. 200,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in the notes to the Financial Statements;
- i) There is no extra-ordinary gain or loss during the year;
- j) Utilization of proceeds from public issues is not applicable;
- k) Explanation of financial results after IPO is not applicable;
- l) The summarized key operating and financial data for the five years (2013-2017) is set out in Annexure-I.

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

9. Internal Control

The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement of loss. The internal control framework is regularly reviewed by the Audit Committee in each meeting and reported to the Board of Directors. Further, the Company Executive Committee also reviews the internal controls and risk management process on a quarterly basis. This year, the Pharmaceutical Commercial operations were subject to a GSK Global Audit. The Audit appreciated a high level of proactivity and focus on the overall compliance environment. No major findings were

observed and recommendations were provided for improving the control framework. This report further encloses a detailed discussion on the internal control framework under the Statement of Internal Control.

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 2017, GlaxoSmithKline Bangladesh Limited contributed to the government exchequer a sum of Tk. 1,994 mn.

12. Board of Directors and Shareholding Information

Composition and Size of the Board

As of 31 December 2017, there were seven members on the Board. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. Four Directors, including the Managing Director, are Executive Directors. There are three Non-Executive Directors, out of which one is Independent Director. Due to a vacancy arising during the year 2017, an Independent Director was appointed on 1 February 2018 to satisfy the condition of Corporate Governance guidelines issued by BSEC.

Board Meetings and Attendance

During the year 2017, 6 (Six) meetings were held. The following table shows the composition of the Board and members attendance at the Board meetings:

Name of Directors	Number of Meetings held Whilst a Board Member	Meetings Attended	Remarks
Mr. David Pritchard	6	1	
Ms. Erum Shakir Rahim	6	5	
Mr. Masud Khan	6	6	
Ms. Zinnia Tanzina Huq	6	6	
Mr. Rajib Barua	6	5	
Mr. Gopalakrishnan Venkatramani	5	1	Retired with effect from 22nd October 2017.
Mr. Prashant Pandey	1	1	Appointed with effect from 22nd October 2017.
Mr. Md Iftikhar-uz-zaman	5	5	Retired with effect from 22nd October 2017.
Mr. Kazi Sanaul Hoq	1	1	Appointed with effect from 22nd October 2017.
Mr. Md. Mesbah Ul Hoque	5	0	Resigned with effect from 1st September 2017.

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 No. 85 of The Articles of Association of the Company, one-third of the Directors excluding the Managing Director should be retiring by rotation at every Annual General Meeting and if eligible, qualify for re-election.

Accordingly, the Director retiring by rotation is Ms. Zinnia Tanzina Huq, who being eligible, offers herself for re-election.

Pursuant to The Article No. 89 of The Articles of Association of the Company, Directors appointed at Casual Vacancy or as Additional Directors should be retiring in the ensuing Annual General Meeting and if eligible, qualify for re-election.

Accordingly, Mr. Prashant Pandey and Mr. Kazi Sanaul Hoq, having been appointed to the Board since the last Annual General Meeting, retire and being eligible, offer themselves for re-election.

Pursuant to the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 7 August 2012, the Board appointed Mr. Mohsin Uddin Ahmed, Managing Director of LINDE Bangladesh Ltd. as an Independent Director with effect from 1 February 2018. As per said Notification, the Company will seek the approval of the appointment of such Director from members who will attend in the ensuing Annual General Meeting.

The brief resume of Ms. Zinnia Tanzina Huq, Mr. Prashant Pandey, Mr. Kazi Sanaul Hoq and Mr. Mohsin Uddin Ahmed are given below:

Zinnia Tanzina Huq

Ms. Zinnia Tanzina Huq has been with GSK Bangladesh Limited since August 2014. She was inducted into the Board in November 2014 as the Finance Director, GSK Bangladesh. She has 17 years of experience as a finance professional in progressive leadership roles. Prior to joining GSK, she worked in British American Tobacco in Bangladesh. Ms. Zinnia also worked for British American Tobacco, Singapore Supply Hub as the Finance Lead. She is a qualified accountant from the Chartered Institute of Management Accounts, UK and is also a member of the Institute of Cost and Management Accountants of Bangladesh and Institute of Internal Auditors, Bangladesh. Zinnia is a business

graduate from the Institute of Business Administration (IBA), University of Dhaka.

Prashant Pandey

Mr. Prashant Pandey was inducted into the GSK Bangladesh Board in October 2017. Currently he holds the role of General Manager of MyBan (Myanmar, Bangladesh, Nepal). Prior to this role, he was the Area Marketing Director for Nutrition & Digestive Health category, Expert Sales & Marketing and Marketing Excellence, and was based in Gurgaon, India. Mr. 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. He holds a Post Graduate Diploma in Business Management from IMT Ghaziabad, India, 1995. His full resume is included in the Directors' Profile.

Kazi Sanaul Hoq

Mr. Kazi Sanaul Hoq was inducted into the GSK Bangladesh Board in October 2017. He assumed the position of Managing Director of Investment Corporation of Bangladesh (ICB) on 10 August, 2017. Prior to this role, he was the Managing Director at Rajshahi Krishi Unnayan Bank (RAKUB). Over his 34 years of professional career, he was also the Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. In addition, Kazi Sanaul Hoq served as General Manager at Bangladesh Development Bank Limited (BDBL) and RAKUB. He also served as CEO at ICB Securities Trading Company Ltd. He holds a Masters degree with B.com Honours in Accounting from The University of Dhaka. Mr. Hoq serves the Board of several top organisations of the country. His full resume is included in the Director's Profile.

Mohsin Uddin Ahmed

Mr. Mohsin Uddin Ahmed was inducted in the GSK Bangladesh Board in February 2018. He holds the position of Managing Director of LINDE Bangladesh Limited from January 2017. Prior to joining LINDE Bangladesh, he was the President at Emami Group for its SAARC Countries' business operations. Mr. Mohsin started his career with British American Tobacco (BAT) where he spent about five years in various roles under Trade Marketing & Distribution function. During his 22 years career, he worked both locally and abroad in Nestle Bangladesh Ltd and Unilever Bangladesh Ltd. Mr. Mohsin holds a Masters degree in Applied Physics & Electronics from the University of Dhaka. His full resume is included in the Directors' Profile.

Audit Committee:

As per stipulation of the Bangladesh Securities and Exchange Commission (BSEC) guidelines, the Board has constituted an Audit Committee which governs the internal control framework of the Company. The Committee comprises of 1 Independent Non-Executive Director (Chairman), 1 Non-Executive Director and the Managing Director. The Audit Committee met 4 times in the year. The Company Secretary acted as the secretary to the Audit Committee. Further details of the Audit Committee's responsibilities are included in the Audit 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 of Tk.10,000 per meeting as remuneration.

The details of the remuneration paid to the Executive Directors during the year are given in Notes-30 of the Financial Statements.

Shareholding Information:

The shareholding information as at 31 December 2017 and other related information are set out in Annexure-II.

Shareholders/Investors Grievance:

During the year under review, the Company received some complaints regarding on time receipt of Annual Reports and dividend from the shareholders. These concerns have been resolved duly.

13. Corporate Responsibilities

The Company's commitment towards the community was reinforced this year with further expansion of healthcare initiatives in the country. In addition, the Company also responded to the Myanmar Refugee crisis in Cox's Bazar, through support of its parent Company, GSK plc.

Some key initiatives include:

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

This is a Public Private Partnership between Ministry of Health, GSK and CARE. To date, the initiative has empowered 300 skilled birth attendants and 3,000 Community Health workers in Sunamganj District. The initiative has delivered very important milestones in the overall Maternal Child Health Sector in project area and made a positive change in overall health seeking behaviour.

Our partners include CARE, M&S, Friendship, icddr, b and the Ministry of Health and Family Welfare.

Key projects include:

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

Details of these initiatives are provided in CSR Section.

The Duke of Edinburgh's Awards (DEA)

The Company continued its support as one of the Founding Trustees of this international program. The program aims at providing the new generation with life skills and opportunity to participate in different extracurricular activities. This international award is now accessible at more than 80 private and public educational institutions in Dhaka, Chittagong and other divisional cities in the country. More than 15,000 awardees across the country are now part of the global DEA Alumni group.

14. Code of Conduct

The Board of Directors of the Company has adopted a Code of Conduct for the Directors and All employees. All employees are required to abide by the ethical code of conduct in relation to business and regulations. Throughout 2017, employees have demonstrated living the GSK values of **Integrity, Respect for People, Patient/Consumer Focus and Transparency**. Furthermore, 2017 unveiled the four new expectations from all employees: **Accountability, Courage, Development and Teamwork**. All employees are expected to demonstrate the above in their day-to-day operations.

The Sales and Marketing employees are further subject to an Emerging Markets and Asia Pacific Promotion and Marketing Code which has become firmly established as the cornerstone of Performance in line with the Integrity value. GSK requires that its sales and marketing employees not only follow the letter of the Code, but enthusiastically embrace its spirit with a firm policy of zero tolerance to deviations.

The Company has in place a Whistle Blower Policy named 'Speak Up' pursuant to which employees are empowered to 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

The present auditors, Messrs ACNABIN Chartered Accountants, will retire and are not eligible for further re-appointment as per Bangladesh Securities and Exchange Commission order no. SEC/CMRRCD/2009-193/Admin, dated 27 July 2011. The Board recommends Messrs Hoda Vasi Chowdhury & Co Chartered Accountants as the auditor of the Company for the year 2018 for approval at the 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 confirm that the Company has complied with all necessary guidelines in accordance with the requirement of SEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, with the exception that one of the Independent Director's post was vacant for more than 90 days. However, the position was filled within 153 days of vacancy. The Company proactively notified the Bangladesh Securities and Exchange Commission (BSEC) of the delay in appointing an Independent Director. The Corporate Governance Compliance Report for 2017 is attached in Annexure-III, along with the Certificate of Compliance required under said Guidelines.

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 Central Depository Bangladesh Limited, Financial Institutions, Insurance Companies, Utility Providers, various Government authorities and other individuals and agencies.

On behalf of the Board



David Pritchard
Chairman



Erum Shakir Rahim
Managing Director

6 March 2018

শেয়ারহোল্ডারদের কাছে পরিচালকগণের প্রতিবেদন

GlaxoSmithKline বাংলাদেশ লিমিটেড-এর পরিচালনা পরিষদ ২০১৭ সালের ৩১ ডিসেম্বর, সমাপ্ত অর্থবছরের কোম্পানির বার্ষিক প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণ একযোগে আনন্দের সাথে উপস্থাপন করছে।

পরিচালকদের এই প্রতিবেদনটি বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর ৭ আগস্ট ২০১২ তারিখের এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ নম্বর প্রজ্ঞাপন এবং কোম্পানি আইন ১৯৯৪-এর ১৮৪ নম্বর অনুচ্ছেদ অনুসারে গঠিত হয়েছে। উক্ত প্রতিবেদনটি ১৯ এপ্রিল, ২০১৮ তারিখে অনুষ্ঠিতব্য কোম্পানির চুয়াল্লিশতম বার্ষিক সাধারণ সভায় উপস্থিত সদস্যদের কাছে উপস্থাপন করা হবে।

২০১৭ সালে কনজুমার হেলথকেয়ার এবং ফার্মাসিউটিক্যালস ব্যবসা উভয় ক্ষেত্রেই প্রতিদ্বন্দ্বিতা আরও গভীরতর হয়েছে। বাহ্যিক বাধাগুলোকে প্রতিহত করতে এবং ব্যবসায় একটি প্রশংসনীয় পরিবর্তন আনতে কনজুমার হেলথকেয়ার বিভিন্ন কৌশলকে সমন্বিত করেছে। ফার্মাসিউটিক্যালস ব্যবসার উদ্যোগসমূহ রোগীদের স্বার্থ সংরক্ষণে মনোনিবেশ এবং কম্প্লায়েন্স নিশ্চিতকরণের মাধ্যমে পরিচালিত হয়েছে। শেয়ারহোল্ডারদের সর্বোচ্চ মুনাফা নিশ্চিত করার জন্য বেড়ে যাওয়া আইনগত জটিলতা, সরবরাহের প্রতিদ্বন্দ্বিতা এবং বর্ধিত প্রতিযোগিতামূলক বাজারের মুখেও কোম্পানি তার সর্বোচ্চ প্রচেষ্টা চালিয়ে গেছে। এই প্রতিবেদনটি কোম্পানি কর্তৃক সম্পাদিত প্রধান প্রধান ব্যবসায়িক কার্যক্রমসমূহ তুলে ধরছে এবং কর্পোরেট নিয়ন্ত্রণ সম্পর্কিত প্রয়োজনীয় তথ্যাবলি উপস্থাপন করছে।

১। কনজুমার হেলথকেয়ার

শিল্পখাতের গতি প্রকৃতি ও ভবিষ্যত সম্ভাবনা

২০১৭ সালে ২৬৭ বিলিয়ন টাকার ফাস্ট মুভিং কনজুমার গুড্‌স (এফএমসিজি)-এর বাজার বৃদ্ধি পেয়েছে ৫.৮% (উৎসঃ Nielsen)। সিংহভাগ অবদান এসেছে নন-ফুড ক্যাটেগরি (এফএমসিজি এর ৪৬%) থেকে যার টাকার অংকে প্রবৃদ্ধি ৭.১%, যেখানে ফুড ক্যাটেগরির প্রবৃদ্ধি (এফএমসিজি-এর ৫২%) ৪.৮%। ২০১৭ সালে বিক্রিত পরিমানের হিসাবে ৩.৩ বিলিয়ন মূল্যের হেলথ ফুড ড্রিংকস (এইচএফডি)-এর প্রবৃদ্ধি ছিল ২০১৬ সালের সমান। তারপরও GSK তার অর্জন অব্যাহত রেখেছে এবং হেলথ ফুড ড্রিংকস ক্যাটেগরিতে তার ৯২.১% মার্কেট শেয়ারকে আরও শক্তিশালী করেছে, যা কিনা ২০১৬ অপেক্ষা ৪% বেশি।

ব্যবসায়িক পারফরমেন্স

২০১৭ সালে কোম্পানির কনজুমার হেলথকেয়ার ব্যবসা বৃদ্ধি পেয়েছে ১০.৩%, প্রাথমিকভাবে যাকে নেতৃত্ব দিয়েছে Horlicks-এর ৬.৩% এবং Sensodyne-এর ৭৬% শক্তিশালী প্রবৃদ্ধি। সমান্তরাল আমদানির নিম্নমুখীতা এবং ভোক্তাদের

অধিকতর ব্যবহার ২০১৭ সালের দ্বিতীয়ার্ধে বিক্রয় প্রবৃদ্ধিতে সহায়তা করেছিল, ফলে H2'17-এ ১৭% সেকেন্ডারি বিক্রয় বৃদ্ধি পেয়েছিল, যা H1'17-এ ছিল ৬%। অধিকন্তু, কোম্পানিটি বিভিন্ন গণমাধ্যমে প্রচারণার দ্বারা খাদ্য ও পুষ্টিতে গুরুত্ব দেওয়া অব্যাহত রেখেছে। আমরা বিশ্বাস করি, যে সকল প্রধান প্রধান পণ্য ক্রেতাদের মধ্যে ব্র্যান্ডের প্রতি আস্থা দৃঢ় করবে সেগুলোকে সাশ্রয়ী করা হয়েছে। আমরা অতিরিক্ত ৪.০% মার্কেট শেয়ার অর্জন করেছি এবং হেলথ ফুড ড্রিংক ক্যাটেগরিতে ৯২.১% শেয়ার বজায় রেখেছি। সমান্তরাল আমদানির প্রবাহকে থামাতে আইনী পদক্ষেপ নেওয়ার জন্য কোম্পানিটি যথাযথ কর্তৃপক্ষের সাথে সমন্বয় সাধন অব্যাহত রেখেছে।

সকল ক্যাটেগরির মধ্যে Horlicks বাংলাদেশে শীর্ষ ব্র্যান্ডগুলোর তালিকায় নাম ধরে রেখেছে। বাংলাদেশ ব্র্যান্ড ফোরাম-এর বিবেচনায় Horlicks ছিল দেশের দ্বিতীয় সর্বোচ্চ পছন্দের ব্র্যান্ড এবং হেলথ ফুড ক্যাটেগরিতে ১ নম্বর ব্র্যান্ড। ভোক্তাদের প্রতি “পুষ্টির অঙ্গীকার” বাস্তবায়নে নিরবচ্ছিন্ন প্রত্যয়ের এটি একটি স্বীকৃতি স্বরূপ।

Sensodyne-এর প্রবৃদ্ধি অব্যাহত রয়েছে, এর প্রসার বাড়ছে এবং শহরাঞ্চলে এর অনুপ্রবেশ ৭%-এর ঘরে পৌঁছে গেছে।

বাংলাদেশে সঠিক পুষ্টির প্রাপ্যতা নিশ্চিত করতে প্রয়োজনীয় উদ্যোগ গ্রহণে কোম্পানি প্রতিজ্ঞাবদ্ধ।



২। ফার্মাসিউটিক্যাল ব্যবসা

শিল্পখাতের গতিবিধি ও সম্ভাবনা

২০১৭ সাল শেষে বাংলাদেশের ফার্মাসিউটিক্যালস বাজারের আনুমানিক আকার ছিল প্রায় ১৯০ বিলিয়ন টাকা। দীর্ঘ-মেয়াদে বাজারের আকার (বিক্রয়কৃত ওষুধের পরিমাণের হিসাবে) প্রবৃদ্ধি ১০% এর কাছাকাছি এসে স্থির হচ্ছে বলে প্রতীয়মান হচ্ছে (৫ বছরের সিএজিআর)। টাকার অংকে এর প্রবৃদ্ধি আরো বেশি, আগামী বছরগুলোতে সেটি ১৫% এর কাছাকাছি থাকবে বলে শিল্প বিশেষজ্ঞদের অনুমান। এটা প্রধানত নতুন ধরনের ওষুধ বাজারজাতকরণ ও উচ্চ মূল্য ক্যাটেগরির প্রবৃদ্ধি দ্বারা পরিচালিত। স্থানীয় প্রস্তুতকারকদের মাধ্যমে এ ধরনের উন্নত সংস্করণের ওষুধের দ্রুত পরিচিতি, চিকিৎসক এবং রোগীদের মধ্যে এর অংশগ্রহণ ও জনপ্রিয়তা অর্জন এবং স্থানীয় প্রস্তুতকারকদের জন্য একটি সহায়ক নীতি নিয়ন্ত্রণ (বাংলাদেশের জন্য বিরাজমান পেটেন্ট স্বত্বত্যাগের অধীন) এই অনুমানকে ভিত্তি দিয়েছে। সাম্প্রতিক সময়ে স্থানীয় প্রস্তুতকারকেরা আমেরিকার মতো নিয়ন্ত্রিত বাজারে ওষুধ রপ্তানি করে সফলতার মুখ দেখছে। একই সময়ে, শিল্পটি বায়োসিমিলারসমূহের (যেমন- ভ্যাকসিন) মতো জটিল পণ্য তৈরির জন্য স্থাপনা সম্প্রসারণের উপর উল্লেখযোগ্য উদ্যোগ প্রত্যক্ষ করছে। অন্যদিকে দীর্ঘ-প্রতীক্ষিত এপিআই (অ্যাক্টিভ ফার্মাসিউটিক্যাল ইনগ্রিডিয়েন্ট) পার্ক এখন ব্যবহারের জন্য প্রস্তুত।

এমন সহায়ক অব এবং পরিকাঠামো, উন্নত পণ্য প্রস্তুত করার ক্ষমতা এবং বিশ্ব বাণিজ্য সংস্থা (ডাব্লিউটিও) কর্তৃক ২০৩২ সাল পর্যন্ত পেটেন্টের স্বত্ব ত্যাগের সম্প্রসারণ-বাংলাদেশের ফার্মাসিউটিক্যালস শিল্পকে আগামী দশকজুড়ে স্থানীয় প্রস্তুতকারকদের জন্য বিশেষভাবে আকর্ষণীয় করে রাখবে।

ব্যবসায়িক পারফরমেন্স

২০১৭ সালে ফার্মাসিউটিক্যালস ব্যবসা সফলতা এবং প্রতিদ্বন্দ্বিতার মিশ্র একটি সময় পার করে এসেছে। টপিকাল লাইনে অতিরিক্ত শিফট চালু করার মাধ্যমে চট্টগ্রাম সাইটে আমাদের স্থানীয়ভাবে উৎপাদিত পণ্যসমূহের উৎপাদন ক্ষমতা এবং সরবরাহ নির্ভরযোগ্যতা বছরের দ্বিতীয়ার্ধে উল্লেখযোগ্যভাবে উন্নতি লাভ করেছে। যার ফলে ৪%-এর একটি পরিণত ব্যবসায়িক প্রবৃদ্ধি সম্ভব হয়। এর ফলে, যথেষ্ট পরিণত ক্যাটেগরির হওয়া সত্ত্বেও ঐতিহ্যবাহী Betnovate রেঞ্জের ক্ষেত্রে দুই অংকের প্রবৃদ্ধি নিবন্ধিত হয়। তবে স্থানীয়ভাবে উৎপাদিত ওষুধের ব্যবসায়িক এই

সাফল্য আমদানীকৃত ওষুধের ব্যবসায় নানাবিধ চ্যালেঞ্জের কারণে প্রিয়মান হয়ে পড়ে। কেননা আমদানীকৃত ওষুধের ব্যবসা, দেশে উৎপাদিত স্বল্পমূল্যের অথচ অধিক রিসোর্স-গ্রাসী ক্ল্যাসিক পোর্টফোলিও-এর তুলনায়, শেয়ারহোল্ডারদের জন্য অধিক ভালু সৃষ্টি করে।

২০১৭ সালে GSK বাংলাদেশের মূখ্য থেরাপি এরিয়া রেসপিরেটরি এবং অ্যালার্জি বাজারে এক অভূতপূর্ব প্রতিকূলতার মুখোমুখি হয়েছে। আমাদের দুটি প্রধান পণ্য- Seretide Evohaler এবং Engerix B'কে উল্লেখযোগ্য আমদানি প্রতিবন্ধকতার সম্মুখীন হতে হয়, যার ফলে দুই অংকের খনাত্মক প্রবৃদ্ধি ঘটে। স্থানীয়ভাবে তৈরি Ventolin প্রবৃদ্ধির তালিকায় আসতে সক্ষম হলেও Seretide না থাকার কারণে ঘটে যাওয়া আর্থিক ক্ষতি এটি সামলে উঠতে পারে নি।

GSK বাংলাদেশের আরেকটি গুরুত্বপূর্ণ থেরাপি এরিয়া হলো ভ্যাকসিন, আপেক্ষিকভাবে যেখানে নতুন দুটি ভ্যাকসিন Cervarix এবং Rotarix সফলতার সাথে দুই অংকের প্রবৃদ্ধির তালিকায় এসেছে। কিন্তু প্রতিষ্ঠিত ভ্যাকসিন ব্র্যান্ড Engerix-B-কে Seretide Evohaler-এর মতো একই রকম আমদানি প্রতিবন্ধকতার সম্মুখীন হতে হয়।

সর্বোপরি, Varilrix এবং Rabipur-এর পুনরাগমন বছর শেষে ভ্যাকসিন পোর্টফোলিওতে কিছু ইতিবাচক প্রবৃদ্ধি আনতে সাহায্য করে, যদিও খুচরা মূল্য অনুমোদন এবং লট রিলিজ প্রক্রিয়ায় জটিলতা বৃদ্ধির কারণে এতে অনেক বিলম্ব হয়।

বাহ্যিক বাধাগুলোকে অতিক্রম করতে, কোম্পানিটি যথাযথ কর্তৃপক্ষ এবং স্টেকহোল্ডারদের সাথে সমন্বয়-সাধন অব্যাহত রাখে, যাতে বাংলাদেশের রোগীদের জন্য উচ্চ মানসম্পন্ন গ্লোবাল ঔষধ সরবরাহ করার ক্ষেত্রে বহুজাতিক কোম্পানিগুলোর সমান সুযোগের অবস্থান সৃষ্টি সম্ভব হয়।

৩। উৎপাদন

২০১৭ সালটি চট্টগ্রামে GMS-এর জন্য ছিল একটি চ্যালেঞ্জিং বছর। এর কারণ ছিল কাঁচামালের নিয়ন্ত্রিত যোগান, অভ্যন্তরীণ কমপ্রায়স এবং নিয়ন্ত্রক কর্তৃপক্ষের বর্ধিত প্রত্যাশা। বানিজ্যিক সুযোগের সদ্ব্যবহার নিশ্চিতকরণে সহায়তা দানের জন্য ২০১৭ সালে সাইটে প্রথম বারের মতো টপিক্যাল ম্যানুফ্যাকচারিং এবং প্যাকেজিং-এ তিনটি পূর্ণ শিফট অপারেশন চালু করা হয়।





গত কিছু বছর থেকে এই সাইট তার কোয়ালিটি সিস্টেম এবং পদ্ধতি, প্রযুক্তিগত এবং উৎপাদন সুযোগ-সুবিধা, সাংগঠনিক সামর্থ্য এবং সংস্কৃতি উন্নত করার প্রক্রিয়া চালিয়ে যাচ্ছে। সুদীর্ঘ কোয়ালিটি

ইম্প্রুভমেন্ট প্রোগ্রামস (কিউআইপি)-এর মাধ্যমে এটি সহায়তা পেয়ে যাচ্ছে। ২০১৭ সালে চট্টগ্রাম সাইট-এর রিমেডিয়েশন কার্যক্রম সফলতার সাথে সম্পন্ন করার মাধ্যমে একটি গুরুত্বপূর্ণ মাইলস্টোন অর্জিত হয়েছে।



২০১৭ সালে সাইটটি বিনিয়োগ অব্যাহত রাখে এবং বর্তমান গুড ম্যানুফ্যাকচারিং প্র্যাক্টিস (cGMP)-এর অধীন ফার্মাসিউটিক্যাল কম্প্লায়েন্স প্রয়োজনীয়তাগুলোর সাথে সঙ্গতি রেখে উৎপাদন ক্ষমতা বৃদ্ধির মাধ্যমে এর সুযোগ সুবিধা উন্নত করে। GSK সিস্টেমস-এ বিনিয়োগের মাধ্যমে ডেটা ইন্টেলিজেন্স (ডিআই) নিশ্চিত করতে বিভিন্ন উদ্যোগ নেওয়া হয়েছিল, যেমন একটি সিডিএস (ক্রোমাটোগ্রাফিক ডেটা সিস্টেম), সিডিএমএস (কন্ট্রোল ডকুমেন্ট ম্যানেজমেন্ট সিস্টেম) এবং সিএমএমএস (কম্পিউটারাইজড মেন্টেনেন্স ম্যানেজমেন্ট সিস্টেম)।

একটি শক্তিশালী নিরাপদ উৎপাদন সংস্কৃতি গঠন করতে এবং সেফটি ইম্প্রুভমেন্ট প্রোগ্রাম (এসআইপি)-এর অংশ হিসেবে, GMS চট্টগ্রাম নির্ধারণকৃত পেশাগত স্বাস্থ্যবিধি, যন্ত্রপাতির দৈহিক প্রহরা, চলাফেরার দৈহিক সংশ্লিষ্টতা এবং স্বাস্থ্য সংক্রান্ত বিষয়ের উপর আরও গুরুত্ব আরোপ করেছে। সাইটটি “শূন্য”

লস্ট টাইম ইঞ্জুরি অ্যান্ড ইলনেন্স (এলটিআইএন্ডআই) দিয়ে ২০১৭ সাল শেষ করে। এটি জিরো অ্যাক্সিডেন্ট প্রমোশন (জেডএপি)-এর অংশ হিসেবে অনিরাপদ অবস্থা, অনিরাপদ আচরণ এবং ছোটখাটো ভুলত্রুটির অবসান ঘটনার ফলাফল। সাইটটি পানি সংরক্ষণে উল্লেখযোগ্য উন্নতি লাভ করে, বিগত বছরের তুলনায় ৯% বেশি উন্নয়ন অর্জন করে।

আমাদের কার্যকলাপ সহজতর করতে এবং কার্যকারিতা ও দক্ষতার উন্নয়নে আমরা কাজের নতুন পদ্ধতি গ্রহণ অব্যাহত রাখবো। একটি সুস্থ সংস্কৃতি প্রতিষ্ঠা, GSK-এর মূল্যবোধের সাথে সঙ্গতিপূর্ণ জীবনধারণ ও আচরণ, স্বাস্থ্যের প্রতি মনোযোগ, নিরাপত্তা এবং পরিবেশ, রোগীদের মঙ্গলের জন্য গ্রাহকসেবা নিশ্চিত করতে আমরা প্রতিজ্ঞাবদ্ধ।



৪। GSK মানব সম্পদ

একটি পারফরমেন্স-ভিত্তিক সংস্কৃতি এবং GSK-এর নতুন কর্ম পদ্ধতি তৈরিতে হিউম্যান রিসোর্স (এইচআর) বিভাগ নিরন্তর সহায়তা করে চলেছে।

GSK বাংলাদেশ বিভিন্ন বিশ্ববিদ্যালয়ে তার এম্প্লয়ার ব্র্যান্ডিং-এর যাত্রা অব্যাহত রেখেছে এবং আমরা আনন্দের সাথে জানাতে চাই যে, নিলসেন ক্যাম্পাস রিক্রুটমেন্ট ইনডেক্স ২০১৬, ইন্ডাস্ট্রিতে কাজ করার ক্ষেত্রে শীর্ষ ১০টি সর্বোচ্চ পছন্দের কোম্পানির মধ্যে GSK-কে স্থান দিয়েছে।



সকল বিজনেস ইউনিটে (বিইউ) কোম্পানিটি তার অগ্রগণ্য 'ফিউচার লিডার প্রোগ্রাম' অব্যাহত রেখে কনজুমার হেলথকেয়ার, ফার্মাসিউটিক্যাল এবং গ্লোবাল ম্যানুফ্যাকচারিং অ্যান্ড সাপ্লাই (জিএমএস)-এর জন্য এই বছর আমরা চারজন নতুন এফএলপি প্রশিক্ষণার্থী নিয়োগ করেছি। আমরা আনন্দের সাথে জানাচ্ছি যে, এই এফএলপি প্রশিক্ষণার্থীদের দুইজনকে GSK-এর গ্লোবাল গ্র্যাজুয়েট এডভাইজরি বোর্ডে অভিষিক্ত করা হয়, যা বাংলাদেশে উচ্চমানের এফএলপি নিয়োগে সাফল্যের পরিচায়ক।

২০১৭ সালে আমরা আমাদের লাইন ব্যবস্থাপকদের কর্মদক্ষতা উন্নয়নের এবং প্রত্যয় অনুসারে ফার্স্ট লাইন লিডার (এফএলএল) এবং ফার্স্ট লাইন সেলস লিডারদের (এফএলএসএল) জন্য একাধিক কর্মশালা করেছি। ২০১৭ সালে পরিচালিত অন্যান্য প্রশিক্ষণ কর্মসূচীর মধ্যে ছিল- লাইন ব্যবস্থাপকদের প্রশিক্ষণ সক্ষমতা উন্নয়নকে গুরুত্ব দিয়ে "প্র্যাক্টিক্যাল কোচিং এন্ড ট্রেনিং প্লান"; একাধিক-কাজ এবং ডিমান্ডিং কাজ পরিচালনা করতে কর্মচারীদের প্রস্তুত করার উপর গুরুত্ব দিয়ে "এমপ্লয়ী রেজিলিয়েন্স" প্রশিক্ষণ এবং সুস্থ ও স্বাস্থ্যবান রাখতে দৈনিক ও মানসিক কল্যাণে সচেতনতা তৈরির উপর গুরুত্ব দিয়ে "এনার্জি ফর পারফরমেন্স"।

কোম্পানি বৈচিত্র্য এবং নারী ক্ষমতায়নে গুরুত্ব আরোপ অব্যাহত রেখেছে। নারীর ব্যক্তিগত উন্নয়ন উৎসাহিত করতে এবং ব্যবসায় অবদান রাখতে এই উদ্যোগের অধীনে নারী কর্মচারীদের জন্য কোম্পানি প্লাটফর্ম তৈরি করে দিয়েছে। উল্লেখযোগ্য সাফল্যের মধ্যে রয়েছে, চট্টগ্রাম টিম কর্তৃক দক্ষিণ এশিয়ার আঞ্চলিক GPS চ্যাম্পিয়ন অ্যাওয়ার্ড জয়।

"লেটস টক" সেশন-এর মাধ্যমে কোম্পানি কর্মচারীদের সাথে অংশীদারিত্বের অঙ্গীকার অব্যাহত রেখেছে, যেখানে কোম্পানির পারফরমেন্স এবং প্রতিদ্বন্দ্বিতা শেয়ার করা হয় এবং কর্মচারীদেরকে তাদের দৃষ্টিভঙ্গি শেয়ার করতে উৎসাহিত করা হয়। বার্ষিক সভায় ব্যবসায়িক ইউনিটগুলো কোম্পানির লক্ষ্য অর্জনের ব্যবহারিক কৌশলসমূহ আলোচনা করে থাকে। বার্ষিকভাবে পুরস্কার এবং স্বীকৃতি প্রদানের মাধ্যমে কর্মকর্তা-কর্মচারীদের উৎসাহ প্রদানের ধারা বৃদ্ধি পেয়েছে। ২০১৭ সালে GSK প্রতিটি বিইউ-তে "এমপ্লয়ী এনগেজমেন্ট সার্ভে"-র ফলাফলে উল্লেখযোগ্য উন্নতি অর্জন করেছে, সেটি কোম্পানির কর্ম পরিবেশ এবং কর্মদক্ষতা তৈরিতে অব্যাহত প্রচেষ্টার প্রতিফলন।

৫। আর্থিক ফলাফল

পরিচালকগণ অত্যন্ত আনন্দের সাথে ২০১৭ সালের ৩১ ডিসেম্বর অনুযায়ী বছরান্তের আর্থিক ফলাফল উপস্থাপন করছে।

কোম্পানির নিট বিক্রয়ের পরিমাণ ৬,৭৯৭ মিলিয়ন টাকা, যা পূর্ববর্তী বছরে ছিলো ৬,২৮৪ মিলিয়ন টাকা। ২০১৬ সালের তুলনায় ৮.২% প্রবৃদ্ধি পরিলক্ষিত হয়। ফার্মাসিউটিক্যালস এবং কনজুমার হেলথকেয়ার-উভয় ব্যবসাই নিয়ন্ত্রকও নীতি নির্ধারণী সংস্থার বর্ধিত বাধার সম্মুখীন হয়েছে। কনজুমার হেলথকেয়ার ব্যবসা বছরের দ্বিতীয়ার্ধে বাজারে পণ্যের বিক্রি সাফল্যের সাথে বাড়িয়ে ক্ষতি পুষিয়ে নেয়। অন্যদিকে, সাপ্লাই চেইন-এ বেড়ে যাওয়া বিল্লের কারণে ফার্মাসিউটিক্যাল ব্যবসায় প্রবৃদ্ধির প্রসার নিম্ন।

বিবরণ	২০১৭	২০১৬
বিক্রয়লব্ধ আয়	৬,৭৯৬,৫৫৯	৬,২৮৪,০১৫
বিক্রয়ের খরচ	(৪,১৬১,০৫২)	(৩,৮৩৪,০৩১)
গ্রস মুনাফা	২,৬৩৫,৫০৭	২,৪৪৯,৯৮৪
কর পূর্ব মুনাফা	৯৪৭,৬০১	৮৪৫,৫৫৯
বিয়োগ: করের প্রভিশন	(২৭৮,২৯৭)	(২০১,০০৫)
কর পরবর্তী নিট মুনাফা	৬৬৯,৩০৪	৬৪৪,৫৫৪
অন্যান্য সমন্বিত আয়/(লোকসান), কর-পরবর্তী	(২২,৪৩৪)	-
যোগ: পূর্ববর্তী বছর হতে আগত অবশিষ্ট মুনাফা	২,৪০০,৬৯৩	২,৪১৮,৬৯৪
মোট বন্টনযোগ্য পরিমাণ	৩,০৪৫,৫৬৩	৩,০৬৩,২৪৮
আ্যোপ্রিয়েশন:		
পূর্ববর্তী বছরের জন্য পরিশোধিত লভ্যাংশ	(৬০২,৩২২)	(৬৬২,৫৫৫)
বছর শেষে ক্রেডিট রিটেইন্ড আয়	২,৪৪৫,২৪০	২,৪০০,৬৯৩
এবছরের জন্য প্রস্তাবিত লভ্যাংশ	(৬৬২,৫৫৫)	(৬০২,৩২২)
(২০১৭: ৫৫০%; ২০১৬: ৫০০%)		
প্রস্তাবিত লভ্যাংশ পরবর্তী রিটেইন্ড আয়	১,৭৮২,৬৮৫	১,৭৯৮,৩৭১
অর্থের পরিমাণ টাকায় ০০০		

উচ্চ মানের কাঁচামাল এবং প্যাকেজিং সামগ্রী নিশ্চিত করতে ব্যবসায় বিক্রয় খরচ উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে, উৎপাদন অবকাঠামো উন্নয়নে পূর্বের বিনিয়োগ এবং উৎপাদন খরচ বৃদ্ধিতে ভূমিকা রেখেছে। স্বেচ্ছাধীন ব্যয় যৌক্তিকভাবে নিয়ন্ত্রণের মাধ্যমে পরিচালনা ব্যয় মুদ্রাস্ফীতি হারের নিচে রাখা হয়েছিল। সার্বিকভাবে কর পরবর্তী মুনাফা ৩.৮% বৃদ্ধি পেয়ে ৬৬৯ মিলিয়ন টাকায় এসে দাঁড়িয়েছে। অনুরূপভাবে, প্রতিবেদন বছরের ইপিএস (আর্নিং পার শেয়ার) ৫৩.৫১ টাকা থেকে ৫৫.৫৬ টাকা হয়েছে।

৬। লভ্যাংশ

উপরের বিষয়গুলো বিবেচনা করে, পরিচালনা পরিষদ ২০১৭ সালের জন্য ৫৫০%, অর্থাৎ প্রতি ১০.০০ টাকার শেয়ারে ৫৫.০০ টাকার চূড়ান্ত লভ্যাংশ প্রদানের সুপারিশ করেছে। সুপারিশকৃত লভ্যাংশ, যদি বার্ষিক সাধারণ সভায় সদস্যরা অনুমোদন করেন তবে ৬৬২.৫৫ মিলিয়ন টাকার নগদ বহি: প্রবাহ হবে।

৭। পরিচালকদের ডিস্কোজার এবং ঘোষণা

বার্ষিক প্রতিবেদনের পরবর্তী একটি অংশে সম্পূর্ণ আর্থিক বিবরণ ও ডিস্কোজারের সম্পূর্ণ টাকাসমূহ উপস্থাপন করা হলো। পরিচালনা পরিষদ আনন্দের সাথে নিচের ডিস্কোজার আপনাদের কাছে উপস্থাপন করছে:

- ক) কোম্পানির পরিচালকবর্গ কর্তৃক তৈরি আর্থিক বিবরণে পক্ষপাতহীনভাবে এর সামগ্রিক অবস্থা, কাজের ফলাফল, ক্যাশ ফ্লো এবং ইকুইটিতে পরিবর্তন সম্পর্কিত তথ্য উপস্থাপন করা হয়েছে;
- খ) কোম্পানির অ্যাকাউন্টসমূহের উপযুক্ত হিসাবনিকাশ সংরক্ষণ করা হয়েছে;
- গ) আর্থিক বিবরণ তৈরিতে যথাযথ হিসাবরক্ষণ নীতিমালা সামঞ্জস্যপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবরক্ষণ প্রাক্কলনসমূহ যুক্তিসঙ্গত ও দূরদর্শী বিবেচনার ভিত্তিতে করা হয়েছে;

- ঘ) ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস) যেভাবে বাংলাদেশে প্রযোজ্য, সেভাবেই আর্থিক বিবরণ তৈরিতে একই মানদণ্ড অনুসরণ করা হয়েছে এবং সেখান থেকে যেকোনো প্রকার বিচ্যুতি যথাযথভাবে উপস্থাপন করা হয়েছে;
- ঙ) ত্রৈমাসিক আর্থিক পারফরমেন্স এবং বার্ষিক আর্থিক প্রতিবেদনের মধ্যে উল্লেখযোগ্য কোনো পার্থক্য নেই;
- চ) কোম্পানির বিগত বছরের পরিচালনা ফলাফলের সকল বিচ্যুতি উপরের (ঙ) পয়েন্টের অধীনে নির্দেশ করা হয়েছে;
- ছ) সংশ্লিষ্ট পক্ষদের সাথে সকল লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে। এই ভিত্তিটি ছিল “আর্মস লেংথ ট্রান্স্যাকশন”-এর নীতি। সংশ্লিষ্ট পক্ষের সাথে লেনদেনসমূহ টীকা আকারে আর্থিক প্রতিবেদনে উপস্থাপন করা হয়েছে;
- জ) কোম্পানিটি বোর্ড মিটিং-এ উপস্থিতি সম্মানী হিসেবে বছরে মোট ২০০,০০০ টাকা পরিশোধ করেছে। আর্থিক প্রতিবেদনের টীকায় পরিচালকগণের সম্মানী উল্লেখ করা হয়েছে;
- ঝ) বছর জুড়ে অস্বাভাবিক কোনো লাভ বা লোকসান ছিলো না;
- ঞ) পাবলিক ইস্যু হতে প্রাপ্ত অর্থের ব্যবহার প্রযোজ্য নয়;
- ট) IPO পরবর্তী আর্থিক ফলাফলের ব্যাখ্যা প্রযোজ্য নয়;
- ঠ) বিগত পাঁচ বছরের (২০১৩-২০১৭) সংক্ষিপ্ত প্রধান প্রধান পরিচালন এবং আর্থিক তথ্য Annexure- 1-তে উপস্থাপন করা হয়েছে।

পরিচালকগণ প্রতিবেদনে আরও জানাচ্ছেন যে-

- ক) পরিষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেছেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং এই আর্থিক প্রতিবেদনে তাদের সর্বোচ্চ জানামতে প্রাণিধানযোগ্য গুরুতর অসত্য কোন বিবরণ নেই বা গুরুত্বপূর্ণ সত্য বাদ দেওয়া হয় নি বা ভুল পথে পরিচালিত করতে পারে-এমন কোনো বিবৃতি প্রদাণ করা হয় নি।
- খ) পরিষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক প্রত্যয়ন করেছেন যে, তারা এই বছরের আর্থিক প্রতিবেদন পর্যালোচনা করেছেন এবং এই প্রতিবেদনটি একই সাথে কোম্পানির কর্মকান্ডের একটি সত্য ও নিরপেক্ষ চেহারা উপস্থাপন করে এবং বিদ্যমান ৮টি হিসাবরক্ষণ আদর্শ ও প্রযোজ্য আইন অনুসারে পরিচালিত হয় বলে তারা বিশ্বাস করেন।
- গ) পরিষদের কাছে ব্যবস্থাপনা পরিচালক এবং অর্থ পরিচালক আরও প্রত্যয়ন করেছেন যে, কোন ধরণের প্রতারণামূলক বা বেআইনী বা কোম্পানির আচরণ বিধি লঙ্ঘন করে এই বছরে কোন ধরনের লেনদেন করা হয় নি বলে সর্বতোভাবে তারা বিশ্বাস রাখেন।

৮। ঝুঁকি এবং উদ্বেগসমূহ

কোম্পানির ব্যবসায়িক ঝুঁকি নিয়ন্ত্রণের জন্য একটি শক্তিশালী ব্যবস্থাপনা পদ্ধতি রয়েছে। কর্পোরেট গভর্নেন্স অধ্যয়ন এবং আর্থিক প্রতিবেদনের টীকায় এগুলো বর্ণনা করা হয়েছে।

৯। অভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানি যথেষ্ট শক্ত অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি বজায় রাখে, যা যেকোনো ধরণের ক্ষতির বস্তুগত ভুল বিবৃতি নিরোধে যৌক্তিক আস্থা প্রদান করে। প্রত্যেক সভায় অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো অডিট কমিটি কর্তৃক নিয়মিত পর্যালোচনা করা হয় এবং পরিচালনা পরিষদের কাছে প্রতিবেদন দেওয়া হয়। কোম্পানির নির্বাহী কমিটি ত্রৈমাসিক ভিত্তিতে অভ্যন্তরীণ নিয়ন্ত্রণ এবং ঝুঁকি ব্যবস্থাপনা পদ্ধতি পর্যালোচনা করে। এই বছর ফার্মাসিউটিক্যাল-এর বাণিজ্যিক কার্যক্রমকে GSK গ্লোবাল অডিট-এর দ্বারা নিরীক্ষণ করা হয়। এই অডিট উচ্চমাত্রার প্রো-অ্যাক্টিভিটি এবং সার্বিক কম্প্লায়েন্স পরিবেশ বজায় রাখতে কোম্পানি যথেষ্ট গুরুত্ব দেয় বলে মূল্যায়ন করে। অডিটে উল্লেখযোগ্য বিচ্যুতি জটিলতা পরিলক্ষিত হয় নি, তবে কিছু নিয়ন্ত্রণ কাঠামো উন্নয়নের সুপারিশ করা হয়েছে। এই প্রতিবেদনটির একটি অংশে পরবর্তী অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামোর উপর একটি বিশদ বিবরণ উপস্থাপন করা হয়েছে।

১০। গোয়িং কনসার্ন

পরিচালকগণ মতামত দিয়েছেন যে, কোম্পানিটি একটি গোয়িং কনসার্ন এবং গোয়িং কনসার্ন হিসাবে কোম্পানিটি পরিচালনার বিষয়ে কোন বিশেষ সন্দেহের কোন অবকাশ নেই। তদানুসারে, আর্থিক বিবরণ গোয়িং কনসার্ন-এর ভিত্তিতে প্রস্তুত করা হয়েছে।

১১। জাতীয় কোষাগারে অবদান

কোম্পানিটি প্রতি বছর শুল্ক এবং কর আকারে জাতীয় কোষাগারে একটি উল্লেখযোগ্য অবদান রাখে। ২০১৭ সালে GlaxoSmithKline বাংলাদেশ লিমিটেড সরকারি কোষাগারে মোট ১৯৯৪ মিলিয়ন টাকার অবদান রেখেছে।

১২. পরিচালনা পরিষদ এবং শেয়ারহোল্ডিং তথ্য

পরিষদের গঠন এবং আকার

৩১ ডিসেম্বর, ২০১৭ তারিখ পর্যন্ত পরিষদে ৭জন সদস্য ছিলেন। পরিষদটি নির্বাহী ও অনির্বাহী পরিচালকদের সমন্বয়ে গঠিত। অনির্বাহী পরিচালকেরা পরিষদের আলোচনা এবং সিদ্ধান্তে স্বাধীন মতামত প্রকাশ করে থাকেন। ব্যবস্থাপনা পরিচালকসহ চারজন পরিচালক নির্বাহী পরিচালকের দায়িত্বে রয়েছেন। ৩জন অনির্বাহী পরিচালক রয়েছেন, যার মধ্যে একজন স্বতন্ত্র পরিচালক। ২০১৭ সালে একটি পদ খালি হবার কারণে বিএসইসি কর্তৃক জারিকৃত কর্পোরেট গভর্নেন্স নির্দেশনার শর্ত পূরণের জন্য ১ ফেব্রুয়ারি, ২০১৮ তারিখে ১জন স্বতন্ত্র পরিচালক নিয়োগ করা হয়।

পরিষদ সভা এবং উপস্থিতি

২০১৭ সালে ৬টি (ছয়টি) সভা অনুষ্ঠিত হয়। পরিষদের সভায় পরিষদের গঠন এবং সদস্যদের উপস্থিতি নিম্নলিখিত ছকে দেখানো হলো:

পরিচালকগণের নাম	পরিষদ সদস্য থাকাকালীন অনুষ্ঠিত সভার সংখ্যা	সভায় উপস্থিতি	মন্তব্য
জনাব ডেভিড প্রিচার্ড	৬	১	
জনাব ইরাম শাকির রাহিম	৬	৫	
জনাব মাসুদ খান	৬	৬	
জনাব জিনিয়া তানজিনা হক	৬	৬	
জনাব রাজিব বড়ুয়া	৬	৫	
জনাব গোপালকৃষ্ণমান ভেংকটরামানি	৫	১	অবসরপ্রাপ্ত, ২২ শে অক্টোবর ২০১৭ থেকে কার্যকর
জনাব প্রশান্ত পাণ্ডে	১	১	২২ অক্টোবর ২০১৭ থেকে নিয়োগ কার্যকর
জনাব মো. ইফতিখার-উজ্জ-জামান	৫	৫	অবসরপ্রাপ্ত, ২২ শে অক্টোবর ২০১৭ থেকে কার্যকর
জনাব কাজী সানাউল হক	১	১	২২ অক্টোবর ২০১৭ থেকে নিয়োগ কার্যকর
জনাব মো. মেজবাহ উল হক	৫	০	১ সেপ্টেম্বর ২০১৭ থেকে পদত্যাগ কার্যকর

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

নিযুক্ত/পুনঃনিযুক্ত পরিচালকদের বিবরণ:

কোম্পানি আইন ১৯৯৪-এর ধারা ৯১ (২) এবং কোম্পানির আটিক্যালস অব এ্যাসোসিয়েসন-এর ৮৫ নং ধারা অনুসারে ব্যবস্থাপনা পরিচালক ব্যতীত এক-তৃতীয়াংশ পরিচালককে প্রতি বার্ষিক সাধারণ সভার রোটেশন অনুযায়ী অবসর নিতে হবে এবং যোগ্য হলে পুনরায় নির্বাচনের জন্য বিবেচিত হবেন।

তদানুসারে, রোটেশনে অবসর নিচ্ছেন পরিচালক জনাব জিনিয়া তানজিনা হক, যিনি যোগ্যতাবলে পুনরায় নির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

কোম্পানির আটিক্যালস অব এ্যাসোসিয়েসন-এর ধারা নং ৮৯ অনুযায়ী, ক্যাজুয়াল ভ্যাকান্সিতে নিযুক্ত পরিচালক বা অতিরিক্ত পরিচালক আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য হলে পুনরায় নির্বাচনের জন্য বিবেচিত হবেন।

তদানুসারে, গত বার্ষিক সাধারণ সভা থেকে পরিষদে নিযুক্ত জনাব প্রশান্ত পাণ্ডে ও জনাব কাজী সানাউল হক অবসর গ্রহণ করেন এবং যোগ্যতাবলে নিজেদেরকে পুনঃনির্বাচন করার প্রস্তাব দেন।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর আগস্ট ২০১২ এর ৭ তারিখের এসইসি/সিএমআরআরসিডিডি/২০০৬-১৫৮/এডমিন/৪৪ নম্বর বিজ্ঞপ্তি অনুযায়ী, ১ ফেব্রুয়ারি, ২০১৮ থেকে পরিষদ লিডে বাংলাদেশ লিমিটেড-এর ব্যবস্থাপনা পরিচালক জনাব মো. মহসীন উদ্দীন আহমেদকে স্বতন্ত্র পরিচালক হিসেবে নিয়োগ দিয়েছে। বিজ্ঞপ্তি অনুযায়ী, পরবর্তী বার্ষিক সাধারণ সভাতে অংশগ্রহণকারী সদস্যদের কাছে কোম্পানি এ ধরনের পরিচালক নিয়োগের অনুমোদন চাইবে।

জনাব জিনিয়া তানজিনা হক, জনাব প্রশান্ত পাণ্ডে, জনাব কাজী সানাউল হক এবং জনাব মহসীন উদ্দীন আহমেদ-এর সংক্ষিপ্ত বিবরণ নিচে দেওয়া হলো:

জিনিয়া তানজিনা হক

জিনিয়া তানজিনা হক GSK বাংলাদেশ লিমিটেড-এর সাথে আগস্ট ২০১৪ সাল থেকে কর্মরত আছেন। ২০১৪ সালের নভেম্বরে তিনি GSK বাংলাদেশের অর্থ পরিচালক হিসেবে পরিষদে যোগ দেন। অর্থ বিষয়ক পেশায় পেশাজীবী হিসাবে প্রগতিশীল নেতৃত্বের ভূমিকায় তার ১৭ বছরের অভিজ্ঞতা রয়েছে। GSK -তে যোগদানের পূর্বে তিনি ব্রিটিশ আমেরিকান টোব্যাকো-বাংলাদেশে কাজ করেছেন। জিনিয়া ব্রিটিশ আমেরিকান টোব্যাকোর সিঙ্গাপুর শাখার সাপ্লাই হবে ফাইন্যান্স লিড হিসেবেও কাজ করেছেন। তিনি ব্রিটেন-এর চার্টার্ড ইনস্টিটিউট অফ ম্যানেজমেন্ট অ্যাকাউন্টস-এর একজন স্বীকৃত হিসাবরক্ষক এবং ইনস্টিটিউট অফ কস্ট অ্যান্ড ম্যানেজমেন্ট অ্যাকাউন্টস অফ বাংলাদেশ এবং ইনস্টিটিউট অফ ইন্টারনাল অডিটরস, বাংলাদেশ-এর সদস্য। জিনিয়া ঢাকা বিশ্ববিদ্যালয়ের ব্যবসায় প্রশাসন ইনস্টিটিউট (আইবিএ)-এর একজন স্নাতক।

প্রশান্ত পাণ্ডে

অক্টোবর ২০১৭ সালে GSK বাংলাদেশ পরিষদে জনাব প্রশান্ত পাণ্ডেকে অন্তর্ভুক্ত করা হয়। বর্তমানে তিনি MyBan (মিয়ানমার, বাংলাদেশ, নেপাল) এর জেনারেল ম্যানেজার হিসাবে কর্মরত আছেন। এর আগে তিনি তার সেলস ও মার্কেটিং এবং মার্কেটিং বিষয়ের দক্ষতার জন্য ভারতের গুরগাওয়ে নিউট্রিশন এবং ডাইজেস্টিভ হেলথ বিভাগের আঞ্চলিক মার্কেটিং পরিচালক নিযুক্ত ছিলেন। জনাব প্রশান্ত জুলাই ২০০৮-এ ভারতের নিউট্রিশন বিভাগের প্রধান হিসাবে GSK-তে যোগদান করেন। পরবর্তীতে তিনি ২০১৩ সালের জুলাই মাসে ফ্যামিলি নিউট্রিশন বিভাগের ক্যাটেগরি উন্নয়ন পরিচালকের ভূমিকাতে এবং ২০১৫ সালের ফেব্রুয়ারিতে ভারতের মার্কেটিং পরিচালক হিসেবে নিযুক্ত হোন। তিনি ১৯৯৫ সালে ভারতের আইএমটি গাজিয়াবাদ থেকে ব্যবসা পরিচালনায় স্নাতকোত্তর ডিপ্লোমা অর্জন করেন। তার সম্পর্কে বিস্তারিত বিবরণ পরিচালক প্রোফাইলে অন্তর্ভুক্ত রয়েছে।

কাজী সানাউল হক

জনাব কাজী সানাউল হক ২০১৭ সালের অক্টোবরে GSK বাংলাদেশ পরিষদে যোগদান করেন। তিনি ২০১৭ সালের ১০ আগস্ট ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি)-এর ব্যবস্থাপনা পরিচালক পদে অধিষ্ঠিত হোন। এই পদের আগে তিনি রাজশাহী কৃষি উন্নয়ন ব্যাংক-এর ব্যবস্থাপনা পরিচালক ছিলেন। ৩৪ বছরের পেশাদারী জীবনে তিনি অগ্রণী ব্যাংক লিমিটেড-এর উপ-ব্যবস্থাপনা পরিচালক ও ব্যবস্থাপনা পরিচালক (চলতি দায়িত্ব) পদে আসীন ছিলেন। এছাড়াও কাজী সানাউল হক বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড (বিডিবিএল) এবং রাকাব-এর জেনারেল ম্যানেজার হিসেবে দায়িত্ব পালন করেন। তিনি আইসিবি সিকিউরিটিজ ট্রেডিং কোম্পানি লিমিটেড-এর সিইও হিসেবেও দায়িত্ব পালন করেন। তিনি ঢাকা বিশ্ববিদ্যালয় থেকে হিসাব বিজ্ঞানে বি.কম, সম্মানসহ স্নাতকোত্তর ডিগ্রি অর্জন করেন। জনাব হক দেশের বিভিন্ন শীর্ষ সংস্থার পরিষদে দায়িত্ব পালন করেছেন। তার সম্পূর্ণ বিবরণ পরিচালক প্রোফাইলে অন্তর্ভুক্ত রয়েছে।

মহসীন উদ্দীন আহমেদ

GSK বাংলাদেশ পরিষদে জনাব মহসীন উদ্দীন আহমেদকে অন্তর্ভুক্ত করা হয় ২০১৮ সালের ফেব্রুয়ারি মাসে। তিনি ২০১৭ সালের জানুয়ারিতে লিভে বাংলাদেশ লিমিটেড-এর ব্যবস্থাপনা পরিচালক পদে অধিষ্ঠিত হোন। লিভে বাংলাদেশে যোগদানের পূর্বে তিনি সার্কভুক্ত দেশের বাণিজ্যিক কর্মকাণ্ডের জন্য ইমামি গ্রুপের প্রেসিডেন্ট ছিলেন। জনাব মহসীন ব্রিটিশ আমেরিকান টোব্যাকো (বিএটি)-এর সাথে তার কর্মজীবন শুরু করেন, যেখানে তিনি ড্রেড মার্কেটিং ও ডিস্ট্রিবিউশন খাতে বিভিন্ন ভূমিকায় পাঁচ বছর অতিবাহিত করেন। ২২ বছরের কর্মজীবনে তিনি নেসলে বাংলাদেশ লিমিটেড এবং ইউনিভিভার বাংলাদেশ লিমিটেড-এর হয়ে দেশে এবং বিদেশে কাজ করেন। মহসীন ঢাকা বিশ্ববিদ্যালয় থেকে ফলিত পদার্থবিদ্যা ও ইলেকট্রনিক্স-এ সম্মান ডিগ্রি লাভ করেন। তার সম্পূর্ণ বিবরণ পরিচালক প্রোফাইলে অন্তর্ভুক্ত রয়েছে।

অডিট কমিটি:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) নির্দেশনা অনুযায়ী, পরিষদ একটি অডিট কমিটি গঠন করেছে যা কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ কাঠামো তদারক করে। কমিটি ১জন স্বতন্ত্র অনির্বাহী পরিচালক (চেয়ারম্যান), ১জন অনির্বাহী পরিচালক এবং ব্যবস্থাপনা পরিচালক-এর সমন্বয়ে গঠিত। অডিট কমিটি বছরে ৪বার বৈঠক করে। কোম্পানির সচিব, অডিট কমিটির সচিব হিসেবে কাজ করেন। অডিট কমিটির দায়িত্বের আরও বিবরণ অডিট কমিটি রিপোর্টে অন্তর্ভুক্ত করা হয়েছে।

পরিচালকদের সম্মানী:

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

নির্বাহী পরিচালকগণ এবং কোম্পানির কয়েকজন জৈষ্ঠ্য নির্বাহী GlaxoSmithKline পিএলসি, ইউকে-এর শেয়ার প্ল্যানের অধিকারী। GlaxoSmithKline গ্রুপ -এর মনোনীত পরিচালকরা ব্যতীত স্বতন্ত্র ও অনির্বাহী পরিচালকরা প্রতি পর্ষদ সভায় উপস্থিতির সম্মানী হিসাবে ১০ হাজার টাকা পেয়ে থাকেন।

প্রদেয় বছরে নির্বাহী পরিচালকদের প্রাপ্ত অর্থের বিবরণ আর্থিক বিবরণীর নোটস ৩০-এ দেওয়া হয়েছে।

শেয়ারহোল্ডিং তথ্য

৩১ ডিসেম্বর, ২০১৭ পর্যন্ত শেয়ারহোল্ডিং তথ্য এবং অন্যান্য সংশ্লিষ্ট তথ্যগুলি Annexure-II -এ বর্ণিত।

শেয়ারহোল্ডার/বিনিয়োগকারীদের অভিযোগ

পর্যালোচনাধীন বছরে শেয়ারহোল্ডারদের কাছ থেকে কোম্পানি সময়মতো বার্ষিক প্রতিবেদন এবং লভ্যাংশ প্রাপ্তি সংক্রান্ত কিছু অভিযোগ পেয়েছে। এই বিষয়গুলো যথা সময়ে সমাধান করা হয়েছে।

১৩. কর্পোরেট দায়বদ্ধতা

এই বছর দেশের প্রতি কোম্পানির অঙ্গিকার স্বাস্থ্যবিষয়ক উদ্যোগের অধিকতর সম্প্রসারণের মাধ্যমে দৃঢ় হয়। উপরন্তু, কোম্পানি তার

প্রতিষ্ঠাতা সংগঠন GSK পিএলসির মাধ্যমে কক্সবাজারে মায়ানমার শরণার্থী সংকটে সাড়া দেয়।

কিছু উল্লেখযোগ্য উদ্যোগ

বাংলাদেশে স্বাস্থ্যসেবা অবকাঠামো উন্নয়নে ২০% লাভের পুনঃবিনিয়োগ:

এটি স্বাস্থ্য মন্ত্রণালয়, GSK এবং কেয়ার (CARE)-এর মধ্যে একটি পাবলিক প্রাইভেট পার্টনারশিপ। উদ্যোগটি এখন পর্যন্ত সুনামগঞ্জ জেলায় ৩০০ দক্ষ ধাত্রী এবং ৩০০০ জন কমিউনিটি স্বাস্থ্য কর্মী তৈরি করেছে। প্রজেক্ট এলাকায় সামগ্রিক মাতৃত্বকালীন শিশু স্বাস্থ্য খাতে এটি অত্যন্ত গুরুত্বপূর্ণ এক মাইলফলক এবং সামগ্রিক স্বাস্থ্যসেবা গ্রহণের অভ্যাসে ইতিবাচক পরিবর্তন আনয়ন করেছে।

আমাদের অংশীদারগণের মধ্যে রয়েছে কেয়ার, এমএন্ডএস, ফ্রেন্ডশিপ, আইসিডিডিআর,বি এবং স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়।

প্রধান প্রকল্পসমূহ:

- GSK- কেয়ার কমিউনিটি স্বাস্থ্য কর্মী কর্মসূচী
- GSK- ফ্রেন্ডশিপ এম-স্বাস্থ্য প্রকল্প
- GSK-আইসিডিডিআর,বি স্বাস্থ্য ব্যবস্থা শক্তিশালীকরণ কর্মসূচী
- GSK কেয়ার আরএমজি (রেডিমেড গার্মেন্টস) স্বাস্থ্যসেবা প্রকল্প
- GSK, এমএন্ডএস, কেয়ার হেলথ অ্যাক্সেস অ্যান্ড লিংকেজ অপারচুনিটিস্ ফর ওয়াকার্স (HALOW) প্রকল্প

এই উদ্যোগের বিবরণ বিস্তারিত আকারে এই প্রতিবেদনের “কর্পোরেট সামাজিক দায়বদ্ধতা” অধ্যায়ে বর্ণিত হয়েছে।

ডিউক অফ এডিনবার্গ-এর অ্যাওয়ার্ড (DEA)

এই আন্তর্জাতিক কর্মসূচির প্রতিষ্ঠাতা ট্রাস্টিগুলোর অন্যতম হিসাবে কোম্পানি তার সমর্থন অব্যাহত রেখেছে। এই কর্মসূচির উদ্দেশ্য হলো নতুন প্রজন্মকে জীবনদক্ষতা এবং বিভিন্ন সহ-শিক্ষা কর্মকাণ্ডে অংশগ্রহণের সুযোগ প্রদান। এই আন্তর্জাতিক অ্যাওয়ার্ডটি এখন ঢাকা, চট্টগ্রাম, দেশের বিভিন্ন বিভাগীয় শহরগুলোর ৮০টিরও বেশি বেসরকারি ও সরকারি শিক্ষা প্রতিষ্ঠানে প্রদান করা হয়ে থাকে। সারা দেশে ১৫ হাজারেরও বেশি পুরস্কারপ্রাপ্ত ব্যক্তি এখন গ্লোবাল ডিইএ এলামনাই গ্রুপ-এর অন্তর্ভুক্ত।

১৪. আচরণ বিধি

কোম্পানির পরিচালনা পরিষদ সমস্ত পরিচালক এবং কর্মচারীদের জন্য একটি আচরণবিধি নির্ধারণ করেছে। ব্যবসায় এবং প্রবিধানের ক্ষেত্রে সমস্ত কর্মচারীকে আচরণ বিধি অবশ্যই মেনে চলতে হবে। ২০১৭ সাল জুড়ে কর্মীরা সততা, মানুষের প্রতি শ্রদ্ধা, রোগীর/ভোক্তার গুরুত্ব এবং স্বচ্ছতার ইত্যাদি GSK মূল্যবোধের প্রদর্শন করেছেন। উপরন্তু, ২০১৭ সাল কর্মচারীদের জন্য চারটি নতুন প্রত্যাশা তুলে ধরে: দায়বদ্ধতা, সাহস, উন্নয়ন এবং দলবদ্ধতা। সমস্ত কর্মীরা তাদের প্রতিদিনের কার্যক্রমে উপরিউক্ত গুণাবলি প্রদর্শন করবে বলে আশা করা হচ্ছে।

সেলস এবং মার্কেটিং কর্মীরা ইমার্জিং মার্কেট এবং এশিয়া প্যাসেফিক প্রোমোশন এবং মার্কেটিং কোড-এর আওতাভুক্ত। এটি দৃঢ়ভাবে সততার সাথে পারফরমেন্স সমন্বয়ের ভিত্তি হয়ে উঠেছে। GSK চায় এর সেলস এবং মার্কেটিং কর্মীরা যেন শুধুমাত্র কোডের অনুসরণ নয়, বরং উৎসাহীভাবে এর বিশ্বাসকে গ্রহণ করে বিচ্যুতির বিপরীতে দৃঢ় নীতি মেনে চলে।

কোম্পানীটি 'লিপিক আপ' নামক একটি হুইসল ব্লোয়ার পলিসি চালু রেখেছে যাতে কর্মীরা সম্ভাব্য বৈষম্য, সম্ভাব্য দ্বন্দ্ব বা GSK নীতিমালার, কোম্পানির নীতিমালা এবং পদ্ধতির লঙ্ঘন ঘটলে আওয়াজ তুলতে পারেন। সম্পূর্ণ নীতি "নন-রিট্যালিয়েশন" নিশ্চিত করে যে, কর্মীরা কোনও ধরনের ক্ষয়ক্ষতির ঝুঁকি ছাড়াই এই ধরনের আওয়াজ তুলতে পারেন।

১৫. নিরীক্ষক

বর্তমান নিরীক্ষকগণ, মেসার্স ACNABIN চার্টার্ড একাউন্ট্যান্টস, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন অর্ডার নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/এডমিন, ২৭ জুলাই ২০১১ তারিখ অনুযায়ী অবসর নেবেন এবং পুনরায় নিয়োগ যোগ্য নয়। পরিষদ বার্ষিক সাধারণ সভায় মেসার্স হুদা ভাসি চৌধুরী অ্যান্ড কো-চার্টার্ড অ্যাকাউন্টেন্টসকে ২০১৮ সালের জন্য কোম্পানির নিরীক্ষক হিসেবে অনুমোদনের সুপারিশ করছে।

১৬. কর্পোরেট গভর্নেন্স কম্প্লায়েন্স রিপোর্ট

কর্পোরেট নীতির অংশ হিসেবে, GSK বাংলাদেশ কর্পোরেট গভর্নেন্স-এর সুউচ্চ মান বজায় রাখার জন্য সর্বদা সচেষ্ট। কোম্পানির কর্পোরেট গভর্নেন্স চার্টার কর্পোরেট গভর্নেন্স সেকশনে উল্লিখিত। পদ্ধতিটি কিভাবে কোম্পানিটি পরিচালিত হবে এবং স্বচ্ছতা, জবাবদিহিতা এবং সততার মান নিশ্চিত করা হবে তার প্রক্রিয়া নির্দেশ করে।

এসইসির বিজ্ঞপ্তি নম্বর এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ ০৭ আগস্ট ২০১২ তারিখ অনুযায়ী প্রয়োজনীয় একটিমাত্র ব্যতিক্রম ছাড়া সমস্ত নির্দেশনা বাস্তবায়ন করতে পেরে আমরা আনন্দিত। ব্যতিক্রমটি হলো-স্বতন্ত্র পরিচালক-এর পদ ৯০ দিনের বেশি খালি থাকা। তবে, ১৫৩ দিনের মধ্যে সে শূন্যস্থান পূরণ করা হয়। কোম্পানি এই নিয়োগের বিলম্ব বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-কে জানায়। ২০১৭ সালের কর্পোরেট গভর্নেন্স কম্প্লায়েন্সের প্রতিবেদন Annexure-III-এ যুক্ত করা হয়েছে, সেইসঙ্গে নির্দেশনা অনুযায়ী কম্প্লায়েন্সের সনদও যুক্ত করা হয়েছে।

১৭. স্বীকৃতি

GSK-এর চালিকা শক্তি- রোগী এবং ভোক্তাদেরকে সর্বোচ্চ অগ্রাধিকার দেয়ার জন্য পরিচালক পরিষদ কোম্পানির সকল কর্মীদের গভীরতম কৃতজ্ঞতা জানাচ্ছে। রোগী, ভোক্তা এবং স্বাস্থ্যসেবা পেশাজীবীদের যথাযথ তথ্য প্রদান ও পণ্য প্রাপ্তি নিশ্চিত করার জন্য বিভিন্ন সীমাবদ্ধতার মধ্যেও কর্মী দলটি কঠোরভাবে কাজ করেছে।

কোম্পানির প্রতি বিশ্বাস এবং আস্থা ধরে রাখার জন্য স্বাস্থ্যসেবা পেশাজীবী, রোগী, ভোক্তা এবং ব্যবসায়িক অংশীদারদের কাছে আমরা গভীরভাবে কৃতজ্ঞ। তারা ই আমাদের অনুপ্রেরণা। আমরা এই বিশ্বাস বজায় রাখার জন্য দৃঢ় প্রতিজ্ঞ।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, বাংলাদেশ ইনভেস্টমেন্ট ডেভেলপমেন্ট অথরিটি, স্বাস্থ্য মন্ত্রণালয়, শ্রম মন্ত্রণালয়, কেন্দ্রীয় ডিপোজিটরি বাংলাদেশ লিমিটেড, আর্থিক প্রতিষ্ঠানসমূহ, বীমা কোম্পানি, ইউটিলিটি প্রদানকারী, বিভিন্ন সরকারী কর্তৃপক্ষ এবং সকল ব্যক্তি ও সংস্থা স্টেকহোল্ডারদের GSK আন্তরিক ধন্যবাদ জানায়।

বোর্ডের পক্ষে



ডেভিড প্রিচার্ড
চেয়ারম্যান

৬ মার্চ ২০১৮



ইরাম শাকির রাহিম
ম্যানেজিং ডিরেক্টর

Key Operating and Financial Records

Annexure i

	2017	2016	2015	2014	2013
Assets Employed					
Property, Plant And Equipment	694,252	701,867	600,794	546,216	536,861
Intangible Assets	51,638	23,911	3,437	4,374	5,467
Net Non-Current Assets	36,466	24,903	10,370	27,713	44,046
Net Current Assets	1,868,237	1,841,437	2,037,951	1,876,912	1,391,003
Total Assets Employed	2,650,593	2,592,118	2,652,552	2,455,215	1,977,377
Financed by					
Share Capital	120,465	120,465	120,465	120,465	120,465
Reserves and Surplus	2,509,885	2,465,338	2,483,339	2,196,032	1,730,647
Shareholders' Equity	2,630,350	2,585,803	2,603,804	2,316,497	1,851,112
Retirement Benefit Obligations	-		40,822	77,241	81,469
Obligation under Finance Lease	3,114	6,315	8,813	14,865	12,757
Deferred Tax Liabilities	17,129	-	(887)	46,612	32,039
	20,243	6,315	48,748	138,718	126,265
Total Capital Employed	2,650,593	2,592,118	2,652,552	2,455,215	1,977,377
Turnover and Profit					
Sales-Net of Vat and Trade Discount	6,796,559	6,284,015	6,698,828	7,187,255	6,774,872
Profit/(Loss) from Operation	884,892	786,807	1,040,612	1,062,530	604,604
Profit before Int, Dep & Tax	1,011,002	908,568	921,341	942,649	505,488
Profit/(Loss) for the Year	669,304	644,554	831,079	826,778	546,249
Ratios					
Gross Profit Ratio - %	38.78	38.99	39.33	37.72	32.67
Earning per Share (EPS)-Taka	55.56	53.51	68.99	68.63	45.35
Price/Earning (P/E) Ratio-times	27.92	28.65	26.09	22.04	21.08
Price/Equity Ratio-times	155.10	153.29	179.98	151.23	95.57
Dividend per Share (DPS)-Taka	55.00	50.00	55.00	42.00	30.00
Dividend Payout-Percentage	98.99	93.45	79.72	61.20	66.16
Dividend Yield-Percentage	3.53	3.26	3.06	2.78	3.14
Net Assets Value per Share-Taka	218.36	214.66	216.16	192.30	153.67
Net Operating Cash Flow per Share	117.75	71.87	84.42	111.14	82.22
Return on Shareholders Equity-%	25.45	24.93	31.92	35.69	29.51
Return on Capital Employed -%	33.34	30.32	39.22	43.28	30.58
Debt Equity Ratio-times	111.78	269.35	53.41	16.70	14.66
Current Ratio-times	1.52	1.67	1.73	1.73	1.69
Market Price per Share at 31 December -Taka	1,551.00	1,532.90	1,799.80	1,512.30	955.70
Market Capitalisation at 31 December (Taka Million)	18,684	18,466	21,681	18,218	11,513
Average Number of Employees	967	940	906	822	714

Key Performance Indicators

Earning Per Share (EPS) Taka



Return on Shareholder's Equity (%)



Net Assets Per Share (Taka)

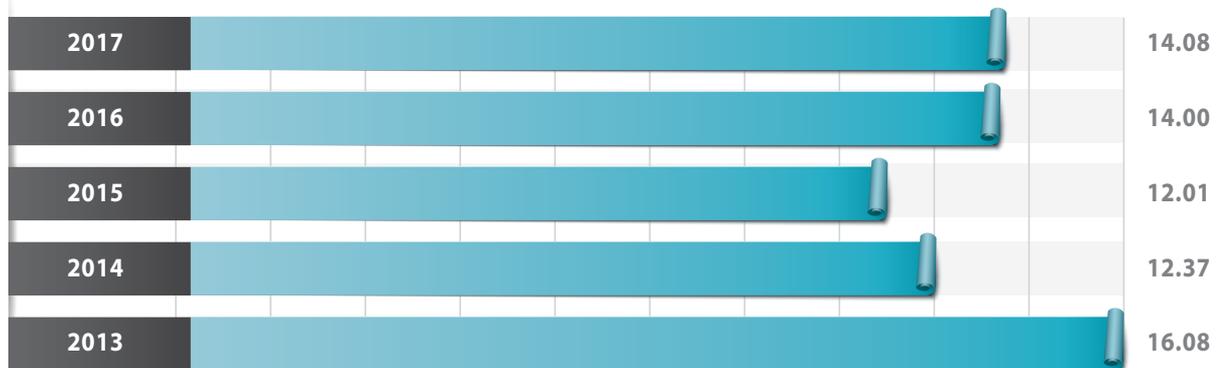


Key Performance Indicators

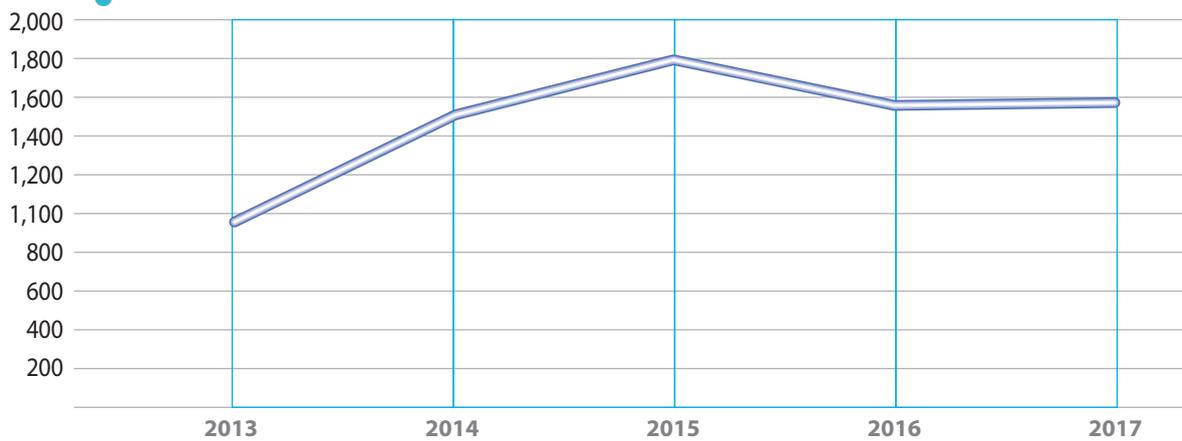
Shareholder's Funds (Taka '000)



Net Assets/Market Price Per Share (%)



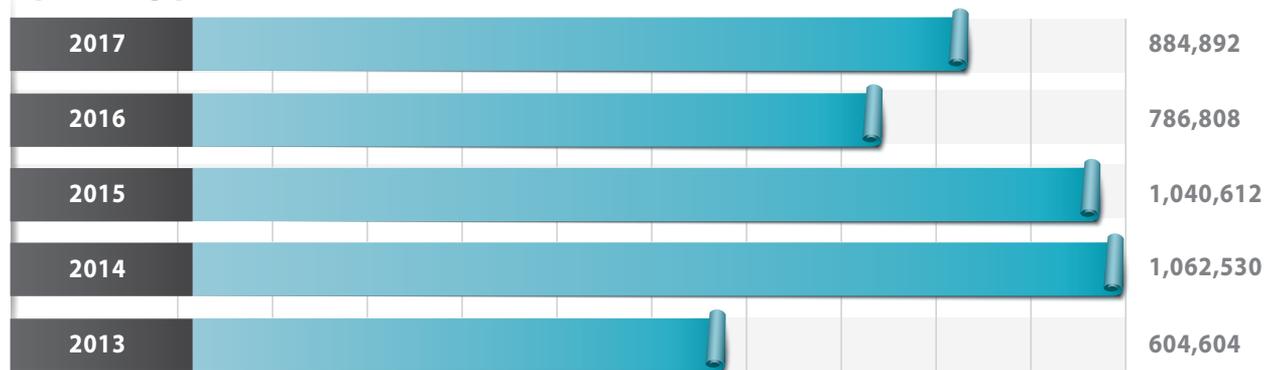
Market Price Per Share (Taka) on 31st December



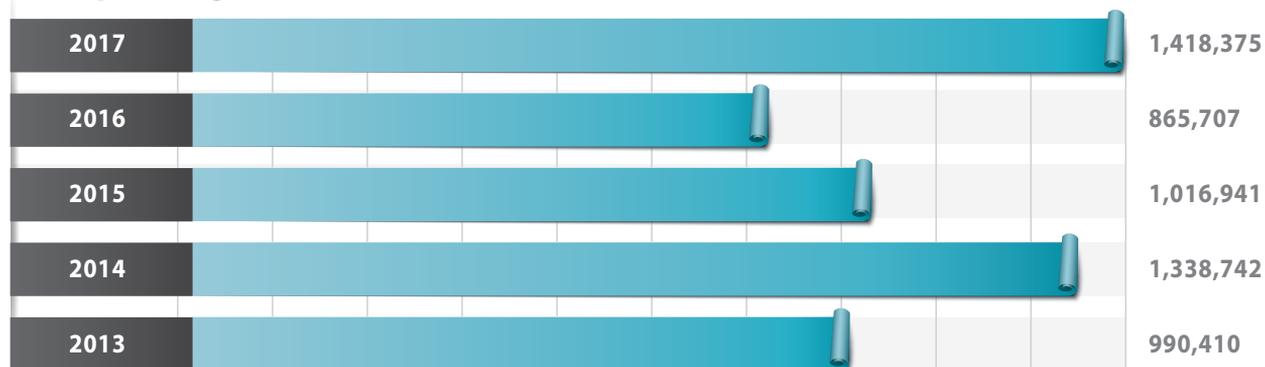
Revenues +8% (Taka '000)



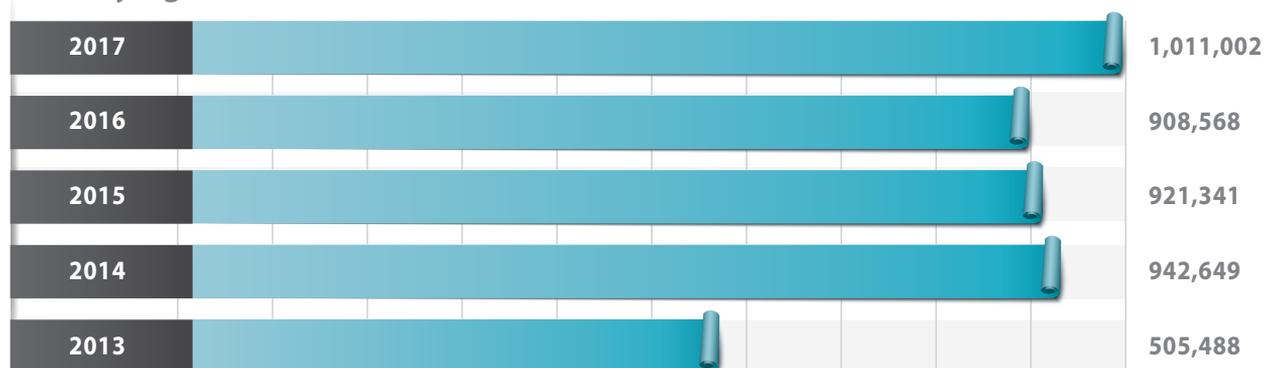
Operating profit +12% (Taka '000)



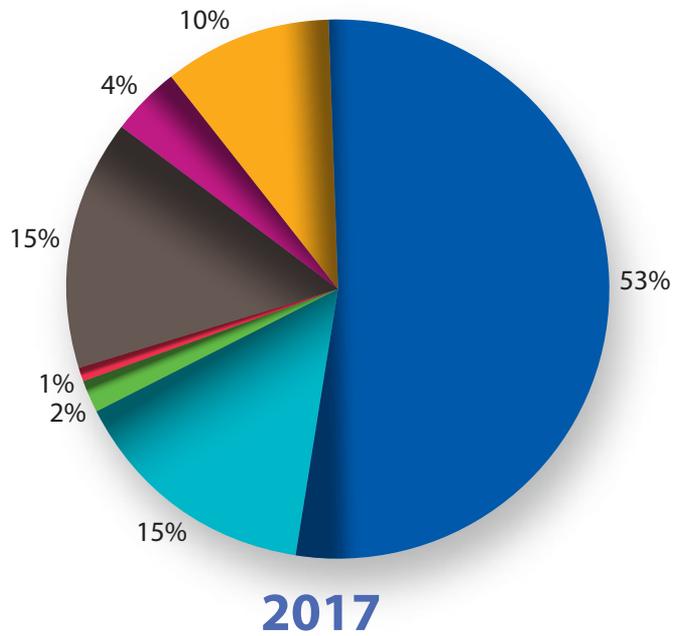
Net Operating Cash Flow +64% (Taka '000)



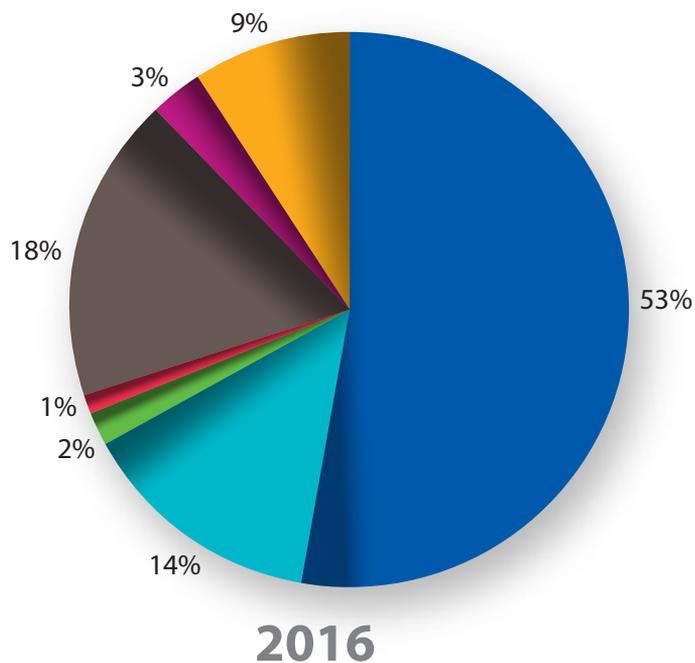
Underlying EBITDA +11% (Taka '000)



Analysis of Sales Revenue (NTO)



	2017	2016
	%	%
● Cost of Goods	52.56	52.94
● Salary, Wages and Benefits	15.44	14.54
● Depreciation	1.93	1.95
● Fuel & Power	0.76	0.78
● Other Expenses	15.37	17.60
● Income Tax	4.09	3.20
● Profit after Tax	9.85	9.00
Total	100.00	100.00



Value Added Statement

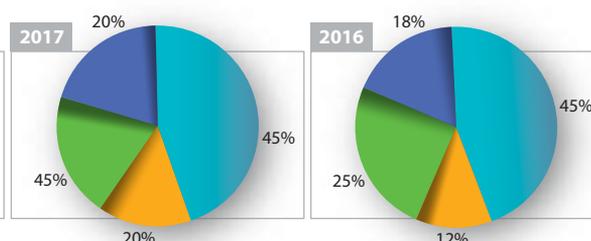
The value added statement provides a detailed account of total value addition and the distribution of the value created by the company.

Value Added:	2017 Amount	%	2016 Amount	%
Turnover including VAT	7,873,988		7,263,617	
Less Bought in Materials & Services	3,553,464		3,459,331	
	4,320,524	97.98	3,804,286	97.98
Other income	26,178	0.59	19,555	0.50
Financial Income	62,709	1.42	58,751	1.51
	4,409,411	100	3,882,593	100
Applied to:				
Government Revenue & Taxes	1,994,471	45.23	1,733,158	44.64
Employees Remuneration & Benefits	1,079,860	24.49	786,616	20.26
Dividends	538,791	12.22	596,505	15.36
	3,613,122	81.94	3,116,279	80.26
Depreciation & Retained Profit	796,289	18.06	766,314	19.74
	4,409,411	100	3,882,593	100

*Figures for 2016 are amended

Distribution of Value

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



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	Taka in' 000	
	2017	2016
Health food drink	92.10	88.10
Glucose Powder	93.80	93.81
Vaccines	45.10	45.00
Dermatology	14.37	14.30

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 in its industry.

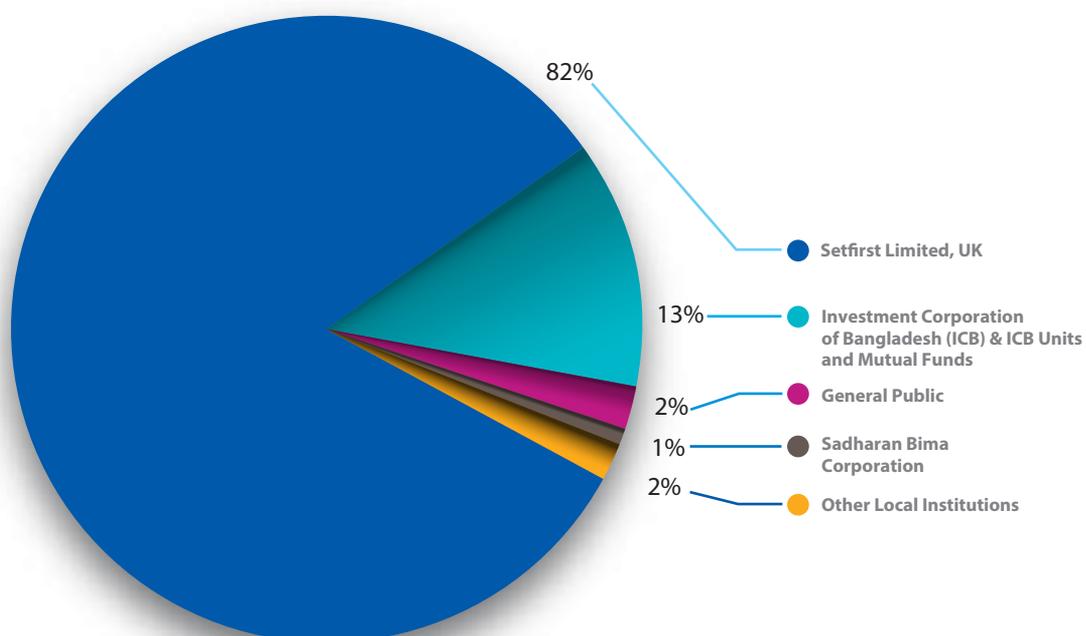
Calculation of EVA	2017	2016
Net Operating Profit After Tax (NPAT)	669,304	644,554
Total Capital Employed	2,653,881	2,595,403
Cost of Capital in %	23%	23%
Cost of Capital (COC)	603,509	604,166
EVA = NPAT-COC	65,795	40,388

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

Shareholding Information

Annexure ii

Name of Shareholder	Shares Held	% of Holding
i) Parent: Setfirst Limited, UK	9,875,144	81.98%
ii) Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	Nil	Nil
iii) Executives Mr. Noor Mohammad Mr. Mahbubur Rahman	1 2	0.00001% 0.00002%
iv) Shareholders who hold 10% or more Investment Corporation of Bangladesh (ICB) & ICB Units and Mutual Funds	1,596,324	13.25%
v) Other Shareholders, who hold less than 10%		
General Public	246,001	2.04%
Sadharan Bima Corporation	76,437	0.63%
Other Local Institutions	252,540	2.10%
	12,046,449	100%



Certificate of Compliance

ম্যাবস্ এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the Shareholders of GlaxoSmithKline Bangladesh Limited

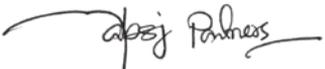
We have examined compliance to the BSEC guidelines on Corporate Governance Guidelines by GlaxoSmithKline Bangladesh Limited for the year ended 31 December 2017. These guidelines relate to the notification #SEC/CMRRCD/2005-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof as adopted by the company in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported under 1.2(iv) of condition #7 in the attached Compliance Statements, the company has complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the company, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the company. This is also no endorsement about quality of contents in the Annual Report of the company.

Dhaka, 06 March 2018


MABS & J Partners
Chartered Accountants



Corporate Office:

SMC Tower (7th Floor)
33, Banani C/A, Road 17
Dhaka-1213, Bangladesh
Phone : +88-02-9821057-58
 : +88-02-9821365-66
E-mail : info@mabsj.com
Web : www.mabsj.com

Motijheel Branch Office:

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

Statement of Compliance

Annexure iii

GlaxoSmithKline Bangladesh Limited Statement of Compliance of Corporate Governance Guidelines

Status of compliance with the conditions of Corporate Governance Guidelines as set by the Bangladesh Securities & Exchange Commission (BSEC) by the Notification # SEC/CMRRCD/2006- 158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS	✓		
1.1	Board's Size	✓		
1.2(i)	Minimum number of Independent Directors	✓		
1.2(ii)(a)	Shareholding by Independent Directors	✓		
1.2(ii)(b)	Relationship with Company's Sponsor	✓		
1.2(ii)(c)	Relationship with the Company	✓		
1.2(ii)(d)	Member/Director/Officer of Stock Exchange	✓		
1.2(ii)(e)	Shareholder/Director/Officer of any member of Stock Exchange	✓		
1.2(ii)(f)	Partner of Statutory Audit Firm	✓		
1.2(ii)(g)	Directorship in other Listed Companies	✓		
1.2(ii)(h)	Defaulter in payment of bank/NBFI loan	✓		
1.2(ii)(i)	Conviction for criminal offence	✓		
1.2(iii)	Appointment of Independent Director(s)	✓		
1.2(iv)	Vacancy of the post of Independent Directors	-		One Independent Director post remained vacant for the period from 01 Sept 2017 to 31 Dec 2017. However, subsequently appointed on 1st February 2018.
1.2(v)	Code of Conducts Annual Compliance	✓		
1.2(vi)	Tenure of Independent Directors	✓		
1.3	Qualification of Independent Director (ID)			
1.3(i)	Knowledge & Integrity of Independent Directors	✓		
1.3(ii)	Qualification and Experience of Independent Directors	✓		
1.3(iii)	Relaxation of Qualification of Independent Directors			N/A
1.4	Chairman of the Board & Chief Executive Officer	✓		
1.5	Directors' Report to Shareholders			
1.5(i)	Industry Outlook Possible Future Development	✓		
1.5(ii)	Segment or Product-wise Performance	✓		
1.5(iii)	Risk and Concerns	✓		
1.5(iv)	Discussion on COGS, GP & Net Profit	✓		

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(v)	Extraordinary gain or loss			No such incidence arose
1.5(vi)	Basis for related party transaction	✓		
1.5(vii)	Utilization of proceeds from PI/RI			N/A
1.5(viii)	Explanation of deterioration of financial result			N/A
1.5(ix)	Explanation of variance between quarterly & annual Financial Statement	✓		
1.5(x)	Remuneration of Directors	✓		
1.5(xi)	Fairness of financial statement	✓		
1.5(xii)	Maintenance of proper books of accounts	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5(xiv)	Compliance with IAS/BAS/IFRS/BFRS	✓		
1.5(xv)	Soundness of Internal Control System	✓		
1.5(xvi)	Ability to Continue as a going Concern	✓		
1.5(xvii)	Significant Deviation in Operating Results compared to last year	✓		
1.5(xviii)	Key Operating and Financial Data of preceding five years	✓		
1.5(xix)	Reason for not declaring Dividend			N/A
1.5(xx)	Board Meeting attendance	✓		
1.5(xxi)(a)	Shareholding by Parent/Subsidiary/Associated companies	✓		
1.5(xxi)(b)	Shareholding by Directors, CEO,CFO, CS, HIA	✓		
1.5(xxi)(c)	Shareholding by Executives	✓		
1.5(xxi)(d)	Shareholders holding 10% or more	✓		
1.5(xxii)(a)	Resume of Directors	✓		
1.5(xxii)(b)	Expertise of Directors	✓		
1.5(xxii)(c)	Directorship in other companies	✓		
2.	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT (HIA) AND COMPANY SECRETARY (CS)			
2.1	Appointment	✓		
2.2	Requirement to attend the board meetings	✓		
3.	AUDIT COMMITTEE			
3(i)	Audit Committee as a sub-committee	✓		
3(ii)	Function of Audit Committee	✓		
3(iii)	Reporting to the Board of Directors	✓		
3.1	Constitution of the Audit Committee			
3.1(0)	Composition of Audit Committee	✓		
3.1(ii)	Appointment of Members	✓		
3.1(iii)	Qualification of Members	✓		

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1(iv)	Filling of Vacancy	✓		
3.1(v)	Secretary of the Committee	✓		
3.1(vi)	Quorum of meeting	✓		
3.2	Chairman of the Audit Committee			
3.2(i)	Selection	✓		
3.2(ii)	Requirement of presence in the AGM	✓		
3.3	Role of Audit Committee			
3.3(i)	Oversee the Financial Reporting Process	✓		
3.3(ii)	Monitor Accounting Policies and Principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring & performance of external auditors	✓		
3.3(v)	Review the Annual Financial Statements	✓		
3.3(vi)	Review the quarterly and half yearly financial statements	✓		
3.3(vii)	Review the adequacy of Internal Audit Function	✓		
3.3(viii)	Review of significant related party transactions	✓		
3.3(ix)	Review of the Management Letters	✓		
3.3(x)	Application of fund raised through IPO/PRO/RI			N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	Reporting on activities	✓		
3.4.1(ii)(a)	Report on conflicts of interest			No such incidence arose
3.4.1(ii)(b)	Material defect in Internal Control System			No such incidence arose
3.4.1(ii)(c)	Suspected infringement of laws			No such incidence arose
3.4.1(ii)(d)	Any other matters			No such incidence arose
3.4.2	Reporting to the Authorities			No such incidence arose
3.5	Reporting to the Shareholders & General Investors	✓		
4	EXTERNAL/STATUTORY AUDITORS			
4(i)	Appraisal or Valuation Services	✓		
4(ii)	Financial Information System	✓		
4(iii)	Book-Keeping or other services	✓		
4(iv)	Broker dealer services	✓		
4(v)	Actuarial services	✓		
4(vi)	Internal Audit Services	✓		
4(vii)	Any other services	✓		
4(viii)	Possession of share by Partner or Employee of Audit Firm	✓		
4(ix)	Audit/certification service on compliance of Corporate Governance	✓		

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5	SUBSIDIARY COMPANY			
5(i)	Composition of the Board of Directors			N/A
5(ii)	Independent Director			N/A
5(iii)	Submission of minutes to the holding company			N/A
5(iv)	Review of affairs by the holding company			N/A
5(v)	Review of financial statement by the Audit Committee of holding company			N/A
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6(i)(a)	Financial Statements do not contain any untrue or misleading statement	✓		
6(i)(b)	Financial Statements present a true & fair view of the company's affairs and are in compliance with Accounting Standards and applicable laws	✓		
6(ii)	Certification that there are no fraudulent, illegal or in violation of the Company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7(i)	Certification on compliance of Corporate Governance	✓		
7(ii)	Directors' statement on compliance of the above conditions in the Directors' Report	✓		

CEO & CFO's Certification

Annexure iv

February 26, 2018

Board of Directors,
GlaxoSmithKline Bangladesh Limited,
House # 2A, Road # 138,
Gulshan-1, Dhaka-1212.

CEO & CFO's Certification on Financial Statements for the year ended 31 December 2017.

Pursuant to Condition No. 06 of the Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission vide Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

We the undersigned certified to the Board that :

1. We have reviewed the financial statements of the Company for the year ended 31st December 2017 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.



Ms. Erum Shakir Rahim
Managing Director (CEO)



Ms. Zinnia Fanzina Huq
Finance Director (CFO)

4

Financial Statements

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- Statement of Comprehensive Income-107
- Statement of Changes in Equity-108
- Statement of Cash Flows-109
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Auditor's Report to the Shareholders

We have audited the accompanying financial statements of **GlaxoSmithKline Bangladesh Limited** which comprise the Statement of Financial Position as at 31 December 2017, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the 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 representation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute assurance whether the financial statements are free from material misstatement due to fraud and error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall

presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of GlaxoSmithKline Bangladesh Limited prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that

- 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;
- In our opinion, proper books of account as required by law have been kept by GlaxoSmithKline Bangladesh Limited so far as it appeared from our examination of these books;
- The Company's Statement of Financial Position (Balance Sheet) and Statement of Profit and Loss (profit and loss account) dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred was for the purposes of the company's business.



ACNABIN
Chartered Accountants

Dhaka,
27 February 2018

Statement of Financial Position

As of 31 December 2017

	Notes	Taka in '000 As at 31 December	
		2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	694,252	701,867
Intangible assets	5	51,638	23,911
Other receivables	7.6	4,031	5,150
Deferred tax asset	11	-	6,235
Retirement benefit assets	15	32,433	13,518
		782,355	750,681
Current assets			
Inventories	6	920,530	785,826
Trade and other receivables	7	1,014,510	1,011,441
Cash and cash equivalents	8	3,526,422	2,844,505
		5,461,462	4,641,772
TOTAL ASSETS		6,243,817	5,392,453
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	16	120,465	120,465
Retained earnings	18	2,445,240	2,400,693
General reserve		5,000	5,000
Revaluation reserve	17.1	59,479	59,479
Capital reserve	17.2	166	166
Total equity		2,630,350	2,585,803
LIABILITIES			
Non-current liabilities			
Deferred tax liability	11	17,129	-
Obligation under finance lease	14	3,114	6,315
Total non-current liabilities		20,242	6,315
Current liabilities			
Trade and other payables	9	3,471,318	2,738,145
Current tax liabilities	10	118,619	58,905
Obligation under finance lease	14	3,288	3,285
Total current liabilities		3,593,225	2,800,335
Total liabilities		3,613,467	2,806,650
TOTAL EQUITY AND LIABILITIES		6,243,817	5,392,453
CONTINGENT LIABILITIES & COMMITMENTS	19 & 20		

The financial statements were authorised for issuance by the Board of Directors on 27 February 2018



Managing Director



Director



Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Financial Position referred to in our report of even date.

Dhaka
27 February 2018



ACNABIN
Chartered Accountants

GlaxoSmithKline Bangladesh Limited

Statement of Profit and Loss

For the year ended 31 December 2017

		Taka in '000 Year to 31 December	
	Notes	2017	2016
Revenue	21	6,796,559	6,284,015
Cost of sales	22	(4,161,052)	(3,834,031)
Gross profit		2,635,507	2,449,984
Operating expenses:			
Selling expenses	23	(1,298,614)	(1,301,554)
Distribution expenses	24	(32,064)	(27,057)
Administrative expenses	25	(446,116)	(354,122)
Other income	26	26,178	19,555
Total		(1,750,615)	(1,663,177)
Profit from operations		884,892	786,807
Finance income	27	62,709	58,751
Profit before taxation		947,601	845,558
Income tax expenses	32	(278,297)	(201,005)
Profit for the year		669,304	644,554
Earnings per share (Taka)			
Basic and diluted	34	55.56	53.51

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 27 February 2018



Managing Director



Director



Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Profit and Loss referred to in our report of even date.

Dhaka
27 February 2018



ACNABIN
Chartered Accountants

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	Taka in '000 Year to 31 December	
		2017	2016
PROFIT FOR THE YEAR		669,304	644,554
Other comprehensive income, net of income tax		-	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of pension fund assets	15.2	(22,434)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
		-	-
Total comprehensive income for the year		646,869	644,554

The accompanying notes form an integral part of the financial statements. The financial statements were authorised for issuance by the board of Directors on 27 February 2018.



Managing Director



Director



Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Comprehensive Income referred to in our report of even date.

Dhaka
27 February 2018



ACNABIN
Chartered Accountants

GlaxoSmithKline Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2017

		Taka in '000 Year to 31 December					
	Notes	Share capital	Retained earnings	General reserve	Revaluation reserve	Capital reserve	Total equity
Balance at 31 December 2015		120,465	2,418,694	5,000	59,479	166	2,603,804
							0
Profit for the year		-	644,554	-		-	644,554
Other comprehensive income			-				-
Final dividend	12	-	(662,555)	-		-	(662,555)
Balance at 31 December 2016		120,465	2,400,693	5,000	59,479	166	2,585,803
							0
Profit for the year		-	669,304	-		-	669,304
Other comprehensive income			(22,434)				(22,434)
Final dividend	12	-	(602,322)	-		-	(602,322)
Balance at 31 December 2017		120,465	2,445,240	5,000	59,479	166	2,630,350

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 27 February 2018



Managing Director



Director



Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Changes in Equity referred to in our report of even date.

Dhaka
27 February 2018



ACNABIN
Chartered Accountants

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	Taka in '000 Year to 31 December	
		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		6,767,803	6,554,954
Payment for cost and expenses		(5,215,397)	(5,414,364)
Other income	26	5,513	411
Cash generated from operations		1,557,919	1,141,000
Interest received	27	49,385	67,563
Interest paid on finance lease	27	(1,187)	(1,866)
Income tax paid	10	(187,742)	(340,990)
Net cash from operating activities		1,418,375	865,707
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant & equipment		(159,450)	(244,816)
Sales proceeds of property, plant & equipment	43	28,512	20,235
Net cash used in investing activities		(130,938)	(224,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	12.1	(602,322)	(662,555)
Finance lease paid		(3,198)	(5,265)
Net cash used in financing activities		(605,520)	(667,820)
Net increase/(decrease) in cash and cash equivalents		681,917	(26,693)
Cash and cash equivalents at beginning of the year	8	2,844,505	2,871,198
Cash and cash equivalents at end of the year	8	3,526,422	2,844,505

The accompanying notes form an integral part of the financial statements.

The financial statements were authorised for issuance by the Board of Directors on 27 February 2018



Managing Director



Director



Company Secretary

Report of the Auditors to the Shareholders:

This is the Statement of Cash Flows referred to in our report of even date.

Dhaka
27 February 2018



ACNABIN
Chartered Accountants

Notes To The Financial Statements

For the year ended 31 December 2017

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.

2 Basis of preparation of financial statements

2.1 Financial statements

2.1.1 Composition

The financial statements comprise:
Statement of Financial Position
Statement of Profit and Loss
Statement of Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements

2.1.2 Statement of compliance

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

2.1.3 Financial period

This financial statements cover the financial year from 01 January to 31 December 2017, with comparative figures for the financial years from 01 January to 31 December 2016.

2.2 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.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with BFRS 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 experience 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:

	<u>Policy</u>	<u>Note</u>
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	N/A
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 seven years.

3.2 Impairment of PP&E

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 Comprehensive Income in the year concerned.

There is no impairment in 2017 and 2016.

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 :

<u>Category of PP&E</u>	<u>Rate (%)</u>
Freehold buildings	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 Amortization of intangible assets

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

<u>Category of PP&E</u>	<u>Years</u>
Commercial ERP	8
Software 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 an unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible permanent employees other than the management staff.

Pension fund

The Company contributes (based on actuarial valuation of 2015) 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.

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 Bangladesh Accounting Standard (BAS-33) which has been shown on the face of Statement of 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 recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.13 Materiality and aggregation

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

4 Property, Plant and Equipment

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

Taka in '000									
2017									
Gross book value at cost / valuation					Depreciation				Carrying
	Opening	Additions	Disposals/ Transfers	Closing	Opening	Charged	Disposals	Closing	Value As at 31 Dec
At cost									
Freehold land	221	-	-	221	-	-	-	-	221
Leasehold land	619	-	-	619	188	7	-	194	425
Freehold buildings	142,681	-	-	142,681	67,511	3,324	-	70,835	71,846
Plant and machinery	700,527	108,136	-	808,662	449,185	62,756	-	511,940	296,722
Furniture, fixtures & equipment	203,704	104,722	3,422	305,004	121,698	19,698	2,085	139,311	165,693
Vehicles	254,341	21,072	71,374	204,038	175,976	39,200	64,709	150,467	53,572
	1,302,092	233,930	74,796	1,461,226	814,557	124,984	66,794	872,747	588,478
Capital work-in-progress	206,505	108,556	215,989	99,073	-	-	-	-	99,073
	1,508,598	342,486	290,785	1,560,298	814,557	124,984	66,794	872,747	687,551
At valuation - in 1978									
Freehold land	4,831	-	-	4,831	-	-	-	-	4,831
Leasehold land	12	-	-	12	12	-	-	12	-
Freehold buildings	45,747	-	-	45,747	43,496	1,126	-	44,622	1,125
Plant and machinery	7,397	-	-	7,397	6,678	-	-	6,678	720
Furniture, fixtures & equipment	1,491	-	-	1,491	1,466	-	-	1,466	25
	59,479	-	-	59,479	51,651	1,126	-	52,777	6,702
2017	1,568,076	342,486	290,785	1,619,777	866,208	126,110	66,794	925,524	694,252
2016	1,456,365	250,662	138,951	1,568,076	855,572	121,760	111,123	866,209	701,867

4.2 The depreciation charge has been allocated to

	Notes	2017	2016
Cost of sales	22	89,033	85,442
Selling expenses	23	18,400	21,624
Distribution expenses	24	1,681	1,893
Administrative expenses	25	16,983	12,777
Intercompany		13	23
		126,110	121,760

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

Taka in '000						
Items	Cost or valuation	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposal	Particulars of purchasers
Plant and machinery	-	-	-	-	Co. policy	
	-	-	-	-		
Furniture, fixtures and equipment	3,422	2,085	1,337			
	3,422	2,085	1,337		Co. policy	Management Staff
Vehicles	71,374	64,709	6,665	28,512	Co. policy	Management Staff
	71,374	64,709	6,665	28,512		
2017	74,796	66,794	8,002	28,512		
2016	74,796	67,221	7,575	20,235		

5 Intangible Assets

5.1 The following is the statement of intangible assets

Taka in '000									
2017									
	Gross book value at cost / valuation				Amortization				Carrying
	Opening	Additions	Disposals/Transfers	Closing	Opening	Charged	Disposals	Closing	Value As at 31 Dec
At cost									
Computer Software	7,654	-	-	7,654	5,466	1,095	-	6,561	1,093
Acquisition of business	156	-	-	156	-	156	-	156	-
ERP Software	-	54,520	-	54,520	-	3,975	-	3,975	50,545
	7,810	54,520	-	62,330	5,466	5,226	-	10,692	51,638
Capital work-in-progress	21,567	32,953	54,520	-	-	-	-	-	-
2017	29,377	87,473	54,520	62,330	5,466	5,226	-	10,692	51,638
2016	7,810	21,567	-	29,377	4,373	1,093	-	5,466	23,911

5.2 As part of the global transaction between GSK Plc and Novartis AG, the Company has paid BDT. 156 (Taka'000) to purchase some significant portfolio vaccine business of Novartis Bangladesh according to the agreement between the Company and Novartis Bangladesh.

5.3 Capital work-in-progress represents cost of implementation of ERP which has been capitalised in 2017 as intangible asset.

		Taka in '000 As at 31 December	
	Notes	2017	2016
6 Inventories			
Finished products	39	399,227	345,985
Raw and packing materials		232,303	247,239
Work-in-process		117,663	74,887
Stores & spares		15,300	19,626
In transit - materials and stores		156,037	98,089
		920,530	785,826
7 Trade and other receivables			
7.1 The make-up of			
Trade receivables - unsecured		808,220	764,953
Intercompany receivables		56,676	46,285
House building loan to employees - current portion		1,895	1,411
Others		51,331	61,558
		918,122	874,208
7.2 Prepayments			
Suppliers		18,546	31,565
Employees		6,210	9,640
VAT		67,735	91,322
Security deposits		3,897	4,706
		96,388	137,233
		1,014,510	1,011,440
7.3 Others include interest accrued on investments - due			
- not due		-	-
		25,627	11,116
		25,627	11,116
7.4 These include aggregate amount due by the managers and officers of the Company			
		6,210	9,640
7.5 The maximum aggregate amount due by the managers and officers of the Company at the end of any month during the year			
		14,833	18,376
7.6 Other receivables realisable or adjustable after twelve months from the reporting date			
House building loan		3,317	4,575
Rental		714	575
		4,031	5,150

		Taka in '000 As at 31 December	
	Notes	2017	2016
8 Cash and cash equivalents			
Term deposits with scheduled commercial banks		3,034,986	1,837,332
Special Notice Deposit (SND) accounts with scheduled commercial banks		2,343	2,317
Current account with scheduled commercial banks		488,896	1,004,215
Cash in hand		197	641
		3,526,422	2,844,505
9 Trade and Other Payables			
9.1 The make-up of			
Trade payables		1,883,527	1,274,164
Expenses and other finance	9.3	473,981	422,525
Provisions	9.2	1,102,564	1,031,424
Unclaimed dividend		9,042	8,793
Capital expenditures		2,204	1,240
		3,471,318	2,738,145
9.2 These include the following items:			
Provisions for Contract Manufacturing		810,596	920,596
Provisions for Distributor's Claims		291,968	110,828
		1,102,564	1,031,424
<p>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.</p> <p>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.</p>			
9.3 These include the following items:			
Tax deducted at source		26,511	18,652
10 Current tax liabilities			
Opening balance		58,905	193,543
Provided during the year	32	247,456	206,352
		306,361	399,895
Paid during the year		(187,743)	(340,990)
Closing balance		118,619	58,905

11 Deferred tax liability

	Taka in '000 As at 31 December			
	Notes	Carrying amount on reporting date	Tax base	Taxable temporary difference/ (Deductible temporary difference)
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 expense/ (income) recognized in profit or loss	32			30,842
Deferred tax asset relating to items directly recognised in other comprehensive income				
Actuarial gain/ (loss) directly recognized in other comprehensive income		(29,912)	-	(29,912)
Applicable tax rate				25%
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the end of the year				(7,478)
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the beginning of the year (b)				(12,607)
Deferred tax income recognized in other comprehensive income				(20,085)
Net deferred tax (assets) / liability (a+b)				17,129
Year 2016				
Deferred tax relating to items of profit or loss				
Property, plant and equipment		492,565	394,020	98,545
Provision for gratuity		73,058	-	(73,058)
Net taxable temporary difference				25,487
Applicable tax rate				25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)				6,372
Deferred tax liability relating to items of profit or loss at the beginning of the year				11,719
Deferred tax income/ (expense) recognized in profit or loss	32			(5,347)
Deferred tax asset relating to items directly recognised in other comprehensive income				
Actuarial gain/ (loss) directly recognized in other comprehensive income				
Applicable tax rate				25.00%
Deferred tax asset relating to items directly recognized in other comprehensive income at the end of the year				
Deferred tax asset relating to items directly recognized in other comprehensive income at the beginning of the year				
Deferred tax income recognized in other comprehensive income (b)				(12,607)
Net deferred tax (assets) / liability (a+b)				(6,235)

		Taka in '000 As at 31 December	
	Notes	2017	2016
12 Dividends			
Shareholding details	16.3	Final for 2016	Final for 2016
12.1 Paid			
a. Setfirst Limited, UK			
GBP 4,228,177.74 [2016: GBP 3,024,963.07]		493,757	543,133
b. Investment Corporation of Bangladesh and Mutual Funds		79,816	70,641
c. General public		12,300	7,551
d. Sadharan Bima Corporation		3,822	4,204
e. Other local financial /securities companies		12,627	37,026
		602,322	662,555
12.2 Unclaimed - on account of Bangladeshi shareholders			
Prior year		1,541	1,769
Years prior to that		7,501	7,024
		9,042	8,793
13 Dividend per share			
The dividends for 2016 paid in 2017 were Taka 602,322.00 (Taka'000) (Tk 50.00 per share). A dividend in respect of 2017 of Taka 55 per share, amounting to a total dividend of Taka 662,554.70(Taka'000) is to be proposed at the 45th Annual General Meeting on 19th April, 2018. These financial statements do not reflect this dividend payable.			
14 Obligations under finance lease			
Amount payable under finance lease:			
Within one year		4,012	4,447
In the second to fifth years inclusive		3,356	7,281
		7,368	11,728
Less : Future finance charge		966	2,128
Present value of lease obligations		6,402	9,600
Less : Amount due for settlement within 12 months (shown under current liabilities)		3,288	3,285
Amount due for settlement after 12 months		3,114	6,315
The lease term is 5 years. For the year end 31 December 2017, the average effective borrowing rate was 15.28%. 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			
15.1 Gratuity		62,831	73,059
15.2 Net pension fund		(95,263)	(86,577)
		(32,433)	(13,518)

	Taka in '000 As at 31 December	
	2017	2016
15.1 Gratuity		
Opening balance	73,059	71,493
Provision made during the year	1,430	9,908
Paid during the year	(11,658)	(8,342)
Closing balance	62,831	73,059

This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire at the end of the year.

15.2 Pension fund		
Net pension fund		
Defined benefit obligation	365,381	368,895
Plan assets	460,645	455,472
Net funded status	(95,263)	(86,577)

The actuarial valuation of pension fund was carried out at December 31, 2015. The Projected Unit Credit Method, using the following significant financial assumptions has been used for the actuarial valuation:

	%	%
Discount rate	4.3	8
Expected rate of increase in salaries	7	7
Expected rate of return on plan assets	8	8

Movement in the present value of defined benefit obligation

Opening balance	368,895	364,995
Current service cost	17,622	16,320
Interest cost	15,862	29,200
Actuarial (gain)/ loss on obligations	-	-
Benefits paid	(36,999)	(41,620)
Present value of defined benefit obligation	365,381	368,895

Movement in the fair value of plan assets

Opening balance	455,472	395,666
Expected return on plan assets	19,585	31,653
Actuarial gain/(loss)	(29,912)	-
Contribution by employer	52,499	69,773
Benefits paid	(36,999)	(41,620)
Fair value of plan assets	460,645	455,472

Net actuarial gain/ (loss)

Actuarial gain/ (loss) on obligations	-	-
Actuarial gain/ (loss) on fair value of plan assets	(29,912)	-
Deferred tax on actuarial gain/ (loss)	(7,478)	-
	(22,434)	-

As per the last audited balance sheet of GlaxoSmithKline Bangladesh Limited Pension Fund as of 31 December, 2017, the total fund stands at Tk. 460,395 (Tk. '000) (2016: Tk. 414,663) (Tk.'000) represented by assets invested mainly in Treasury Bills.

		Taka in '000 As at 31 December	
		2017	2016
16 Share capital (Ordinary shares)			
16. 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:

	2017		2016		2017	2016
	% of Holdings	No. of Shares	% of Holdings	No. of Shares		
a. Setfirst Limited, UK	81.98	9,875,144	81.98	9,875,144	98,752.00	98,752
b. Investment Corporation of Bangladesh (ICB) & ICB Unit and Mutual Funds	13.25	1,596,324	13.22	1,592,762	15,963.24	15,928
c. General public	2.04	2,46,004	1.27	153,435	2,460.04	1,534
d. Sadharan Bima Corporation	0.63	76,437	0.63	76,437	764.37	764
e. Other local institutions	2.10	252,540	2.89	348,671	2,525.40	3,487
	100.00	12,046,449	100	12,046,449	120,465	120,465

16.4 Classification of shareholders by holding:

	Number of holders		Total holdings%	
	2017	2016	2017	2016
Less than 500 shares	1,089	1117	0.62	0.62
500 to 5,000 shares	77	80	1.01	1.01
5,001 to 10,000 shares	13	20	1.19	1.19
10,001 to 20,000 shares	6	1	0.12	0.12
20,001 to 30,000 shares	2	3	0.62	0.62
30,001 to 40,000 shares	3	2	0.59	0.59
40,001 to 50,000 shares	1	1	0.38	0.38
50,001 to 100,000 shares	2	2	1.43	1.43
100,001 to 1,000,000 shares	2	2	3.38	3.38
Over 1,000,000 shares	2	2	90.67	90.67
	1,197	1230	100.00	100.00

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

		No. of shares	
		2017	2016
Mr. Noor Mohammad	Director, Human Resources	1	10
Mr. Mahbubur Rahman	Director, Clinical R&D and Medical Affairs	2	2

		Taka in '000 As at 31 December	
		2017	2016
17 Reserves	Notes		
17.1 Revaluation reserve			
Opening balance		59,479	59,479
Adjustment made on account of disposal of revalued assets		-	-
Closing balance	4.1	59,479	59,479
The balance represents surplus arising from the revaluation of fixed assets carried out in 1978.			
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		2,445,240	2,400,693
Retained earnings include capital gain, net of tax of Tk. 191,491 thousand arising out of disposal of Bogra, Chittagong and Dhaka properties. This is not remittable until the Bangladesh Bank's restriction thereon is waived.			

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. 15 million.		25,362	8,052
Less than 1 year	24,779		
1 to 5 years	583		
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 honorable court.		10,800	10,800
d. There were no other claims against the Company not acknowledged as debts.		-	-
		37,035	19,725

20 Commitments

	2017	2016
a. Capital expenditure		
Contracted but not provided for in these accounts	12,572	277,661
Authorised but not contracted	215,250	62,539
b. L/C Outstanding	205,180	357,575
	433,002	697,775

21 Revenue

Items	Unit	2017		2016	
		Quantity	Taka in'000	Quantity	Taka in'000
a. Pharmaceuticals Local Market					
Tablets and Capsules	Million	754	583,154	675	589,886
Topicals	Tonne	297	685,812	256	613,289
Vials and Drops	Thousand	1,132	409,089	1,040	427,098
Oral Liquids	Kilolitre	221	150,256	163	113,515
Granules	Tonne	5	15,843	5	13,866
Inhalers	Thousand	698	255,452	680	278,034
			2,099,606		2,035,688
Export					
Tablet	Million	82	36,997	63	21,430
Granules	Tonne	1	2,756	1	2,734
			39,753		24,164
			2,139,359		2,059,852
b. Consumer Healthcare					
Powder	Tonne	8,214	4,334,624	7,700	4,040,700
Oral	Thousand	3,001	322,576	2,052	183,463
			4,657,200		4,224,163
			6,796,559		6,284,015

		Taka in '000	
		Notes	
		2017	2016
22	Cost of sales		
Cost of products manufactured:			
	Raw and packing materials consumed	41	
	Opening inventories		345,328
	Purchased during the year		2,845,391
			3,190,720
	Closing inventories		(399,227)
			2,791,493
	2,583,755		
Manufacturing expenses:			
	Salaries, wages and welfare		284,866
	Retirement benefit expense		8,977
	Fuel and Utilities		48,019
	Repairs and maintenance		95,586
	Insurance		1,837
	Depreciation and amortisation	4.2	90,128
	Rents, Rates and Taxes		861
	Travel and training		11,247
	Entertainment		1,015
	Motor running expenses		11,313
	Information and communication expenses		6,549
	Professional Fees and Consultancy fees		3,249
	Advertisement		68
	Conference and Seminars		28
	Office expenses		13,112
	Other Expenses		2,240
	Stores and spares consumed	41	9,900
			588,995
			3,380,488
	Opening inventory of work-in-process		74,887
			3,455,375
	Closing inventory of work-in-process		(117,663)
			3,337,712
	Opening inventory of finished products		345,985
	Cost of finished products purchased	40	896,082
	Finished products available		4,579,778
	Closing inventory of finished products	39	(399,227)
	Replacement, medical attention, and other issues		(19,499)
			(418,726)
			3,834,031
			4,161,052
			3,834,031

	Notes	Taka in '000	
		2017	2016
23 Selling expenses			
Salaries, wages and welfare		478,812	432,186
Retirement benefit expense		20,494	19,524
Repairs and maintenance		3,144	2,595
Insurance		2,281	1,827
Depreciation and amortisation	4.2	18,400	21,624
Rents, Rates and Taxes		31	-
Travel and training		84,670	99,336
Entertainment		505	625
Motor running expenses		12,962	13,938
Information and communication expenses		9,803	4,764
Professional Fees and Consultancy fees		84	1,888
Advertisement and promotion		753,655	796,061
Conference and Seminars		26,360	12,723
Office expenses		1,908	4,210
Professional Books		977	1,045
Other Expenses		603	599
Promo Support		(116,076)	(111,391)
		1,298,614	1,301,554

24 Distribution expenses

Salaries, wages and welfare		12,165	10,170
Retirement benefit expense		467	491
Repairs and maintenance		1,945	1,844
Insurance		100	350
Depreciation and amortisation	4.2	1,681	1,893
Rents, Rates and Taxes		14,271	11,130
Travel and training		375	238
Motor running expenses		296	92
Information and communication expenses		98	290
Professional Fees and Consultancy fees		6	126
Office Expenses		208	424
Other Expenses		450	10
		32,064	27,057

25 Administrative expenses

Salaries, wages and welfare		273,308	193,381
Retirement benefit expense		5,733	5,028
Fuel and Utilities		3,857	3,776
Repairs and maintenance		512	14,477
Insurance		2,177	4,276
Depreciation and amortisation		20,958	12,777
Rents, Rates and Taxes		41,490	41,051
Travel and training		13,955	13,168
Entertainment		560	408
Motor running expenses		7,476	5,702
Information and communication expenses		4,217	4,841
Directors' fee		200	200
Professional Fees and Consultancy fees		6,199	3,003
Advertisement		1,057	602
Conference and Seminars		3,654	881
Office expenses		5,055	4,219
Workers' Profit Participation Fund		49,874	44,503
Professional Books		250	-
Other Expenses		5,583	1,830
		446,116	354,122

	Notes	Taka in '000	
		2017	2016
26 Other income			
Profit on disposal of property, plant and equipment		20,356	19,820
Scrap sales and other income		5,823	(264)
		26,178	19,555

26.1 Scrap sales and other income include Forex gain/(loss)

27 Finance income and cost

Interest income on:			
Term deposit and special notice deposit		63,489	60,235
Housing loan to employees		407	382
		63,895	60,617
Interest expense on:			
Bank overdraft		-	(81)
Leasing		(1,187)	(1,785)
		(1,187)	(1,866)
Net finance income		62,709	58,751

28 Business segments information

	Note	Pharmaceuticals		Consumer healthcare		Total	
		2017	2016	2017	2016	2017	2016
Gross revenue - net of trade discount & commission		2,411,052	2,321,557	5,462,936	4,942,060	7,873,988	7,263,617
VAT		(271,693)	(261,705)	(805,736)	(717,896)	(1,077,429)	(979,601)
Revenue	21	2,139,359	2,059,852	4,657,200	4,224,164	6,796,559	6,284,015
Cost of sales	22	(1,732,960)	(1,674,621)	(2,428,093)	(2,159,410)	(4,161,053)	(3,834,031)
Gross profit		406,399	385,230	2,229,108	2,064,754	2,635,507	2,449,985
Assets and liabilities							
Segment assets (excludes cash and cash equivalents)		1,926,438	1,772,556	716,065	689,836	2,642,503	2,462,392
Segment liabilities (excludes tax liabilities)		629,321	500,655	2,771,049	2,138,834	3,400,369	2,639,490

The pharmaceutical business of the company is facing challenges from the operating environment. Despite these challenges, the Company has put in efforts with the aim of delivering consistent gross margin. The business will continue to consider options to drive shareholder value.

	Notes	Taka in '000	
		2017	2016
29 Auditors' remuneration			
Audit fee		600	600
Audit of provident, pension and workers' profit participation & welfare funds and special certifications		70	70
		670	670

30 Remuneration of Directors, Managers and Officers

30.1 The details

	2017			2016		
	Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
Remuneration	57,597	680,468	738,065	35,666	552,454	588,119
Housing:						
Rent	7,263	107,979	115,243	5,180	89,335	94,515
Utilities	943	7,563	8,506	1,102	10,463	11,565
	8,207	115,543	123,749	6,282	99,798	106,080
Contribution to retirement benefit scheme	812	35,559	36,371	1,071	32,515	33,585
Leave passage	657	14,792	15,450	626	11,403	12,029
Medical	275	18,161	18,436	53	24,085	24,138
Other	477	6,438	6,914	185	3,084	3,269
	68,024	870,961	938,985	59,315	583,519	767,221
Number	5	728	733	4	721	725

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

- Directors: The Managing Director and the expatriate Executive Director were provided with free furnished accommodation and a chauffeur driven full time vehicle. The other two (2016:two) Executive Directors were provided with a full time vehicle with a driver's costs and certain house furniture and equipment.
- Expatriate Managing Director joined in mid 2016, hence 2017 records full year remuneration payment. Additionally, in 2017 two expat directors' remuneration was paid during the transition period.
- Managers, in defined grades, are provided with full time car and certain house furniture and equipment.

31 Number of employees engaged

The Company employed 967 (2016:940) permanent employees and a varying number of casual and temporary workers as required. All permanent employees receive total remuneration in excess of Tk 36,000 per annum.

	Notes	Taka in '000	
		2017	2016
32 Income tax expense			
Current tax	10	247,456	206,352
Deferred tax	11	30,842	(5,347)
		278,297	201,005

32.1 Reconciliation of effective tax rate

	2017		2016	
	%		%	
Profit before Tax		947,601		845,558
Income tax using applicable tax rate	25.00%	236,900	25.00%	211,390
Factors affecting the tax charge for current year				
Non-deductible expenses and others		20,970		20,858
Prior year adjustment		(10,414)		(25,896)
Deferred tax (income)/Expense		30,842		(5,347)
Total Income Tax Expense	29.37%	278,297	23.77%	201,005

33 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 BAS-24: Related party disclosure.

Name of the party	Nature of transaction	Nature of relationship	Transaction value Taka in '000	Transaction value Receivable/ (Payable) Taka in '000
GlaxoSmithKline Services Unlimited, UK	Inter Company Services/Fees, Meeting, Training and Seminar	GSK Group Company	9,432	(2,998)
GlaxoSmithKline Biologicals S.A, Belgium	Import of finished products, promotional allowance & Service fee	GSK Group Company	320,057	24,303
GlaxoSmithKline Consumer Healthcare, India	Import of raw & finished products	GSK Group Company	1,018,716	(230,540)
GlaxoSmithKline Inc, Canada	Inter Company Services/Fees and Others	GSK Group Company	333	-
GlaxoSmithKline Pte Ltd., Singapore	Inter Company Meeting, Training and Seminar	GSK Group Company	72	-
GlaxoSmithKline Export Ltd., UK	Import of raw & finished products and promotional allowance	GSK Group Company	192,836	(14,446)
GlaxoSmithKline Trading Services Ltd, UK	Inter Company export sales	GSK Group Company	42,916	-
GlaxoSmithKline LLC, USA	Inter Company Services/Fees	GSK Group Company	6675	6675
GlaxoSmithKline Research & Development Limited, UK	Inter Company Services/Fees, Meeting, Training and Seminar	GSK Group Company	770	770
SmithKline Beecham Bangladesh (Pvt) Limited	Inter Company Services	GSK Group Company	-	(30,210)
Burroughs Wellcome & Co. (Bangladesh) Ltd.	Purchase of finished goods & Inter Company Services	GSK Group Company	165,055	191

33.1 Transactions with related parties were carried out on commercial terms & conditions and at prices agreed based on intercompany prices.

34 Earnings per share

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Taka in '000	
	2017	2016
Profit for the year	669,304	644,554
	No. of shares	
Weighted average number of ordinary shares	12,046,449	12,046,449
Basic and diluted earnings per share (Taka)	55.56	53.51

35 Value of imports - at C&F basis

	Taka in '000	
	2017	2016
Raw & packing materials	1,526,104	1,311,338
Capital goods	53,106	88,741
Stores & spares	10,357	7,378
	1,589,567	1,407,457

36 Consumption

	Note		2017	2016	
Raw & packing materials, and stores & spares	41	%			%
a. Imports - Raw & packing materials		75	2,087,763	1,988,191	77
b. Indigenous					
Raw & packing materials		25	693,830	595,564	23
Stores & spares		0.35	9,900	9,010	0.35
		25	703,730	604,574	23
		100	2,791,493	2,592,765	100

37 Expenditure incurred in foreign currency

	2017	2016
Foreign travel for the Company's business	11,864	16,503

38 Value of export business

	Foreign currency in '000s	
USD	321	165
GBP	73	105

39 Closing inventory of each class of goods produced or purchased (At cost)- Note-22

Items	Unit	2017		2016	
		Quantity	Taka	Quantity	Taka
a. Pharmaceuticals					
Tablets and capsules	Million	45	43,253	13	25,444
Topicals	Tonne	43.34	78,999	5	22,150
Vials and drops	Thousand	268.228	147,654	283	206,178
Oral liquids	Kilolitre	0.07	46,808	8	1,076
Granules	Tonne	1.06	2,828	0.33	877
Inhalers	Thousand	49.40	31,828	96	45,328
			351,370		301,052
b. Consumer Healthcare					
Powder	Tonne	180.38	25,297	76	21,267
Oral	Thousand	535.00	22,560	134	23,666
			47,856		44,933
			399,227		345,985

40 Finished products purchased (At cost)-Note-22

Items	Unit	Taka in '000			
		2017		2016	
		Quantity	Taka	Quantity	Taka
a. Tablets & capsules	Thousand	9,698	21,172	12,625	24,625
b. Topicals	Tonne	32	60,920	20	40,531
c. Injections	Thousand	477	410,696	627	415,845
d. Inhalers	Thousand	650	252,393	281	132,984
e. Oral	Thousand	3,017	150,900	903	122,567
			896,082		736,552

41 Materials consumed

Items	2017		2016	
	Quantity	Taka	Quantity	Taka
i) Pharmaceuticals				
a. Paracetamol powder	109,756 Kg	46,097	80,630 Kg	33,865
b. Betamethasone valerate	320 Kg	54,013	242 Kg	40,752
c. Griseofulvin powder	5,904 Kg	30,596	4,597 Kg	23,824
d. Other items individually below 10% of total consumption	Various	616,528	Various	547,081
Total Pharmaceuticals		747,234		645,522
ii) Consumer Healthcare				
a. Powder	5805 Tonne	1,426,022	5,272 Tonne	1,383,637
b. Other items individually below 10% of total consumption	Various	618,237	Various	554,596
Total Consumer Healthcare		2,044,259		1,938,233
		2,791,493		2,583,755
iii) Stores & spares				
Items individually below 10% of total consumption	Various	9,900	Various	9,010
	Total	2,801,393	Total	2,592,765

42 Installed capacity and actual production

Classes of goods	Unit	Annual installed capacity	Actual production	
			2017	2016
a) Pharmaceuticals				
Tablets and capsules	Million	1,320	874	702
Oral liquids	Kilolitre	615	207	149
Vials and drops	Thousand	1660	634	310
Topicals	Tonne	370	306	232
Granules	Tonne	50	9	7
b. Consumer healthcare				
Powder	Tonne	1,644	1,644	1,447

Licensed capacity is no longer enforced and the regulatory authority does not exercise any control over the production.

43 Financial risk management objectives and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company has also formed 'Risk Management & Compliance Board (RMCB)'.

The objective of the RMCB is to review and assess the quality and effectiveness of the risk management system and ensure that the risk policies are effectively managed and incorporated in the management structure of the Company. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirements and identification of foreseeable trends that could significantly impact the Company's overall business objectives.

43.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises 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:

	Taka in '000	
	2017	2016
Loans to employees	1,895	1,411
Advances to employees	6,210	9,640
Advances to suppliers	18,546	31,565
Security deposits	3,897	4,706
Trade receivables	808,220	764,953
Cash and cash equivalent	3,526,422	2,844,505
	4,365,190	3,656,781
The aging of trade receivables at the reporting date is as follows:		
Trade receivables		
Not past due	808,220	764,953
Past due 1-180 days	-	-
Past due more than 180 days	-	-
	808,220	764,953

To mitigate the credit risk against trade receivables, the company has a system of specific credit line period to the distributor. This outstanding period and amount are regularly monitored. The Company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

43.2 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			Carrying amount
	Less than 12 months	1 to 2 years	2 to 5 years	
Financial liabilities 2017				
Finance lease	3,288	3,114		6,402
Trade and other payables	3,471,318			3,471,318
Financial liabilities 2016				
Finance lease	3,285	3,289	3,026	9,600
Trade and other payables	2,738,145			2,738,145

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

43.3 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.

43.3.1 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:

	Foreign currency	Taka in '000	
		2017	2016
Trade and other receivables	USD	738	379
	GBP	92	89
Cash and bank balances	USD	270	249
	GBP	13	13
Trade and other payables	USD	3,383	2,632
	GBP	7	140

The Company did not experience 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)	1,860	1,615

43.3.2 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:

	2017	2016	2017	2016
	Effective rates %		Taka in '000	
Financial assets				
Term deposit	2.25%-4.00%	2.15%-3.20%	3,034,986	1,837,332
Financial liabilities				
Finance lease	15.28%	15.28%	6,402	9,600

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

43.3.3 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.

44 Comparatives

Previous year's figures and account titles in the financial statements have been rearranged and reclassified driven by change in ERP system as well as alignment to global chart of accounts of GSK, wherever necessary, for the purpose of comparison, without creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current year and ensuring compliance with accounting standards.

45 Events after the reporting period

Since the reporting period, there have been no material changes affecting the financial position of the Company.



Managing Director



Director



Company Secretary

Notice of Annual General Meeting

Notice is hereby given that the 45th Annual General Meeting of GlaxoSmithKline Bangladesh Limited will be held at Radisson Blu Chittagong Bay View, RDCH, SS Khaled Road Lalkhan Bazar, Chittagong on Thursday, 19th April 2018 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 2017 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend for the year ended 31st December 2017.
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 2018 and to fix their remuneration.
5. To approve the appointment of Independent Director as per Bangladesh Securities and Exchange Commission's Notification.

By order of the Board



.....
S.O.M. Rashedul Quayum
 Company Secretary

Dhaka, 27th February 2018

Notes:

1. Members whose name appeared in the Members/Depository Register as on "Record Date" i.e. 21st March 2018 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 in his/her stead. The Proxy Form must be affixed with revenue stamp of TK. 20 and deposited at the Company's Registered Office not less than 48 hours before the time appointed for holding the meeting.
3. Members are requested to provide their 12 digits e-TIN Certificate to their DP (for BOID number holders) and share department of the company (for Folio number holders) before the 'Record Date' with a view to update their records, failing which, income tax at source will be deducted from cash dividend @15% instead of @10% (for individual) as per income tax rules in force.
4. DP/Stock Brokers are requested to send the list of Margin Account Holders, if any, within 1st April 2018 to the company, 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.**

Contact Details

Corporate Office

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Gulshan:1, Dhaka1212
Phone- PABX: 880-2-9858870-75
Fax: 880-2-8826628,
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e-mail: gsk.bangladesh-info@gsk.com

Factory

Fouzderhat Industrial Area
North Kattali
P.O. Box-53, Chittagong 4217
Phone: 880-31-752071-78
FAX: 880-31-751051

Operated by Zuellig Pharma Bangladesh Ltd.

Chittagong

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Phone; (031)615883,621596

Maijdee

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Phone; (0321)62988

Comilla

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P.O. Box:99, Comilla-3500
Phone: (081)69132

Sylhet

3, Paira (2nd floor)
Darga Moholla
Sylhet-3100
Phone: (0821)720899

Jessore

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New town Housing Estate
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Jessore-7400
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Bogra

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Mymensingh

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Phone: (091)67577

Barisal

N. Hossain Complex
Police Line Road
P. O. Box-38
Barisal-8200
Phone: (0431)2173351

Rangpur

Shajeda Mahal
Civil Station Road
P.O. Box-05, Rangpur 5400
Phone: (0521)62757

Rajshahi

2, Kazi Hata, Greater Road
P.O. Box-04
Rajshahi-6000
Phone:(0721)770948

Khulna

252/3, Sher-E-Bangla Road
Khulna- 9000
Phone:(041)2834037

Proxy form

GlaxoSmithKline Bangladesh Limited

Registered Office: Fouzderhat Industrial Area
North Kattali, Chittagong
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 45th Annual
General Meeting of the Company to be held on Thursday the 19th April, 2018 and at any adjournment thereof.

Dated this day of 2018

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

(Signature of the Shareholders)
Registered Folio 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 45th Annual General Meeting of GlaxoSmithKline Bangladesh Limited being held at Radisson Blu Chittagong Bay View, Chittagong on Thursday 19th April 2018 at 11:00 a.m.

Full name of the Shareholder
(in block letter)
Signature

Full name of the Proxy.....
(in block letter)
Signature

Shareholder's Folio / BO No
(Please complete this and deposit at the registration counter on the day of the AGM)



GlaxoSmithKline Bangladesh Limited

Registered Office & Factory:

Fouzderhat Industrial Area
North Kattali
P.O. Box-53, Chittagong 4217
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