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Plot No. 23, Sector 22,
Korangi Industrial Area,
Karachi-74900

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sanofi-aventis Pakistan limited

**CONDENSED INTERIM
FINANCIAL STATEMENTS**
FOR THE SIX MONTHS ENDED
JUNE 30, 2017

(UN-AUDITED)



SANOFI



Contents

2	Company Information
3	Directors' Report to the Shareholders
5	Auditors' Report to Members on Review of Interim Financial Information
6	Condensed Interim Balance Sheet
7	Condensed Interim Profit & Loss Account
7	Condensed Interim Statement of Comprehensive Income
8	Condensed Interim Cash Flow Statement
9	Condensed Interim Statement of Changes in Equity
10	Notes to the Condensed Interim Financial Statements



Company Information

Board of Directors

Syed Babar Ali
Dr. Asim Jamal
Yasser Pirmuhammad
Syed Hyder Ali
Arshad Ali Gohar
Imtiaz Husain Laliwala
David Khougazian
Ana Arcos
Thomas Rouckout

Chairman
Chief Executive Officer
Chief Financial Officer

Company Secretary

Saad Usman

URL

www.sanofi.com.pk
www.sanofidiabetes.com.pk

Auditors

EY Ford Rhodes,
Chartered Accountants

Bankers

Citibank, N.A.
Deutsche Bank AG.
MCB Bank Limited.
Allied Bank Limited.
Habib Bank Limited.
National Bank of Pakistan.
Bank of Tokyo-Mitsubishi UFJ, Limited.
Standard Chartered Bank (Pakistan)
Limited.
Industrial & Commercial Bank of China
Limited.

Legal Advisors

Hashmi & Hashmi
Ghani Law Associates
Saadat Yar Khan & Co.

Registrars & Share Transfer Office

FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran,
Nursery, Block-6, P.E.C.H.S.
Sharah-e-Faisal, Karachi - 74000.
Tel. No: +92 21 34380101-5
Fax No: +92 21 34380106
URL: www.famco.com.pk

Registered Office

Plot 23, Sector 22, Korangi Industrial
Area, Karachi - 74900

Postal Address

P.O. Box No. 4962, Karachi - 74000

Contact

Tel: +92 21 35060221-35
contact.pk@sanofi.com



Directors' Report to the Shareholders

The Board of Directors of sanofi-aventis Pakistan limited is pleased to present the un-audited interim condensed financial statements of your company, for the half year ended June 30, 2017. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – "Interim Financial Reporting" and provisions of and directives issued under the Repealed Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

During the year, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the old law i.e. the Ordinance. The Act, through its promulgation has introduced many changes in presentation and disclosure in the financial statements. Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 17 of 2017 dated July 20, 2017 and press release dated July 20, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period closes on or before June 30, 2017. Hence, the condensed interim financial statements are prepared under the Ordinance.

The Company's net sales for the half year ended June 30, 2017 amounted to Rs.6,629 (2016: Rs. 5,716) million registering a growth of 16% over comparative prior period. The net sales of Company's pharmaceutical and vaccine businesses for the half year reached Rs.5,881 (2016: Rs. 5,344) million and Rs.611.4 (2016: Rs. 235.9) million respectively recording an increase of 10.1% and 159.1% over the comparative prior period. During the half year, exports to Afghanistan remained flat compared to prior period, to reach Rs. 137.0 (2016: Rs. 135.9) million.

The gross margin also improved during the half year ended June 30, 2017 compared to the corresponding period last year.

The distribution and marketing expenses during the half year reduced by 3.7%, over the comparative prior period, whereas administrative expenses for the same period increased by 33.7% mainly due to higher personnel cost, cost incurred on IT licenses as well as fuel cost partly offset by savings in travelling and security expenses.

Other operating cost for the half year increased over the comparative prior period mainly due to increase in net exchange losses by Rs.82.0 million, increase in statutory charges by Rs. 35.7 million as well as other expenses by Rs.16 million. Owing to reduction in debt levels and better cash flows, the Company managed to reduce its financing costs during the half year by 70.7% over the comparative period.

Profit after taxes for the half year increased by Rs. 370.05 million (152.6%) over the comparative prior period because of the reasons explained above.

During the half year the Company spent Rs.65.3 million (2016: Rs.87.5) million on capital expenditure and paid Rs. 281.1 (2016: Rs. 28.8) million in dividends.

The Company expects that growth of the pharmaceutical business during the year shall be aligned with the market growth of MNC's barring major unforeseen adverse events. The Company is also closely monitoring the legal and business implications of the cases against the Drug Regulatory Authority with respect to the pricing issues and will take necessary measures to ensure that appropriate representations are made to the concerned authorities in support of a pricing policy acceptable to the industry.

On behalf of the Board of Directors, we would like to acknowledge the hard work put in by all the employees of the Company.

By order of the Board

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

سنوئی۔ ایئرس پاکستان لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی کینی کے 30 جون، 2017 کو ختم شدہ ششماہی کے غیر آڈٹ شدہ عبوری فنانشل اسٹیٹمنٹس کو پیش کرتے ہوئے خوش محسوس کرتا ہے۔ ان فنانشل اسٹیٹمنٹس کی تیاری میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ - 34 ”عبوری فنانشل رپورٹنگ“ کی ضروریات اور منسوخ شدہ کمپیوٹرز آرڈیننس، 1984 (آرڈیننس) کے قواعد و ضوابط پر عملدرآمد کو یقینی بنایا گیا ہے۔ جہاں پر ضروریات مختلف ہیں، وہاں آرڈیننس کے تحت جاری شدہ ہدایات کے ضوابط پر عمل کیا گیا ہے۔

رواں سال کے دوران کمپنیز ایکٹ، 2017 (ایکٹ) 30 مئی، 2017 سے نافذ العمل ہو گیا ہے جس کے بعد پرانا قانون یعنی آرڈیننس منسوخ ہو چکا ہے۔ اس ایکٹ کے نافذ العمل ہونے سے فنانشل اسٹیٹمنٹس کی پیشکش اور اعلان کرنے میں متعدد تبدیلیاں رونما ہو چکی ہیں۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے مورخہ 20 جولائی، 2017 کو اپنے 2017 کے سرکھنمبر 17 اور مورخہ 20 جولائی، 2017 کی پریس ریلیز کے ذریعے ان کمپنیز کے فنانشل اسٹیٹمنٹس کی تیاری کے لیے ایکٹ کے اطلاق کو ملتوی کر دیا ہے، جن کا مالی سال، جمع ماہی اور دیگر عبوری دورانیہ 30 جون، 2017 کو یا اس سے پہلے ختم ہوتا ہے۔ چنانچہ ان عبوری فنانشل اسٹیٹمنٹس کی تیاری آرڈیننس کے تحت عمل میں آئی ہے۔

30 جون، 2017 کو ختم شدہ ششماہی میں کینی کی خالص سیلز میں 16% اضافہ ہوا ہے جو گزشتہ سال (2016: Rs. 5,716) ملین کے مقابلے میں اس سال Rs. 6,629 ملین تک پہنچ گئی ہے۔ فارماسیوٹیکل اور ویکسین برنس کے اعتبار سے مذکورہ ششماہی کے دوران خالص سیلز میں 10.1% اور 159.1% اضافہ ہوا ہے اس طرح یہ سیلز بالترتیب Rs. 5,881 اور Rs. 611.4 (2016: Rs. 5,344) ملین اور (2016: Rs. 235.9) ملین تک پہنچ گئی ہے۔ رواں ششماہی میں افغانستان میں فارماسیوٹیکل پروڈکٹس کی برآمدات گزشتہ سال اس عرصے کے مقابلے میں یکساں Rs. 137.0 (2016: Rs. 135.9) ملین رہیں۔

کینی کا مجموعی منافع بھی گزشتہ سال کے مقابلے میں اس سال 30 جون، 2017 کو ختم شدہ ششماہی میں بہتر رہا۔

گزشتہ سال کے مقابلے میں اس سال ختم شدہ ششماہی کے دوران ڈسٹریوشن اور مارکیٹنگ اخراجات میں 3.7% کی کمی ہوئی جبکہ انتظامی اخراجات میں اس دورانیہ میں 33.7% فیصد کا اضافہ ریکارڈ کیا گیا۔ جو بنیادی طور پر ملازمین کے مشاہرے، T.A. انسٹنس اور اینڈسٹن کے مد میں ہونے والے خرچوں میں اضافے جبکہ دیگر سفری اور سیکوریٹی اخراجات میں کمی کی بنیاد پر ریکارڈ کیا گیا۔

گزشتہ سال کے مقابلے میں مذکورہ ششماہی کے دوران دیگر آپریشنل خرچوں میں اضافہ ریکارڈ کیا گیا۔ جس کی بنیاد پر جوہات میں زرمبادلہ کے خساروں میں 82 ملین، اسٹوریج چارجز میں 35.7 ملین اور دیگر اخراجات میں 16 ملین روپے کا اضافہ شامل تھا۔ قرضوں کی سطح میں کمی اور بہتر کیش فلوی کی مدد سے کینی نے اپنے مالی اخراجات میں گزشتہ سال کے مقابلے میں مذکورہ ششماہی میں 70.7% فیصد کی کمی کی۔

مندرجہ بالا اسباب کی وجہ سے گزشتہ سال کے مقابلے میں اس ششماہی کے لیے بعد از ٹیکس منافع 370.05 ملین روپے (152.6%) اضافے تک جا پہنچا ہے۔

کینی نے ختم شدہ ششماہی کے دوران سرمایہ جاتی اخراجات کی مد میں 65.3 ملین روپے (2016: Rs. 87.5) خرچ کیے ہیں اور 281.1 ملین روپے (2016: Rs. 28.8) ملین روپے منافع منقسمہ ادا کیا ہے۔

کینی کو توقعات ہیں کہ اس سال کے دوران ملٹی نیشنل فارماسیوٹیکل برنس مارکیٹ کے اعتبار سے فروغ حاصل کرے گا لیکن کچھ نابدیدہ بڑے خطرات کا بھی خدشہ ہے۔ کینی ڈرگ ریگولیشن اتھارٹی کے ساتھ قیمتوں کے مسائل سے متعلق قانونی اور کاروباری اثرات کو بھی باریک بینی سے دیکھ رہی ہے اور ان مسائل پر قابو پانے کے لیے انڈسٹری کے لیے قابل قبول پرائنگ پالیسی کے حق میں متعلقہ حکام کے سامنے مناسب نمائندگی کو یقینی بنانے کے لئے ضروری اقدام کرے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے، ہم کینی کے تمام ملازمین کی انتھک محنت کو قدر کی نگاہ سے دیکھتے ہیں۔

بحکم بورڈ

Dr. Naveed

ڈاکٹر عاصم جمال
چیف ایگزیکٹو آفیسر

S. Iqbal

سید یار علی
چیرمین



Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of sanofi-aventis Pakistan Limited as at 30 June 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants
Engagement Partner: Khurram Jameel
Date: 24 August 2017
Place: Karachi.

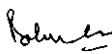



Condensed Interim Balance Sheet


As at June 30, 2017

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	Note	
Rupees in '000.....	
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	4 1,759,648	1,866,455
Intangible asset	723	873
	<u>1,760,371</u>	<u>1,867,328</u>
Long-term loans	6,311	6,186
Long-term deposits	13,643	13,643
	<u>19,954</u>	<u>19,829</u>
CURRENT ASSETS		
Stores and spares	5 49,519	48,808
Stock-in-trade	2,166,204	2,644,100
Trade debts	804,200	707,359
Loans and advances	92,431	73,517
Trade deposits and short-term prepayments	138,810	165,263
Other receivables	25,646	29,405
Taxation - payment less provision	1,247,819	1,212,703
Cash and bank balances	6 286,898	50,440
	<u>4,811,527</u>	<u>4,931,595</u>
TOTAL ASSETS	<u><u>6,591,852</u></u>	<u><u>6,818,752</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital		
Authorized	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up	96,448	96,448
Reserves		
Capital reserves	246,914	233,018
Revenue reserves	3,405,932	3,082,874
	<u>3,652,846</u>	<u>3,315,892</u>
	3,749,294	3,412,340
NON-CURRENT LIABILITY		
Long term financing	-	500,000
Deferred taxation	56,653	56,676
	56,653	556,676
CURRENT LIABILITIES		
Trade and other payables	2,598,189	2,168,257
Accrued mark-up	3,562	6,038
Short term borrowings	184,154	675,441
	<u>2,785,905</u>	<u>3,406,412</u>
CONTINGENCIES AND COMMITMENTS 7		
TOTAL EQUITY AND LIABILITIES	<u><u>6,591,852</u></u>	<u><u>6,818,752</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Dr. Asim Jamal
Chief Executive Officer


Yasser Pirmuhammad
Chief Financial Officer



Condensed Interim Profit and Loss Account

For the six months ended June 30, 2017 (Un-audited)

	Six Months Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Rupees in `000.....			
NET SALES	6,629,117	5,715,606	3,590,084	3,065,107
Cost of sales	(4,156,510)	(3,779,998)	(2,251,636)	(2,006,624)
GORSS PROFIT	2,472,607	1,935,608	1,338,448	1,058,483
Distribution and marketing expenses	(1,122,146)	(1,165,334)	(576,722)	(618,667)
Administrative expenses	(198,623)	(148,609)	(113,814)	(78,754)
Other expenses	(210,656)	(76,393)	(146,148)	(11,426)
Other income	27,616	17,342	14,567	9,476
	(1,503,809)	(1,372,994)	(822,117)	(699,371)
OPERATING PROFIT	968,798	562,614	516,331	359,112
Finance costs	(27,388)	(93,583)	(12,746)	(42,053)
PROFIT BEFORE TAXATION	941,410	469,031	503,585	317,059
Taxation				
- Current	(282,309)	(203,245)	(194,653)	(104,120)
- Prior	(46,723)	-	(46,723)	-
- Deferred	233	(23,231)	39,332	5,514
	(328,799)	(226,476)	(202,044)	(98,606)
NET PROFIT FOR THE PERIOD	612,611	242,555	301,541	218,453
BASIC AND DILUTED EARNINGS PER SHARE (RUPEES)	63.52	25.15	31.26	22.65

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer

Yasser Pir Muhammad
Chief Financial Officer



Condensed Interim Statement of

Comprehensive Income

For the six months ended June 30, 2017 (Un-audited)

	Six Months Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Rupees in `000.....			
Net profit for the period	612,611	242,555	301,541	218,453
Other comprehensive income	-	-	-	-
Items not be reclassified to profit and loss account in subsequent period				
Actuarial gain / (loss) recognized directly in equity	-	-	-	-
Related deferred tax	(210)	17	-	-
Total comprehensive income for the period	612,401	242,572	301,541	218,453

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer

Yasser Pir Muhammad
Chief Financial Officer

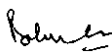



Condensed Interim Cash Flow Statement

For the six months ended June 30, 2017 (Un-audited)

	Note	June 30, 2017	June 30, 2016
	Rupees in `000.....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		941,410	469,031
Adjustment for non-cash charges and other items:			
Depreciation / amortization		167,329	162,194
Loss on disposal of operating fixed assets		286	384
Liabilities no longer payable-written back		-	1,170
Expenses arising from equity settled share based payment plans		13,896	13,401
Retirement benefits		38,248	34,923
Interest income		(13)	(23)
Finance costs		27,388	93,583
		<u>247,134</u>	<u>305,632</u>
		1,188,544	774,663
(Increase) / decrease in current assets:			
Store and spares		(711)	4,129
Stock-in-trade		477,896	(140,901)
Trade debts		(96,841)	361,470
Loans and advances		(18,914)	28,564
Trade deposits and short-term prepayments		26,453	38,337
Other receivables		3,759	9,814
		<u>391,642</u>	<u>301,413</u>
		1,580,186	1,076,076
Increase in current liabilities:			
Trade and other payables		401,885	224,024
Net cash generated from operations		<u>1,982,071</u>	<u>1,300,100</u>
Finance costs paid		(29,864)	(120,184)
Income tax paid		(364,148)	(318,071)
Retirement benefits paid		(18,447)	(34,923)
Long-term deposits and loans - net		(125)	53
Net cash generated from operating activities		<u>1,569,487</u>	<u>826,975</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(65,331)	(87,553)
Sale proceeds from disposal of operating fixed assets		4,673	6,648
Interest received		13	23
Net cash used in investing activities		<u>(60,645)</u>	<u>(80,882)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(500,000)	(670,000)
Short term borrowings		(500,000)	-
Dividends paid		(281,097)	(28,780)
Net cash used in financing activities		<u>(1,281,097)</u>	<u>(698,780)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>227,745</u>	<u>47,313</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		<u>(125,001)</u>	<u>(27,391)</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u><u>102,744</u></u>	<u><u>19,922</u></u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Dr. Asim Jamal
Chief Executive Officer

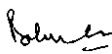

Yasser Pir Muhammad
Chief Financial Officer





**Condensed Interim Statement of
Changes in Equity**
For the six months ended June 30, 2017 (Un-audited)

	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up share capital	Long term liabilities forgone	Difference of share capital under scheme of arrangement for amalgamation	Other	General reserve	Unappropriated profit	
	Rupees in '000.						
Balance as at January 1, 2016	96,448	5,935	18,000	182,818	1,935,538	171,287	2,410,026
Employee benefits cost under IFRS - 2 "Share based payment"	-	-	-	13,401	-	-	13,401
Final dividend @ Rs. 3/- per ordinary share for the year ended December 31, 2015	-	-	-	-	-	(28,934)	(28,934)
Transfer to general reserve	-	-	-	-	100,000	(100,000)	-
Net profit for the period	-	-	-	-	-	242,555	242,555
Other comprehensive income for the period	-	-	-	-	-	17	17
Total comprehensive income for the period	-	-	-	-	-	242,572	242,572
Balance as at June 30, 2016	96,448	5,935	18,000	196,219	2,035,538	284,925	2,637,065
Balance as at January 1, 2017	96,448	5,935	18,000	209,083	2,035,538	1,047,336	3,412,340
Employee benefits cost under IFRS 2 - "Share based Payment"	-	-	-	13,896	-	-	13,896
Final dividend @ Rs. 30/- per ordinary share for the year ended December 31, 2016	-	-	-	-	-	(289,343)	(289,343)
Transfer to general reserve	-	-	-	-	700,000	(700,000)	-
Net profit for the period	-	-	-	-	-	612,611	612,611
Other comprehensive income for the period	-	-	-	-	-	(210)	(210)
Total comprehensive income for the period	-	-	-	-	-	612,401	612,401
Balance as at June 30, 2017	96,448	5,935	18,000	222,979	2,735,538	670,394	3,749,294

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Dr. Asim Jamal
Chief Executive Officer


Yasser Pirmuhammad
Chief Financial Officer



**Notes to the Condensed Interim
Financial Statements**
For the six months ended June 30, 2017 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1967 as a Public Limited Company. The shares of the Company are listed on Pakistan Stock Exchange. It is engaged in the manufacturing and selling of pharmaceutical and consumer products. The registered office of the Company is located at Plot 23, Sector 22, Korangi Industrial Area, Karachi.

2. BASIS OF PREPARATION

2.1 During the current period, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the Companies 1984. The Act through its promulgation has introduced many changes in presentation and disclosure in the financial statements. However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 17 of 2017 dated July 20, 2017 and press release dated July 20, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period closes on or before June 30, 2017.

Accordingly these condensed interim financial statements of the Company for the six months ended June 30, 2017 are prepared in accordance with the provisions of and directives issued under the repealed Companies Ordinance, 1984 and requirements of the International Accounting Standard 34 – “Interim Financial Reporting”. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016.

2.3 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2017 and June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2016 except as disclosed below:

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IAS 7 - Statement of Cash flows - Disclosure Initiative - (Amendment)
IAS 12 - Income Taxes – Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendments and improvements to accounting standards did not have any material effect on these condensed interim financial statements.

	(Un-audited)	(Audited)
	June 30,	December 31,
Note	2017	2016
Rupees in `000.....	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	1,665,842	1,703,331
Capital work-in-progress	4.2	93,806	163,124
		<u>1,759,648</u>	<u>1,866,455</u>

4.1 Operating fixed assets

Opening book value		1,703,331	1,842,490
Additions during the period / year	4.1.1	134,840	198,043
Disposals during the period / year	4.1.1	(4,958)	(12,534)
Depreciation charged during the period / year		(167,011)	(324,668)
		<u>1,665,842</u>	<u>1,703,331</u>



Notes to the Condensed Interim
Financial Statements
For the six months ended June 30, 2017 (Un-audited)

4.1.1 Details of additions and disposals are as follows

	Additions (at cost)		Disposals (at book value)	
	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016
.....Rupees in `000.....				
Building	26,756	11,351	-	-
Plant and machinery	89,024	104,738	-	-
Furniture and fixture	321	3,047	-	-
Factory and office equipment	10,568	39,440	4,914	714
Motor vehicles	7,811	39,467	44	11,820
	<u>134,480</u>	<u>198,043</u>	<u>4,958</u>	<u>12,534</u>

(Un-audited) (Audited)
June 30, December 31,
2017 2016
.....Rupees in `000.....

4.2 Capital work-in-progress

Building	10,717	11,222
Plant and machinery	69,763	125,610
Others	13,326	26,292
	<u>93,806</u>	<u>163,124</u>

5. STOCK-IN-TRADE

Raw materials	1,226,167	1,447,485
Work-in-process	68,802	64,145
Finished goods	1,094,213	1,362,251
	<u>2,389,182</u>	<u>2,873,881</u>
Provision against stock-in-trade	<u>(222,978)</u>	<u>(229,781)</u>
	<u>2,166,204</u>	<u>2,644,100</u>

6. CASH AND BANK BALANCES

Cash in hand	95	159
Cheque in hand	-	17,145
Bank balances in current accounts	286,803	33,136
	<u>(286,898)</u>	<u>50,440</u>

7. CONTINGENCIES AND COMMENTS

7.1 Contingencies

There is no material change in the status of contingencies as disclosed in note 19.1 to the annual financial statements of the Company for the year ended December 31, 2016.

7.2 Commitments

(Un-audited) (Audited)
June 30, December 31,
2017 2016
.....Rupees in `000.....

Commitments for capital expenditure	<u>9,788</u>	<u>67,848</u>
Post-dated cheques issued to Collector of Customs	<u>21,440</u>	<u>21,440</u>
Outstanding letters of credit	<u>232,418</u>	<u>57,196</u>
Outstanding bank guarantees	<u>315,503</u>	<u>352,498</u>
Outstanding bank contracts	<u>139,063</u>	<u>692,437</u>



**Notes to the Condensed Interim
Financial Statements**
For the six months ended June 30, 2017 (Un-audited)

8. OTHER EXPENSES

Include exchange loss amounting to Rs. 105,429 million (June 30, 2016: Rs. 23,404 million) arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of the associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period are as follows:

	June 30, 2017 (Unaudited)				June 30, 2016 (Unaudited)			
	Associates	Retirement Funds	Key management personnel	Total	Associates	Retirement Funds	Key management personnel	Total
Rupees in `000.....			Rupees in `000.....			
Sales	11,576	-	-	11,576	18,337	-	-	18,337
Purchase of goods	1,731,205	-	-	1,731,205	1,956,163	-	-	1,956,163
Purchase of services	8,623	-	-	8,623	9,267	-	-	9,267
Insurance claim received	6,736	-	-	6,736	-	-	-	-
Contribution paid								
- Provident fund	-	25,677	-	25,677	-	23,744	-	23,744
- Gratuity fund	-	9,563	-	9,563	-	19,637	-	19,637
- Pension fund	-	8,884	-	8,884	-	15,287	-	15,287
Remuneration of key management personnel	-	-	100,639	100,639	-	-	104,424	104,424

10. ENTITY WIDE INFORMATION

10.1 The Company constitutes a single reportable segment, the principle classes of products provided are pharmaceutical and vaccine products.

10.2 Information about classes of products - net sales

	(Un-Audited)	(Un-Audited)
	June 30, 2017	June 30, 2016
Rupees in `000.....	
Pharmaceutical	6,017,757	5,479,695
Vaccine	611,360	235,911
	<u>6,629,117</u>	<u>5,715,606</u>

10.3 Information about geographical areas - net sales

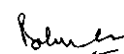
	(Un-Audited)	(Un-Audited)
	June 30, 2017	June 30, 2016
Rupees in `000.....	
Pakistan	6,492,129	5,579,731
Afghanistan	125,412	117,538
Others	11,576	18,337
	<u>6,629,117</u>	<u>5,715,606</u>

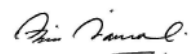
11. DATE OF AUTHORIZATION FOR ISSUE


These condensed interim financial statements were authorized for issue on August 24, 2017 by the Board of Directors of the Company.

12. GENERAL

Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.


Syed Babar Ali
Chairman


Dr. Asim Jamal
Chief Executive Officer


Yasser Pir Muhammad
Chief Financial Officer